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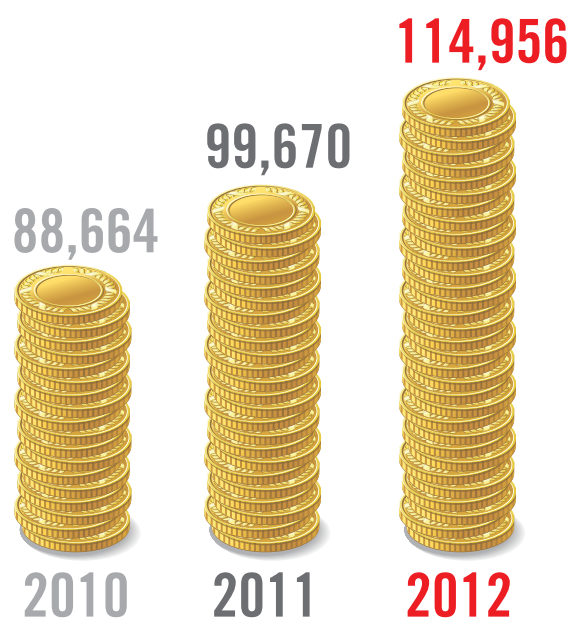
ANNUAL REPORT 2012

SIAM MAKRO PUBLIC COMPANY LIMITED

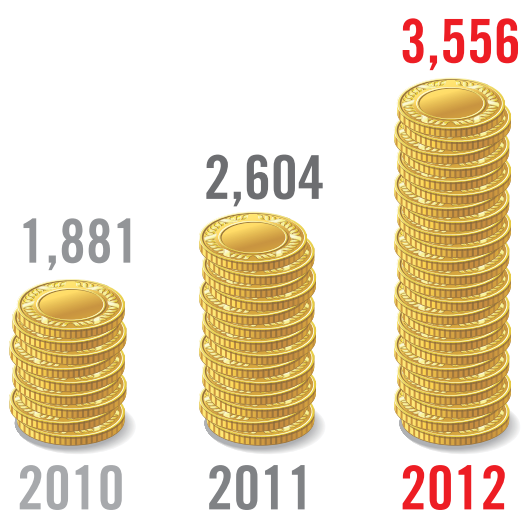


SUSTAINABLE GROWTH

2012 Total Consolidated Revenues
+15.3%
over 2011



2012 Net Profit
+36.5%
over 2011



2012 Total Assets
+5.8%
over 2011



CONTENTS

Message from the Chairman and Chief Executive Officer	10
Makro	12
Siam Frozen Shop	15
Operations Excellence	
• Customer Development	16
• Distribution & Logistics	17
• People Development	18
• Food Safety and Health & Safety	19
Corporate Social Responsibility	20
Makro HoReCa	24
Makro Retailer Alliance (MRA)	25
Food Service Companies	26
Company Profile	29
Financial Highlights	30
Audit Committee's Report	32
Management Discussion and Analysis	34
Industry and Competitive Environment	36
Looking to the Future	37
Risk Factors	38
History and Major Development	40
Other Information	42
Report of the Board of Directors' Responsibilities for Financial Statements	80
Financial Statements	81
Makro, Makro Foodservice, Siam Frozen, Siam Food Services and Vina Siam Food Locations	131

CORPORATE PHILOSOPHY



Keep Things Simple



Go for Niche and Market Share



Manage Change



Listen, Learn and React

Look for the Unusual



Growth through Performance



Invest in People





VISION

Makro, partner for your business...

Makro, partner for your business
providing the best solution to
Food Professional Customers
through complete range,
quality, price and services.





MISSION

To be the 1st Choice
Supplier to our Registered
Food Professionals



MESSAGE FROM THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER



Mr. Arsa Sarasin
Chairman



Mrs. Suchada Ithijarakul
Chief Executive Officer

Despite the devastating effects of the floods in late 2011, a fast recovery of the overall Thai economy were achieved throughout 2012 as a result of various Government economic stimulus measures and continuing public and private investments. Thailand's 2012 GDP growth is expected to be approximately 6.4%. Overall inflation was 3.0% and core inflation averaged 2.1%. Significant changes to the business environment have been in the operating cost elements such as a jump in minimum wages countrywide as well as labour associated cost, ongoing increases in energy costs and significant increase in insurance premium. This has resulted in increases in Makro's overall operational costs, although the reduction in corporate tax from 30.0% to 23.0% has helped mitigate some of the negative effects to the bottom line.

Makro has successfully developed a loyal customer base totaling more than 2.4 million as at the end of 2012 through various customer development projects and activities. These are done with an aim to enhance customer satisfaction by each customer group and to continue pursuing our mission, "To be the 1st Choice Supplier to our Registered Food Professionals". Throughout the year 2012, Makro continued developing services and offerings to our customers, focusing mainly on food retailers and food service professionals. Several promotional campaigns have been initiated to offer solutions to improve our food retailer customers' business. Additionally, the Makro Retailer Alliance (MRA) program continued with more regional presence to provide assistance to the small retailers.

With the development of the Food Service industry in Thailand, coupled with the strength of Makro's food product offerings, Makro has capitalised on such market trends to continuously grow its business to become a prominent player. To continue the development, a dedicated Food Service team has been set up to focus on effectively gaining deeper understanding and addressing Food Service Professionals' or HoReCa operators' requirements, to pursue product and service development, and

to build a platform to accelerate Makro's Food Service business growth. With this, the "Makro Food Service Academy" program has been initiated not only to facilitate the skills development of the team, but also to create organisation-wide awareness among management, with training conducted by experienced Food Services Professionals and award winning chefs. The aim of this is for the employees to effectively communicate with their target Food Service Professionals customers as well as to better serve them by developing more product offerings and value-added services.

In line with the Food Service development, new store formats have been developed and deployed, with each placing increased focus on food professionals. Such new store formats include the new 5,000 square meter (sq.m) Foodservice store, located in Hua Hin, which is dedicated to serving the various hotels, restaurants and food service operators in hospitality locations. Moreover a 1,000 sq.m store, which is located closer to the customers, has been launched in Patong, Phuket, in February 2013. In addition to new store formats, a new e-commerce sales channel, www.makroclick.com, has also been launched on a trial basis.

On the expansion side, in 2012 Siam Makro successfully opened 4 Makro Cash & Carry stores, 1 Makro Foodservice store and 3 Siam Frozen Shops. Additionally, the existing Makro Phuket store was renovated and expanded to accommodate increasing volume and to improve product offerings for both Food Retailers and HoReCa. Furthermore, a new overseas subsidiary, Vina Siam Food Co. Ltd., was established in Vietnam in October 2012 to operate Food Service business, supplying premium food products to the hotel and restaurant operators.

Makro continues to focus on achieving improved "customer intimacy" and customer loyalty through various internal and external CRM activities, together with on-going surveys, to enable Makro to more directly connect with and acquire valuable insights into our customers' requirements, preferences and buying decisions. Such knowledge can be used to develop product offerings and value-added services specifically tailored to the needs of the customer groups. Additionally, Makro's "Lovemark" CRM campaign, aimed at enhancing customer loyalty and satisfaction, have been continued throughout 2012 with ongoing in-store training program. Moreover, other proven CRM programs and activities continued to be conducted including the Retail Expo and Makro HoReCa Event.

On-going development, through training programs, of the skills and capabilities of its employees and succession planning continue to be of great importance to the success of Makro. During 2012, various development programs for management and high potential employees at both Head Office and Store

MESSAGE FROM THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

were carried out including the Star Program, Leadership Skills Development, Strategic Planning Management and many other cross functional skills development and training courses.

Makro also successfully rehabilitated and made further improvements to its Wang Noi Distribution Center (DC) facilities after only a few months of business disruption caused by the extensive 2011 floods. In support of the overall growth strategy, further internal improvements to the DC and logistics operations with regard to productivity, cost-effectiveness, food safety standards, and health & safety aspects have been undertaken during 2012. Moreover, a new smaller DC, dedicated to frozen food products, was strategically established in Nakhon Ratchasima. The aim of this second DC is to further enhance Makro's overall distribution capability of frozen food products to stores located in the Northeast provinces, as well as to serve as a Business Continuity measure in the event of a repeat of any disruptions to the main Wang Noi DC.

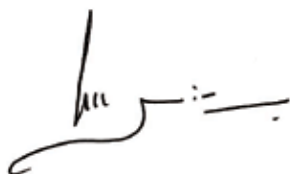
In the face of challenges, Makro has maintained a very positive business growth trend and overall performance during the year through various initiatives and the perseverance of our employees. For full year 2012, total consolidated revenues was Baht 114,956 million with net profit at Baht 3,556 million, an increase of 15.3% and 36.5% over 2011 respectively. Earnings per share in 2012 was Baht 14.82 compared to Baht 10.85 for 2011.

Although the GDP growth in 2013 is expected to be 4.5 - 5.5%, the main challenges will be in improving productivity and sustaining profitability amidst the government price control,

higher personnel and labour related costs and potential shortage of labour in the market. This, coupled with our continual pursuit of our mission, "To be the 1st Choice Supplier to our Registered Food Professionals", the management will continue to build even stronger foundation for the Company in order to ensure that Makro is well-positioned to take on future challenges in the increasingly competitive business environment and to achieve a sustainable business growth.

Despite the business-focused initiatives, Makro never loses sight of our commitment to society. We will continue to support the small retailers through our MRA program to improve their competitiveness in the current market environment. We will also continue to support and participate in the Royal Initiated and Agricultural Development Projects, like the Puparn Royal Development Study Centre, where we shared our knowledge with the farmers on how to effectively market their products as well as distributed their products in our stores.

Lastly, we would like to thank our customers for their continuing valued loyalty and patronage, as well as our business partners, Shareholders and Directors for their trust, cooperation and ongoing valuable support. We also especially wish to express our great appreciation for the dedication and commitment of the management team as well as of all our employees, whose valued contributions have enabled Makro to achieve the significant milestones and the positive position to date, upon which Makro can further develop a sustainable and successful business.



Mr. Arsa Sarasin
Chairman



Mrs. Suchada Ithjarukul
Chief Executive Officer

MAKRO



For over 20 years Makro has been successful in operating its business, targeting professional customers throughout Thailand with a primary focus on Small Retailers (or “Sho Huay”). Makro’s success has been based on sustained development of its core Cash & Carry business for its Small Retailers with ongoing product development, customer development and continuous internal improvements to be able to maintain both its price competitive offerings and comprehensive products range. With the increasing out-of-home eating, growing middle class and increasing number of international tourists, the Food Service Industry has been expanding in recent years and this has a positive impact on the development of HoReCa (Hotels, Restaurants and Catering) customers. This has prompted Makro to increase its emphasis on the Food Service Professionals to capitalise on such developments and to further strengthen the product offerings for this group of customers in order to continuously increase the market share.



As at the end of 2012, Makro business operates through 57 stores located nationwide with a total selling area of approximately 443,000 square meter (sq.m). Each store, with selling areas ranging between 5,000-12,000 sq.m, depending on the size of the catchment area and the main target customer groups, is designed to serve professional customers. The majority of the selling space is dedicated to food products, with both product selection and displays being tailored to the requirements of various categories of professional customers. The core Makro customers consist of the following groups:

Small Retailers: They are small traditional retailers selling basic consumer goods, which are located throughout the country. Examples include general grocery stores, as well as community mom & pop stores (“Sho Huay”), minimarts, stationery shops, etc.



HoReCa: They are Hotels, Restaurants and Catering businesses as well as small food stalls or street vendors, the majority of which are small to medium food service operators serving a wide range of cuisine. This group of customers is being served by not only Makro stores, but also Siam Frozen Shops and Siam Food Services (SFS).

Services: They are service businesses and government organisations, including corporate and government offices, schools, hair salons, printing shops, laundry shops, tour operators and other general services providers.



Towards a customer centric business

Siam Makro has made a strategic initiative in becoming more customer centric in order to improve customer satisfaction and loyalty in support of the overall objective of “Makro, partner for your business providing the best solution to food professional customers through complete range, quality, price and services”. Such a vision requires an evolving business model that is centered on satisfying the respective requirements of

professional customers with particular focus on the Small Retailers and the Food Service Professionals, by having varied store formats, together with on-going development of a more comprehensive products range, activities and services.

Makro continues to cater to the Small Retailers through further enhancements of its Cash & Carry concept. This is achieved through improvements to the products range as well as through various CRM activities designed for this target customer group, such as organising various promotional campaigns, providing retail knowhow and advisory services in order to improve their competitiveness. Additionally, Makro has implemented various ongoing operational cost efficiency measures that will enable Makro to remain a low-cost and value for money Cash & Carry business operator.



Recognising the growing potential of the Food Service Industry, Makro aims to increase its penetration into this industry. In order to accelerate this, a dedicated Food Service Commercial team has been set up, together with hiring of food specialists, to focus on addressing the Food Service Professionals' requirements, to pursue continual enhancement of products and services and to build a platform for accelerating Makro's Food Service business growth. This has entailed further development of new store formats including Makro foodservice store and Siam Frozen Shop and the development of a comprehensive products range, with the aim of enabling Makro to offer Food Service business “solutions” to address the specific needs of this target customer group.





- Makro foodservice Store, Patong, Phuket, located only 10 minutes from Patong Beach, one of the top tourist location in the region.

Makro foodservice store

A key initiative has been the development and launch of a new store concept, the foodservice store. In January 2012, this 5,000 sq.m pilot store was inaugurated in Hua Hin, where there is an extensive base of food service operators ranging from small food vendors, medium-sized restaurants as well as medium and large hotels. This new store format is fully dedicated to the food service operators and is positioned to be a “one stop food service operators-friendly shopping destination”. Its offerings include various products that are specific to food service businesses, including a comprehensive range of fresh and frozen food products, dry food products, and other specialty food and non-food products together with a range of food preparation equipment, cooking utensils, serving wares and various hotel amenities. This new store concept has performed in accordance to the expectation as evidenced by positive feedback from the customers and, most importantly, its good results for the first year of operation.

Besides the foodservice store in Hua Hin, a smaller version with 1,000 sq.m selling space has been developed. The main concept of this new store format is to be closer to the customers and supply food ingredients needed for daily use in the kitchen for common cuisines. The pilot store was launched in February 2013 at Patong, Phuket, which is one of the top tourist destinations in the region, with the aim of serving the ever-growing tourism industry in that area.

Assortment and Price Competitiveness

A critical aspect of the Commercial team is to develop as well as maintain a solid and good working relationship with Makro’s suppliers. Achieving such business partnerships with suppliers has resulted in Makro being able to maintain a cost-effective products supply chain, together with a wide range of product offerings, inclusive of numerous well-accepted “house brand” products that offer optimum value at very competitive prices. Thus, the end result is increased customer loyalty, which, in turn, will facilitate sustained revenues growth and improved gross margins that contribute towards the overall improved year-on-year financial results required to meet the need for continuing business expansion by Makro.

Store Renovation

In line with the customer centric concept, it is important that not only product offerings and pricing are in line with customers’ requirement but also the stores have to provide a safe and pleasant environment to ultimately improve customer satisfaction. Therefore the Company has continuously invested in the renovation of the old stores in order to improve customer touch points as well as safety features such as improving car parking area and customer toilets, replacing old freezers, installing high rack barriers, etc. Besides the customer driven objective, some of the improvements were driven by the sustainability objective such as installing more energy efficient lighting systems and store equipment.

SIAM FROZEN SHOP

The Siam Frozen Shop concept was part of Makro's store formats development initiatives. This new store format, first launched in late 2010 in Chiang Mai, is dedicated to offering a wide range of frozen food products together with selected basic dry food products, mainly targeting HoReCa business operators.

Its core objective was to become an additional sales channel that is closer to places where the customers buy product for their business use or closer to their business establishment. This will provide customers with easier access to quality frozen products and fulfill their requirements.

A second Siam Frozen Shop was opened in Udon Thani in 2011. As a result of the degree of positive customer acceptance achieved since then, 3 new Siam Frozen Shops were added during 2012 in Thung Song (Nakhon Si Thammarat), Nakhon Ratchasima and Si Racha (Chonburi).



- Siam Frozen Shop, a source for quality frozen product located closer to customers' business.

OPERATIONS EXCELLENCE - CUSTOMER DEVELOPMENT



- The “Lovemark” campaign was officially launched to Makro’s customers in February 2013.

Continuing customer development, initiatives are being implemented to support Makro’s ongoing strategy to diversify its customers base and to further enhance its product categories and assortment. This is to fulfill the varying requirements of the professional customers, with particular focus on Small Retailers and Food Service Professionals.

Makro continues to focus on achieving improved “customer intimacy” and customer loyalty through various internal and external CRM activities, together with ongoing use of a specially developed customer database as well as customer satisfaction surveys. These surveys and marketing communications are aimed at enabling Makro to more directly connect with and acquire valuable insights into its targeted customers’ requirements, preferences and buying decisions. Such firsthand knowledge can then be used to develop more

specific customer-focused offerings and marketing activities with regard to delivering improved product offerings and other value-added services together with more specifically tailored CRM initiatives to meet the needs of the target customer groups, that now totals more than 2.4 million.

Additionally, Makro’s “Lovemark” CRM campaign, aimed at enhancing the service-mindset of store staffs, continued throughout 2012 with ongoing in-store training programs. The “Lovemark” campaign was officially launched to Makro’s customers in February 2013. Other new marketing communications and sales channels have also been developed, including a social media channel and a pilot e-commerce portal, www.makroclick.com, for Makro members.



OPERATIONS EXCELLENCE - DISTRIBUTION & LOGISTICS



Following the extensive flood damages impacting several stores and especially to the Distribution Centre (DC) located at Wang Noi, Makro's DC operations returned to its basic operational capacity within 1 month. This was due to speedy proactive actions and great coordination among our staff and logistics service provider as well as through the close cooperation received from many key suppliers. Since then, as part of post-flood facility repairs and improvements, various external and internal protection measures against future floods have been implemented such as installing flood walls and raising the storage levels of all critical equipments and inventories.

Additionally, a new smaller DC, dedicated to frozen food products, was established and strategically located at Nakhon Ratchasima, in Northeastern Thailand. The aim of this second DC is to enhance Makro's overall distribution capability for frozen food products to stores located in the Northeast provinces as well as to serve as a Business Continuity measure in the event of a repeat of any disruptions to the main Wang Noi DC.

In 2012, Makro initiated a trial in delivering ambient products by 45 feet trailers in order to improve delivery efficiency and to pursue our sustainability objective. These bigger trailers provide up to 18% more loading capacity per trip. As a result, less trips were required and less fuel were consumed to distribute Makro products to our stores nationwide. With this success, the full scale operation will be rolled out in 2013.

All these activities will enable Makro to more effectively serve its growing customers base, through having the fullest logistics and distribution flexibility possible in the event of any potential business disruptions. It will also support Makro's future logistics and supply chain requirements as well as enhance value creation in line with ongoing business expansion plans for 2013 and beyond.



OPERATIONS EXCELLENCE - PEOPLE DEVELOPMENT

Ongoing development of the skills and capabilities of its employees, through a combination of both in-house and external training programs, continue to be of great importance to the success of Makro. Also of equal importance is having in place an effective succession planning process, in order to ensure Makro has a pipeline of well-qualified and capable people to meet the ongoing human resources required to support its future business expansion plans.

Makro has developed a HR Roadmap, comprising of various initiatives relating to people development and human resources management activities, talent management programs for key individuals and sound succession plans for many senior management positions. The primary objective of this HR Roadmap is to effectively support Makro's aspiration to be "the Employer of choice" in the Retail Industry sector and, as important, to fully align the Company's people development activities with the Company's strategy.

During 2012, various training courses were conducted for functional training, management development, talent management and specific skills. In order to improve skill level of store staff, many functional skills training courses and "train-the-trainers" programs on topics such as store operations, display management, cold chain management, fresh food handling, etc. were conducted at the three in-store training centers (Store of Learning) located at selected Makro stores. The management development program was conducted, in cooperation with the SASIN Graduate Business School, for middle-level and senior-level management. The Leadership

Skills Development program was undertaken to develop and prepare Store General Managers and Senior Managers to take on higher levels responsibilities, while a Strategic Planning Management program was conducted for senior-level management, in anticipation of the strategic business model evolution over the next few years. Additionally, Star Program, an in-house management development program continued to be conducted to prepare store management staff for future promotions as Store General Managers. For talent management program, high potential employees and senior-level management were sent for overseas training courses that are especially designed for Makro executives. Additionally, specific skill training courses such as English Program, Food Service Academy, etc. were organised throughout the year.

The Makro "Food Service Academy" program has been initiated to facilitate the skills development required by key management staff as well as the Food Service business and commercial teams, so that they will be able to effectively communicate and connect with their target Foods Service Professional customers as well as serve them by developing more product offerings. This training program was conducted by experienced food services professionals and award winning chefs.



- Food service skill development for Makro staff conducted by experienced food service professionals as part of Makro's pursue to be a 1st choice supplier to food professionals.

OPERATIONS EXCELLENCE - FOOD SAFETY AND HEALTH & SAFETY



Makro continues to give importance to high food safety standards in all its stores and other supporting facilities as well as high standards of personnel health & safety. All Makro stores and facilities have obtained the applicable food safety and health & safety certifications such as GLP, Q Mark, Food Safety, HACCP and GMP Codex. Additionally, selected stores located in areas with Muslim communities also obtained Halal certification for its butchery and fresh meat products.

Makro's "Quality Pro" initiative is part of ongoing close collaboration with the Ministry of Agriculture and the Ministry of Health as well as selected food service professionals. Its primary objective is to ensure that all fresh meats or fresh fruits and vegetables supplied under this program are organically

produced, doesn't contain any chemical residues and that the farming process is controlled to effectively protect the sustainability of the environment. Most importantly, such fresh food products are to be consistently of the best quality in terms of appearance and taste. Currently, this program includes special grade fruits such as Japanese melons, golden bananas, Dutch papaya and local mangoes. They are being sold through all Bangkok stores and selected stores in tourist areas and already attracted many loyal customers like hotels and hospitals, who require good quality fresh products.

Additionally, high standards of health & safety for its staff are embedded in all operational aspects at Makro stores and facilities with continuous health & safety training courses being held throughout the year. A set of clearly defined health & safety KPIs are established whereby a scorecard system, applicable for each individual staff and each store, is used in combination with a system of rewards or punishments to encourage full compliance to these standards.



HACCP



CORPORATE SOCIAL RESPONSIBILITY



- Quality organic products from the Royal Initiated Agricultural Projects, being sold in a special zone at the 7th HoReCa 2012 Event, in September 2012.



- Marketing knowhow seminars and workshops for local community small retailers.



- “Khao Hang”, quality organic brown rice grown at the community based Puparn Royal Development Study Centre, Sakon Nakhon province.

One of Makro’s core operating policies is to give back to society through actively participating in the ongoing social and economic development of the many local communities in which Makro stores operate as well as operating its business with respect to the environment via our sustainability projects.

As such, Makro has continued to be involved in and proactively support various Royal Initiated Projects via knowledge sharing and product distribution in Makro stores nationwide. Under the coordination of The Office of His Majesty’s Principal Private Secretary, Makro is actively involved with a community based Puparn Royal Development Study Centre, Sakon Nakhon, in promoting know-how relating to proper packaging, marketing and distribution of selected quality farm products among the participating farmers. Makro also assists farmers to sell surplus

supplies of brown rice through its stores. In future, Makro plans to work with these farmers, and collaborate with Makro’s suppliers, in development of black chicken, black pigs and black cows as well as in the processing and packaging of these fresh meat products, which would then be sold at selected Makro stores. Such involvement will continue, and from the success of the Puparn Royal Development Study Centre, similar projects will be undertaken with other Royal Development Study Centers. Additionally, Makro has also entered into an agreement with a Lampang cooperative to sell their quality pineapples at Makro stores.

CORPORATE SOCIAL RESPONSIBILITY

Apart from the above CSR-related activities for local communities, Makro also assisted Thai chefs by providing sponsorships to compete in both local and international culinary competitions in order to support the advancement of Thai Food Service industry. The winning Thai chefs at the Makro HoReCa 2011 Event was sponsored to receive further training and then to compete at the regional event in Food & Hotel Asia 2012 in Singapore, winning a silver medal. Makro also sponsored the Thailand team of four professional chefs to compete at the IKA Culinary "Olympics" 2012 in Germany, winning 4 gold medals.

Additionally, Makro supported and supplied local Thai chefs with various food ingredients from local Makro store to use in the Pattaya Food & Hotelier Expo 2012 culinary competition. Lastly, Makro also continues to closely collaborate with the Thai Restaurants Association and the Thai Culinary Academy to continuously promote Thai chefs and Thai cuisine.



- Winner of the HoReCa 2011 Event cooking competition, sponsored by Makro to represent Thailand in the culinary competition at the "Food & Hotel Asia 2012" in Singapore.



- Makro sponsored Thailand National Team to compete in "IKA Culinary Olympics 2012" in Germany.

CORPORATE SOCIAL RESPONSIBILITY



Also during the year, Makro has undertaken other community-based CSR projects throughout the country. One of which is the continuation of the “Unleaded Thai Noodle Pot, Thai Strong, Thailand Strong” campaign in collaboration with local Rotary Clubs and our business partner, Satien Stainless Steel Plc. (the manufacturer of Zebra brand stainless steel cookware). Under this campaign, local noodle vendors can exchange, at selected Makro stores, their old noodle pots for brand new lead-free stainless steel noodle pots to help reduce potential health hazards from old noodle pots that may be contaminated with lead residues. During 2012, this campaign was conducted in Bangkok, Chiang Mai, Songkhla and Udon Thani.



- Makro members exchanging old noodle pots for new ones under the “Unleaded Thai Noodle Pot, Thai Strong, Thailand Strong” campaign.



CORPORATE SOCIAL RESPONSIBILITY



- Makro, in collaboration with business alliances, built new school building and donated learning material to Baan Krua School, Saraburi.



Further, as part of assisting local community development and education activities during 2012, by combining our donation with funds received during the floods last year from various cooperative donation campaigns by Makro customers, in conjunction with the Office of the Basic Education Commission, Ministry of Education, Makro donated school equipments and other essential items to various flood-affected schools located in Pathum Thani, Phra Nakhon Siayutthaya, Lop Buri and Nakhon Sawan. Moreover, Makro, along with Makro's members and major business alliances, in collaboration with Puen Silapin Foundation, built a new school building for Baan Krua (Cement Thai Songkroh) School in Saraburi as well as donated school furniture and computers. Additionally, donation was made to Thammasat Hospital to renovate its Children Medical Center that was damaged during the flood.

Similarly, Makro continues its focus on other global environmental protection and sustainability related initiatives, in cooperation with both the Retail Industry and related Government agencies as well as in its own operations. These activities include the "Think Green" initiative that encourages and promotes non-food products manufacturers to be more mindful of environmental issues in the manufacturing of their products i.e. making more use of more environmental friendly and safer plastic packaging or the actual products themselves. In the near future, Environmental Protection and Sustainability Safeguards standards will be defined and certifications will be awarded to those manufacturers who fully comply with them.



- Donating brand new desks and chairs to various schools to replace those damaged by the 2011 floods.

In the Makro stores, various energy-savings and energy-efficient initiatives relating to the facilities lighting, refrigerated storage and all air conditioning systems and improved food waste and waste water management processes have been implemented to date. Additionally, the "3-R program", initiated in 2012, will be fully implemented during 2013 to promote the "reduce, reuse, recycle" of all types of wastes, which will significantly improve wastes management and energy usage within Makro's operations.

MAKRO HoReCa



- The 7th Makro HoReCa organising team expressed their appreciation to the business alliances for their support that contributed to the success of the event and attracted a large number of visitors.

Following the successes of previous events, Makro continued to organise the annual Makro HoReCa event for the 7th time in 2012. This event is designed to increase customer awareness of Makro's expertise and strengths in the food service industry as well as to reinforce Makro's mission "To be 1st Choice Supplier to our Registered Food Professionals".

The Makro HoReCa 2012 event was held again at Impact Arena, Muang Thong Thani, Bangkok in September, under the theme of "Innovating Business with Universal Concepts" with the aim of creating potential business opportunities for its Food Service Professional customers in anticipation of the imminent establishment of the ASEAN Economic Community (AEC) in 2015. During the 4 day event, the Makro HoReCa

2012 attracted approximately 50,000 food service operators and general public. This reinforces Makro's well-established leadership position within the integrated food services business.

Again, the Makro HoReCa 2012 event featured cooking demonstrations professional chefs, together with various culinary seminars and workshops. Various new value-added services available from Makro were also introduced at this event, while many of the 270 Makro's business partners and supplier's booths exhibited various food products and ingredients as well as cooking utensils or equipments. It also showcased a cooking competition, with the winner receiving a trophy graciously awarded by HRH Princess Soamsavali and being nominated to compete at the next Food & Hotel Asia event.

MAKRO RETAILER ALLIANCE (MRA)

2012 marks the fifth year of the Makro Retailer Alliance (MRA) program. The objective of this program is not only to prolong the business life-cycle of small retailers but also to grow their businesses by providing both retail management knowledge and commercial tools required to increase their competitive edge amidst changing consumer behaviours and the competitive retail landscape.

The MRA program has proven to be successful, as a significant percentage of MRA members have greatly benefited from MRA activities and promotions events undertaken in cooperation with key suppliers as well as various training workshops and seminars held at MRA Center located at the Makro Ladprao store. This is evidence from the fact that MRA memberships continue to grow year by year, totaling over 10,000 in 2012.



- Regional Retail Expo, another activity that helps to enhance the competitiveness of Small Retailers.

In addition to the above activities, Makro continued to organise the University Project in collaboration with key suppliers and more than 50 local universities. The aim of this project is to create awareness of small retailers among the university students and provide them with exposure to real-life business experience. Under this project, local university students in many local communities will be taught retail management knowledge by Makro staff and also given the opportunity of assisting and becoming involved in small retailer shop improvement projects. Over the past four years, more than 10,000 students have participated in this program.

Due to the late 2011 flood impacts on many MRA members' stores and key suppliers, it was decided not to undertake the national Retail Expo in 2012. However, in order to continue



promoting the development of small retailers, three regional Retail Expo events were held at Makro Ladprao (Central region), Makro Chiang Mai (Northern region) and Makro Udon Thani (Northeastern region) during the year. These events included various CRM activities, seminars on retail knowledge by famous speakers, as well as key suppliers showcasing their products and retail business equipment. In 2013, a national Retail Expo event was held in March as a result of an overwhelming demand from both customers and suppliers.

Due to the success of the main MRA Center located at Makro Ladprao in Bangkok, additional mini-MRA Centers were established at Makro Chiang Mai and at the recently launched Makro Bang Phli in Samut Prakan. The objective of these expansions is to bring the MRA program closer to the small retailers in upcountry who might need assistance on how to improve their businesses on a sustainable basis.

FOOD SERVICE COMPANIES



Siam Food Services

Siam Food Services Ltd. (SFS), a fully owned subsidiary of Siam Makro, is well-positioned to be the first-choice B2B provider of premium products, related services and various solutions to the food services and hospitality industry. The Company is a leading marketer of imported quality food products to the HoReCa segment of the food services industry, especially 4-star and 5-star hotels, Full Service Restaurants (FSR), catering service operators and major Quick Service Restaurant (QSR) chains that are located in Bangkok and other major tourist destinations throughout Thailand.

Apart from the Head Office, located in central Bangkok, there are three regional branch operations located in Pattaya, Ko Samui and Phuket. The Phuket sales office, which is now relocated next to the newly expanded Makro Store, has been upgraded to be a full-service branch with its own cold storage, logistics, sales and administrative staff facilities, so that SFS can more



effectively serve and penetrate the fast expanding hotel and restaurant businesses located in Phuket as well as in other nearby Andaman tourist destinations.

The overall Thai tourism market recovered quickly from the impacts resulting from the extensive year-end floods in 2011, with total full year 2012 international tourist arrivals of 22.3 million, a growth of 16% year-on-year. However, the overall inbound tourists profile has changed significantly with a decline in the proportion of the traditional Western European travelers, who tend to dine in at hotel F&B outlets and premium restaurants. These high spending tourists are being replaced by an ever-growing mix of mid-market travelers, whose tendencies are to spend less on food. This recent tourism profile change has impacted the food service operations of higher-end hotels and restaurants and also SFS's business.



FOOD SERVICE COMPANIES



Vina Siam Food

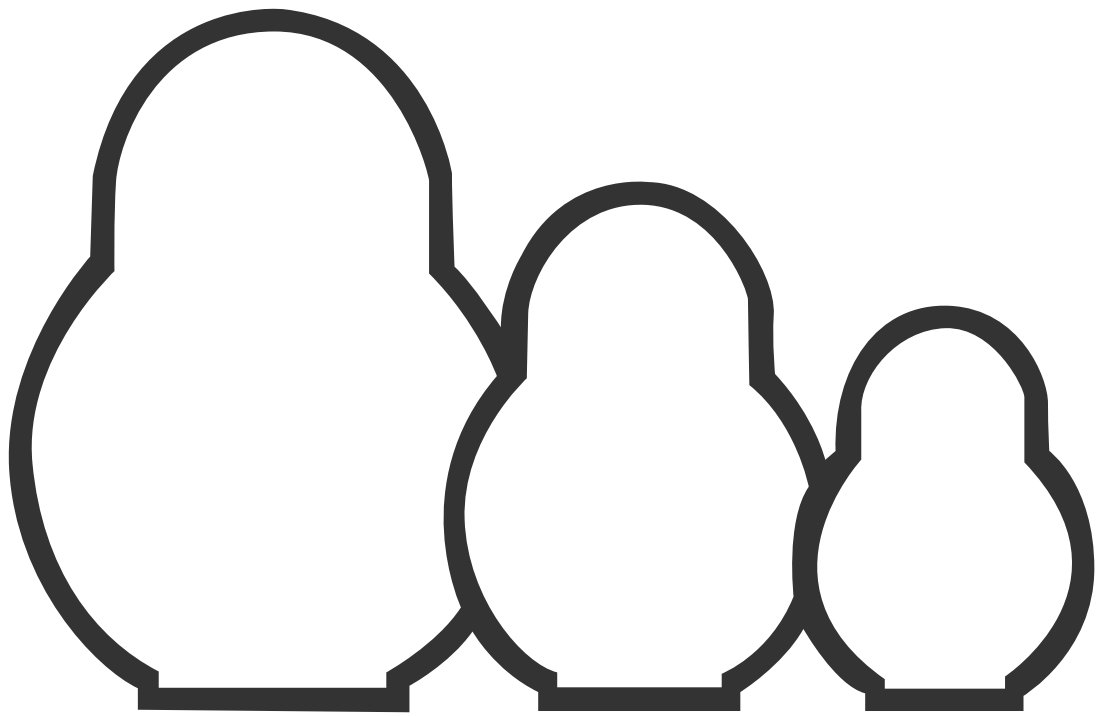
A new subsidiary company, Vina Siam Food Co. Ltd (VSF), was established in Ho Chi Min City, Vietnam, in October 2012. The objective is to expand the Food Service business, to explore the emerging ASEAN Economic Community (AEC) market's business potential and to capitalise on the fast growing Vietnamese food service market. Its main business activities include imports/exports as well as trading and distribution of premium food products to food service operators like Quick Service Restaurants (QSR), Full Service Restaurants (FSR) and hotels.

However, the SFS' business operations remain strong as well as on-course in its strategy to improve profit margins through better internal management and development of its customer base and products range. Another supporting factor has been the increased emphasis on continuous training of its sales and service staff, to enable them to deliver more specific and more profitable products as well as services to their targeted customers. Thus, for 2012, the Company has succeeded in posting a significant year-on-year net profit growth together with overall improved gross margins, through placing greater emphasis on targeting specific food service operators, ethnic food restaurants and QSR chains.

SFS also often collaborates with Siam Makro in undertaking various marketing initiatives and CRM activities that are all aimed at creating increased brand awareness of its business profile among the HoReCa business operators such as participating in the Food & Hotel Thailand 2012, the Pattaya Food & Hoteliers Expo 2012, the Pattaya Culinary Cup Cooking Competition, and the annual Makro HoReCa Event. Additionally, other promotions activities are also undertaken together at selected Makro stores.

For the coming year, SFS will continue to focus on meeting its targeted customers' needs and on being more customer driven, through continuously adding value in all its activities from product offerings, customer service, supply-chain efficiencies to the development of new food service "solutions". The Company will also continue to focus on developing new customer segments and on expanding its product offerings, which will enable SFS to further enhance overall profit margins and increase its market share of the HoReCa segment.





▲ go and grow

COMPANY PROFILE

The principal business of Siam Makro Public Company Limited ("the Company") is the operation of membership based Cash & Carry trade centers, registered under the name of "Makro", that are located throughout Thailand. The Company was established in Thailand in May 1988, and its shares were listed on the Stock Exchange of Thailand in August 1994 with a total registered share capital of 240 million shares at a par value of Baht 10 each fully paid-up.

As at the end of 2012, there were a total of 57 Makro stores of varying formats and sizes, with 11 stores located in the Greater Bangkok Metropolitan area and 46 stores in the provinces, together with 5 Siam Frozen Shops located in upcountry. All stores offer a product range and assortment designed specifically to meet their respective targeted customer groups' requirements and each store is well-positioned geographically to be easily accessible.

With a large registered member base distributed throughout Thailand, the Company continues to successfully operate its principal business of providing various solutions to a multitude of customers operating in a wide range of industries, with the main focus being small to medium size businesses who are predominantly Small Retailers, HoReCa (Hotels, Restaurants and Catering) and services sector.

The Company has two wholly owned subsidiary companies namely, Siam Food Services Limited ("SFS"), and Vina Siam Food Company Limited ("VSF").

1. SFS is a leading nationwide provider of premium food products together with other value-added and logistics services to the hospitality and food service industry sectors, operating from 4 key tourist locations: Bangkok, Pattaya, Ko Samui, and Phuket. SFS specialises in supplying high quality specialty frozen and chilled products i.e. meats, seafood, poultry products, potato, dairy, as well as a range of food seasonings, etc.
2. VSF is based in Ho Chi Minh City, Vietnam. Its principal business is in trading and distribution as well as import and export of high quality food product including butchery, seafood, potato, dairy, seasoning, etc.

Contact details :

Head Office Address : 3498 2nd Floor, Lardprao Road, Klongchan, Bangkok. Bangkok 10240
Telephone 0-2723-1000; Facsimile 0-2375-2927
Website : www.siammakro.co.th

FINANCIAL HIGHLIGHTS

Siam Makro Public Company Limited

As at 31 December

Unit : Baht Million				Change (%)	
	2012	2011	2010	2012/2011	2011/2010
Total assets	31,720	30,104	25,347	5.4	18.8
Total liabilities	21,181	20,506	16,227	3.3	26.4
Share capital	2,400	2,400	2,400	0.0	0.0
Shareholders' equity	10,539	9,598	9,120	9.8	5.2
Sales	110,985	96,131	85,673	15.5	12.2
Total revenues	113,788	98,623	87,921	15.4	12.2
Gross profit	9,154	7,551	6,136	21.2	23.1
Net profit for the year	3,521	2,578	1,920	36.6	34.3
Earnings per share for the year (Baht)	14.67	10.74	8.00	36.6	34.3
Par value per share (Baht)	10.00	10.00	10.00	0.0	0.0
Book value per share (Baht)	43.91	39.99	38.00	9.8	5.2
Dividend per share (Baht)	12.50 [*]	10.50	7.00	19.0	50.0
Net profit margin for the year (%)	3.1	2.6	2.2		
Return on equity (%)	35.0	27.5	21.6		
Return on total assets (%)	11.4	9.3	7.9		
Dividend pay out ratio (%)	85.2	97.7	87.5		

Remark :

* Dividend per share include the followings :

- 1) Interim dividend of Baht 3.50 per share and Baht 1.75 per share were fully paid on September 7, 2012 and December 4, 2012 respectively.
- 2) Proposed final dividend of Baht 7.25 per share for shareholders' approval on April 25, 2013 bringing total dividend for 2012 to Baht 12.50 per share.

FINANCIAL HIGHLIGHTS

Siam Makro Public Company Limited and its subsidiaries

As at 31 December

Unit : Baht Million				Change (%)	
	2012	2011	2010	2012/2011	2011/2010
Total assets	32,085	30,319	25,492	5.8	18.9
Total liabilities	21,428	20,639	16,316	3.8	26.5
Share capital	2,400	2,400	2,400	0.0	0.0
Shareholders' equity	10,657	9,680	9,176	10.1	5.5
Sales	112,140	97,154	86,459	15.4	12.4
Total revenues	114,956	99,670	88,664	15.3	12.4
Gross profit	9,380	7,751	6,311	21.0	22.8
Net profit for the year	3,556	2,604	1,881	36.5	38.5
Earnings per share for the year (Baht)	14.82	10.85	7.84	36.5	38.5
Par value per share (Baht)	10.00	10.00	10.00	0.0	0.0
Book value per share (Baht)	44.40	40.34	38.23	10.1	5.5
Dividend per share (Baht)	12.50 *	10.50	7.00	19.0	50.0
Net profit margin for the year (%)	3.1	2.6	2.1		
Return on equity (%)	35.0	27.6	21.0		
Return on total assets (%)	11.4	9.3	7.8		
Dividend pay out ratio (%)	84.4	96.8	89.3		

Remark :

* Dividend per share include the followings :

- 1) Interim dividend of Baht 3.50 per share and Baht 1.75 per share were fully paid on September 7, 2012 and December 4, 2012 respectively.
- 2) Proposed final dividend of Baht 7.25 per share for shareholders' approval on April 25, 2013 bringing total dividend for 2012 to Baht 12.50 per share.

AUDIT COMMITTEE'S REPORT

Siam Makro Public Company Limited's Audit Committee comprises of three independent Directors who have the required qualifications and are independent in compliance with the SET's requirements. The members of the Audit Committee are Mr. Athaporn Khaimarn, Chairman, Mr. Chavalit Uttasart and Mr. Thira Wipuchanin.

During the year 2012, the Audit Committee had totaling 4 meetings. A summary of the attendance of each member of the Audit Committee was as follows:

Name	Number of Attendance
1. Mr. Athaporn Khaimarn	4
2. Mr. Chavalit Uttasart	4
3. Mr. Thira Wipuchanin	4

The management and external auditors were invited to attend each meeting to discuss various issues of concerns. The major matters discussed are as follows:

Preparation of Financial Statements

1. Review the quarterly and annual financial statements and consolidated financial statements of the Company and its subsidiaries for the year 2012 with executives and auditors to ensure that financial statements of both the Company and its subsidiaries were in accordance with generally accepted accounting principles and that information was adequately and completely disclosed in a reliable manner.
2. Review the disclosure of related party transactions between the Company and its subsidiaries to ensure that the Company complied with business criteria required by the Stock Exchange of Thailand.

Internal Control System

3. Review the Company's internal control systems and internal audit system to ensure that they are suitable and efficient, and to determine an independent of the internal audit unit.
4. Review internal audit plan and audit findings for the year 2012 reported by Internal Audit Department.
5. Jointly with the external auditors, the internal auditor and the Company's management, review material issues relating to internal controls and operations procedures of the Company.

AUDIT COMMITTEE'S REPORT

Related Party Transactions

6. Review related party transactions that may cause a conflict of interest to the Company and found that they were real and carried out during a normal course of business and the Company carried them out according to a good corporate governance policy.

Selection of the Company's external auditors

7. Consider, select and nominate independent persons to be the Group external auditors and consider proposed audit fees together with the Company's Board of Directors, as well as to attend a non-management meeting with the external auditors at least once a year.

Law and Regulations compliance

8. Review the Company's compliance according to laws governing securities and exchange, regulations of the Stock Exchange of Thailand and other legislations relating to its business and found that they were fully complied.

The Audit Committee, having reviewed the operations, is of the opinion that the Company diligently pursued the good corporate governance policy, resulting in an adequate internal control system with no significant weakness. Related party transactions which may lead to conflict of interest were actual transactions found during a normal course of business carried out for the Company's maximum benefit. No unusual item with material essence was found. The Company also fully complied with all the rules and regulations. For the financial statements during the accounting period that ended 31 December 2012 were properly done. Information was adequately disclosed and in line with the accounting standards and there was no incident that depicted items with financial impacts.



(Mr. Athaporn Khaimarn)
Chairman of the Audit Committee
Siam Makro Public Company Limited

MANAGEMENT DISCUSSION AND ANALYSIS

Revenues

Total 2012 consolidated sales was Baht 112,140 million, an increase of 15.4% year-on-year compared to 2011, which was driven by a 15.4% increase in total sales from Makro stores and a 13.5% increase in total sales (net off sales to Makro) from Siam Food Services Ltd. The growth was also contributed by the continuous improvements that have been initiated in the past years such as customer development projects and assortment development as well as other actions including 5 new Makro stores opening during the year, sales space extension of Store 27 (Phuket) and ensuring stock availability during first half of the year despite negative impact to DC after 2011 flooding. This was also contributed by staff dedications to the company. On same store basis, the consolidated sales grew by 8.5% and the main driver was the strong growth in fresh food department. The Company has 57 Makro branches and 5 Siam Frozen shops at the end of 2012.

Total consolidated revenue was once again record-breaking at Baht 114,956 million, an increase of 15.3% from same period last year of Baht 99,670 million.

Gross Profit

The average gross profit percentage to total sales for 2012 was 8.4%, an improvement from 8.0% in 2011. This represents an increase of 21.0% in absolute amount. Such continuous gross profit improvement have been achieved via improvement in both customer and product offering aspects with the increasing focus on Food Service professionals. Moreover, the continuous margin improvement effort as well as higher sales participation of Makro's own brand product has also contributed to this.

Selling & Administrative Expenses

Consolidated Selling and Administrative expenses totaled Baht 7,419 million, an increase of Baht 1,343 million or 22.1% from 2011 expenses of Baht 6,076 million which excluded those related to 2011 floods (Baht 238 million). There was a 21.3% increase in selling expenses, resulting from the 9 new stores opened since June 2011 (4 stores in 2011 and 5 stores in 2012) as well as the increase in electricity, minimum wage and other labour related cost. The increased new minimum wages was in effect countrywide as at April 2012. Administrative expenses increased by 25.0% due mainly to cope with business expansion and the expenses in building talent management, food specialists and successors. This also included cost of product development in order to better serve our core target food professional customers and to further strengthen our position in being the 1st choice supplier for food professional customers. In addition, the increase of accrued employee benefit per actuarial method as a result of new minimum wage and people development and training costs has also resulted to the administrative cost increase.

Net Profit after Tax

The consolidated income before financing costs and taxation was Baht 4,777 million, an increase of Baht 823 million or 20.8% over 2011. Income after taxation was Baht 3,556 million representing an increase of 36.5% from 2011. The after tax figure has included the saving of corporate income tax reduction from 30.0% to 23.0%.

Earnings per Share (EPS)

Full year 2012 EPS was Baht 14.82, compared to Baht 10.85 for the full year 2011 period as a result of higher level of sales, higher gross profit, effective cost management as well as the lower tax rate. Return on equity was high at 35.0% against 27.6% last year.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Status

Consolidated Total Assets : as at the end of 2012 was Baht 32,085 million, an increase of Baht 1,765 million, or 5.8%, over 2011 level of Baht 30,319 million. This was partly contributed by an increase in property, plant and equipment of Baht 1,675 million, which was a result from purchase of new assets including investment in 5 new stores, 3 new sites for 2013 expansion, remodeling of existing stores and equipment replacement of Baht 2,850 million. Reduction in cash and cash equivalents of Baht 232 million was the offset of cash generated from operating activities of Baht 5,166 million and the above mentioned fixed assets spending and dividend payment of Baht 2,580 million.

Current Liabilities : as at the end of 2012 was Baht 21,001 million, an increase of Baht 752 million, or 3.7%, over 2011 level of Baht 20,249 million. This was a result of higher Trade accounts payable and other current liabilities. The increased in Trade accounts payable was due to increased purchase of inventory resulting from the opening of the additional 5 new stores during the year. The high other current liabilities was caused by owing for purchase of fixed assets related to the additional new stores.

Share Capital : No increase in share capital took place during 2012, with total share capital remaining unchanged at Baht 2,400 million, comprising 240 million ordinary shares at a par value of Baht 10.00 each, which are all fully paid up.

Debt to Equity (D/E) ratio : decreased to 2.0 as at the end of 2012 compared to 2.1 at the end of 2011, which was a direct result of the increase in retained earnings after dividend payment. As at the end of 2012, Makro has sufficient cash as well as credit facilities to meet further investments and other cash requirements during 2013.

Total Shareholders' Equity : as at 31 December 2012 was Baht 10,657 million, increasing from Baht 9,681 million as at the end of 2011 by Baht 976 million or 10.1%. Book value per share was Baht 44.40.

Dividend Payments

On 27 February 2013, the Board of Directors of the Company has unanimously resolved to propose a final dividend in respect of 2012 of Baht 7.25 per share amounting to Baht 1,740 million to the Annual General Shareholders' Meeting for approval and to be paid on 23 May 2013. The said amount of the final dividend is in addition to that of the interim dividend of Baht 3.50 per share and Baht 1.75 per share which were fully paid in the third quarter and the fourth quarter of 2012 respectively.

Share Price

The closing price of Siam Makro shares on the Stock Exchange of Thailand (SET) as at 31 December 2012 was Baht 446 per share. Thus, the Company was capitalised at Baht 107,040 million, which is an increase of Baht 49,680 million from the Baht 57,360 million at the end of 2011, representing an increase of 86.6%.

INDUSTRY AND COMPETITIVE ENVIRONMENT

Competition in the retail industry continues to intensify with all players anticipating to capture on the increased spending power resulting from the government stimulus policies. As such, Thailand's retail industry development is marked by significant expansion in the convenience stores segment as well as more pronounced diversification of large format players moving towards smaller footprints. Additionally, new small retail format players have either started to increase their presence or announced its entrance to the Thai market, through business diversification, joint venture as well as leveraging their existing consumer goods manufacturing and logistics expertise.

As at the end of 2012, all major operators of both large and small retail formats expanded their branches, whereby the number of retail outlets of key retail players is as follows:

- Large Trading Format: Makro 57 + 5 Siam Frozen Shops, Tesco Lotus 146, Big C 113
- Supermarket: Tops Super 99, Big C Market 18, Tesco Lotus Supermarket 166
- Convenience store: 7-Eleven stores 6,829, Tesco Lotus Express 1,071, Tops Daily 128, Mini Big C 127, Family Mart 784

LOOKING TO THE FUTURE

Despite an expected GDP growth of 4.5 – 5.5% in 2013, driven by various government economic stimuli and nationwide minimum wage policy, the market outlook remains a challenge. The retail industry's growth is expected to remain strong fueled by the increase in purchasing power but will become even more competitive, especially in the convenience stores sector.

For 2013, Makro envisages a more challenging business environment amidst increasing regulations and changes to the cost structure of the economy. The business challenges will be the drive for productivity improvement from both personnel and work process in order to sustain the profitability despite the potential shortage of Thai skilled labour, the increasing personnel and labour related costs and government price controls. As such, the 2013 business strategy will revolve around continual customer development, productivity improvement and building stronger fundamentals for the Company.

Thailand is experiencing an increasingly well-developed food service industry as indicated by the growing middle class with higher disposable income, growing out-of-home eating culture, coupled with continual development of the hospitality industry and the ever growing tourism industry. Capitalising on the strengths of our existing food product offerings and knowledge of food professionals, Makro will continue to pursue our mission "To be the 1st Choice Supplier to our Registered Food Professionals".

Makro looks to continue the customer centric approach in terms of product range and value-added services that will meet the differing requirements of our target customers, with an aim to improve overall customer satisfaction. One of the programs is the launch of the customer intimacy project, Makro "Lovemark", to Makro's members in February 2013. While maintaining a focus on the Small Retailers business, Makro will also continue to place increasing emphasis on the Food Service Professionals or HoReCa businesses, through continuous development of people resources and customer solutions offerings dedicated to serving the growing Food Service Professional customers.

Driven by the above strategic developments, coupled with the drive for productivity improvement, this will entail changes to organisation structure and people's capabilities over the next few years. It will be covered by continual investment in human resource development and training including fulfilling vacancies, retention of experienced staff, people skill development and succession planning in order to enhance productivity and to ensure that human resource and people skill are supportive of both current and future business requirements.

To further strengthen Makro's business fundamentals, we will continue to pursue opportunity to expand more branches and explore new store formats that will better serve our customers. In 2013, we will open 3 new Makro branches. Furthermore, a pilot 1,000 sq.m foodservice store was launched in February 2013 at Patong, Phuket, specifically targeting the various restaurants and food services operators. Apart from store expansion, we will also continue to improve and expand product offerings in the e-commerce portal, www.makroclick.com. Other developments will include a feasibility study to establish a second dry food DC to ensure that the increasing number of branches and business volume will be efficiently accommodated and it is also to ensure business continuity should any major adverse incident happen in the future. Implementation process of the new Makro Business System software will commence in 2013 in order to ensure that the evolving business model and customer centric strategy will be efficiently supported with new and improved system. In addition, the sustainability theme will be emphasised with the 3-R Program, "reduce, reuse, recycle", to increase environmental protection awareness among our employees, improve energy efficiency and waste reduction at both Makro stores and DCs.

RISK FACTORS

Risks to a business can be related to strategic and financial aspects, regulatory and legal compliances, economic and political environments, and various potential natural disasters such as droughts, floods, or earthquakes as well as to various operational aspects. As with all businesses, currently Makro faces all such risks and has factored them into its activities together with, as far as possible, considered various measures to counter or mitigate any possible negative impacts to the Company.

Risks relating to Economic Uncertainty, Political Environment and Potential Natural Disasters

Cash & Carry and food service businesses are sensitive to changes in the external environment to varying degrees. The overall economic uncertainties experienced on a continuing basis during the past few years together with the uncertain weather conditions (such as annual droughts and the recent extensive 2011 floods), all have had far reaching negative impacts on both local consumer confidence, general business growth, and tourism industry.

While, in the past, Makro was also affected to a certain extent however, given that the majority of our offerings consists of basic necessities together with fresh food products and that Makro stores are widely located throughout the country, the Company was thus shielded to a certain degree from the full impact of extensive adverse effects.

The Company's Business Continuity Management (BCM) framework were put to the test during 2011 flood and was effective in Makro being able to remain operational throughout the crisis. However, because of the extensive operational impacts to the DC, during 2012, a new small DC for frozen food products in Nakhon Ratchasima was established to improve Makro's overall logistics capabilities and to be a back-up DC in the event that distribution operations at the main Wang Noi DC are disrupted.

Legislations & Regulations

Makro is part of the retail and wholesale business sector, which is subjected to more than 30 industry-specific legislations and which will become increasingly more regulated in the future. This includes regulation relating to town planning requirements, Buildings Controls Act, operating license requirements, as well as a possible Retail and Wholesale Business Act that will place various restrictions on business expansion plan and operating hours. Additionally, recent legislations and ministerial regulations continue to place increasing emphasis on consumer protection, health and food safety such as Prices of Goods and Services Act, which the government continuously applied on many product which potentially has negative impact on margin, Alcohol Beverage Control Act, Product Liability Act and ministerial regulation in respect of waste water treatment monitoring and reporting.

Given the abovementioned industry-specific legislations, legal requirements and various ministerial regulations, as well as the SEC and SET regulations, the Company must always be fully current and be aware of them as well as be prudent in order to avoid any potential legal or compliance risks. Such full compliance requirements will, of course, increase both the level of operations complexity and overall cost of doing business.

Products & Food Safety

The increasing attention, both by various regulators and customers, on food safety and food hygiene is becoming more and more significant for Makro. As the majority of the Company's product offerings are fresh and dry food, Makro's operation is constantly exposed to potential negative sentiments from food related scares or anxieties (such as, avian flu, contaminated foods, etc).

To manage and/or mitigate these possible risks, the Company has proactively embedded quality assurance and quality control procedures and processes within its operation both at DCs and all Makro stores. Additionally, Makro also sources products only from reliable and food safety certified suppliers. During the past few years, Makro has also been proactive in establishing a "Quality PRO" products initiative.

RISK FACTORS

Competitive Environment & People

The retail industry remains a very competitive and high growth sector, especially in the past few years. Additionally, we have witnessed a rapid development trend of the e-commerce business in both Business-to-Business (B2B) and Business-to-Consumer (B2C) channels in the more developed markets. The fast e-commerce development in Thailand could have negative impact on the “brick and mortar” businesses including Makro business. Despite this, the widely distributed Makro stores can help to mitigate this impact. In addition, Makro also started to develop our own e-commerce channel, www.makroclick.com. Thus, Makro will continue to explore various strategies not only to sustain its competitive advantage but also maintain its relevance and leading position in the market.

Further, availability of a sufficient and qualified staff pool remains a constant risk for all types of retail business operators. Additionally, with the aggressive expansion of certain segments of the retail industry, there is a risk of them offering better pay to acquire our trained employees. To mitigate this, Makro always ensure that it offers its people a reasonable pay, skills development opportunities, a secure job environment, opportunity to advance based on good performance and merit, ongoing staff support and training programs and the feeling of teamwork together with the family-oriented environment that exists within Makro.

Such a working environment will maximise staff retention and ensure sustained staff loyalty, especially among those who are well trained and have high potential for advancement, as they are vital to Makro's succession planning strategies. Therefore, all these elements should help reduce such potential people risk factors.

Business Operations Systems

Makro makes use of information technology systems throughout the organisation, whereby this system is both vital and fundamental to the Company's ability to operate its business effectively. The core operations and business processes are all fully computerised thus, the Company is considerably exposed to potential adverse impacts in the event that its information system becomes corrupted with viruses or fails because of electricity-grid downtime or natural disasters occurring.

Additionally, during 2013, the implementation process of the new core business system will commence. This is to replace the existing system in order to facilitate improved internal operations and customer service as well as to effectively support the Company's ongoing business expansion plans. As with the installation of any new business-wide systems, there are risks attached during the implementation and changeover processes.

Our Information Technology Department is fully experienced and therefore is proactive in determining such technology-related risks whereby it has defined specific measures and potential responses aimed at ensuring that the Company is properly and effectively safeguarded against such potential IT systems risks and any possible operational disruptions.

Business Continuity Management (BCM)

The Business Continuity Management (BCM) project, launched and completed first phase in 2010, was designed to ensure all critical business functions can continue under various adverse operational situations to prevent any disruptions to the Company's vital operational processes.

However, the 2011 flood crisis also highlighted additional possible business disruptions resulting from such a natural disasters. Therefore, as already described above, continuous development and enhancements have been considered relating to the existing BCM framework and associated actions plans.

HISTORY AND MAJOR DEVELOPMENT

- 1988** : Set up the Company with the registered capital of Baht 750 million.
- 1989** : Opened 1st Makro store in Lardprao.
- 1990** : Opened 3 Makro stores in Chaengwattana, Srinakarin and Bangbon.
: Set up a subsidiary company called Makro Properties Ltd.
- 1993** : Opened 2 Makro stores in Chonburi and Chiang Mai.
- 1994** : Increased registered capital to Baht 2,400 million.
: Opened 3 Makro stores in Nakhon Ratchasima, Rangsit and Hat Yai.
: Listed on the Stock Exchange of Thailand.
- 1995** : Opened 1 Makro store in Udon Thani.
- 1996** : Opened 4 Makro stores in Phitsanulok, Khon Kaen, Surat Thani and Ubon Ratchathani.
- 1997** : Opened 1 Makro store in Rayong.
- 1998** : Opened 1 Makro store in Nakhon Sawan.
- 1999** : Opened 1 Makro store in Charan Sanitwongse.
- 2000** : Opened 2 Makro stores in Sathorn and Nakhon Pathom.
- 2001** : Opened 1 Makro store in Surin.
- 2002** : Opened 1 Makro store in Samsen.
- 2003** : Opened 2 Makro stores in Nakhon Si Thammarat and Chiang Rai.
: Remodeled 3 existing stores (Lardprao, Chaengwattana and Srinakarin) to new format to focus on a wholesale Cash and Carry business and a one-stop shop for food service.
- 2004** : Opened 6 Makro stores in Sakon Nakhon, Suphan Buri, Chanthaburi, Phuket, Roi Et and Trang.
: Remodeled 7 existing stores (Bangbon, Chonburi, Chiang Mai, Hat Yai, Nakhon Sawan, Sathorn and Samsen) to new format.
- 2005** : Acquired 99.9% shares of Siam Food Services Limited.
: Remodeled 9 existing stores (Charan Sanitwongse, Surat Thani, Nakhon Pathom, Phitsanulok, Udonthani, Rangsit, Nakhon Ratchasima, Khon Kaen and Rayong) to new format.
- 2006** : Remodeled 2 existing stores (Ubol Ratchathani and Surin) to new format.

HISTORY AND MAJOR DEVELOPMENT

- 2007** :
- : Opened 12 Makro stores in Sakaeo, Ko Samui, Buri Ram, Sisaket, Lamphun, Krabi, Phetchaburi, Chaiyaphum, Saraburi, Pran Buri, Chachoengsao and Chiang Mai.
 - : Remodeled non-food area in 3 stores (Sathorn, Chaengwattana and Bangbon) to have new assortment and display to cope with our strategy in wholesale Cash and Carry business.
 - : Installed air conditioning and reviewed assortment and display in 3 stores (Sakon Nakhon, Suphan Buri and Roi Et) to enhance customers' satisfaction.
 - : Launched "Makro Retailer Alliance" (MRA) project to continuously develop our member customers to improve their competitiveness.
- 2008** :
- : Remodeled non-food area in 4 stores (Chonburi, Chiang Mai, Rangsit and Charan Sanitwongse) to have new assortment and display to cope with our strategy in wholesale Cash and Carry business.
 - : Installed air conditioning and reviewed assortment and display in 4 stores (Nakhon Si Thammarat, Chiang Rai, Chanthaburi and Trang) to enhance customers' satisfaction.
 - : Continued to run "Makro Retailer Alliance" (MRA) project activities by opening a MRA Centre at Makro Lardprao branch as well as organised Retail Expo, training sessions and seminars for small retailers and their successors to improve their competitiveness.
- 2009** :
- : Opened 3 Makro stores in Ram Inthra, Chumphon and Pattaya.
 - : Installed air conditioning and reviewed assortment and display in Phuket stores to enhance customers' satisfaction.
 - : Under "Makro Retailer Alliance" (MRA) project, cooperated with 12 business alliances and 32 leading universities to jointly assist and support small food retailers.
 - : Entire business transfer of Makro Properties Ltd. to Siam Makro Public Company Limited.
- 2010** :
- : Opened 4 Makro stores in Kamphangphet, Kanchanaburi, Lop Buri and Nong Khai.
 - : Launched the first pilot frozen shop under the name "Siam Frozen" in Chiang Mai.
 - : Remodeled Store Hang Dong (Chiang Mai 2) to new format.
- 2011** :
- : Opened 4 Makro stores in Ratchaburi, Mae Rim (Chiang Mai), Phra Nakhon Siayutthaya and Lampang and also opened the second Siam Frozen Shop in Udon Thani, as well as remodeled 2 existing Makro outlets (at Lardprao and Chonburi) to new format and the existing Ko Samui outlet to more effectively meet and serve specific requirements of key target customer groups.
 - : Initiated and built building a pilot Makro Foodservice Store, which is a new store format dedicated to the HoReCa customers group that was opened on January 11, 1012.
- 2012** :
- : Invested in Vietnam to incorporate a new company in Vietnam under the name "Vina Siam Food Company Limited"; where the Company hold 100% shares.
 - : Opened a pilot Makro Foodservice Store in Hua Hin, which is a new store format providing a one-stop solution for the HoReCa customers group.
 - : Opened 4 Makro stores in Khlong Luang (Pathum Thani), Loei, Phetchabun and Bang Phli and also opened 3 Siam Frozen Shops in Nakhon Si Thammarat, Nakhon Ratchasima and Chonburi.
 - : Remodeled non-food area in 3 stores (Kanchanaburi, Lop Buri and Nong Khai) to have new assortment and display to cope with our strategy in wholesale Cash and Carry business as well as remodeled and expanded sales area of the existing Phuket outlet to cater for future growth more effectively meet and serve specific requirements of key target customer groups.

OTHER INFORMATION

1. General Information for the Company, its Subsidiaries and Associated Company :

1.1 Siam Makro Public Company Limited

Company registration No.	:	0107537000521 (Former no. Bor Mor Jor. 299)
Date of incorporation	:	May 10, 1988
Head office	:	3498 2 nd Floor, Lardprao Road, Klongchan, Bangkok 10240 Tel. 0-2723-1000 Fax. 0-2375-2927 Website : www.siammakro.co.th
Type of business	:	Operating a cash and carry wholesale business, selling both food and non-food products to registered members
Type and No. of shares	:	Registered ordinary shares, totaling 240,000,000 shares
Registered capital	:	Baht 2,400,000,000, with 240,000,000 shares at a par value of Baht 10.00 each
Issued and paid-up capital	:	Baht 2,400,000,000, with 240,000,000 shares at a par value of Baht 10.00 each

1.2 Subsidiary and Associated Companies

Subsidiary Companies

(1) Siam Food Services Limited

Company registration No.	:	0105527032739 (Former no. 3276/2527)
Date of incorporation	:	September 7, 1984
Head office	:	2439 Old Paknam Railway Road, Prakhonong, Klongtoey, Bangkok 10110 Tel. 0-2620-6000 Fax. 0-2620-6001 Website : www.siamfoodservices.com
Type of business	:	Specialising in the import and distribution of value added, temperature controlled, high quality specification meats, seafood, poultry, potato, dairy and both international and domestic ethnic food brand products. Distribution reach is to all provinces of Thailand.
Type and No. of shares	:	Registered ordinary shares, totaling 450,000 shares
Registered capital	:	Baht 45,000,000, with 450,000 shares at a par value of Baht 100 each
Issued and paid-up capital	:	Baht 45,000,000, with 450,000 shares at a par value of Baht 100 each

(2) Vina Siam Food Company Limited

Company registration No.	:	411043002045
Date of incorporation	:	October 15, 2012
Head office	:	56 Pham Ngoc Thach Street, Ward 6, District 3, Ho Chi Minh City, Vietnam Tel. (848) 7309-1188 Fax. (848) 3820-1886 Website : www.vinasiamfood.com.vn
Type of business	:	Trading and distribution, and import and export business, of high quality food products including butchery, seafood, potato, dairy, seasoning, etc.
Registered capital	:	USD 1,000,0000
Paid-up capital	:	USD 300,000

OTHER INFORMATION

Associated Company

- None -

1.3 Referrals :

Share Registrar

: Thailand Securities Depository Co., Ltd.
The Stock Exchange of Thailand Building,
62 Ratchadaphisek Road, Klongtoey,
Klongtoey, Bangkok 10110
Tel. 0-2229-2800, 0-2654-5599
Fax. 0-2359-1259

External Auditors

: Mr. Prasit Yuengsrikul
C.P.A. Reg. No. 4174

Mr. Vichien Khingmontri
C.P.A. Reg. No. 3977

Mr. Somchai Jinnovart
C.P.A. Reg. No. 3271

PricewaterhouseCoopers ABAS Ltd.
15th Floor, Bangkok City Tower,
179/74-80 South Sathorn Road,
Tung Mahamek, Sathorn, Bangkok 10120
Tel. 0-2286-9999, 0-2344-1000
Fax. 0-2286-5050

Legal Counsel

: Siam City Law Offices Limited
20th Floor, Rajanakarn Building,
183 South Sathorn Road,
Yannawa, Sathorn, Bangkok 10120
Tel. 0-2676-6667-8
Fax. 0-2676-6188-9

Chavalit & Associates Limited
20th Floor, Rajanakarn Building,
183 South Sathorn Road,
Yannawa, Sathorn, Bangkok 10120
Tel. 0-2676-6667-8
Fax. 0-2676-6188-9

OTHER INFORMATION

2. Nature of Business

Revenue Structure of Company Group (Revenue net of inter-group transactions)

Activities/Products/Services	Operate by	Shareholding of Company (%)	2012		2011		2010	
			Mil. Baht	%	Mil. Baht	%	Mil. Baht	%
Makro Cash and Carry								
Sales of consumer goods and other income	Siam Makro Public Company Limited	-	113,746	98.9	98,592	98.9	87,841	99.1
Total			113,746	98.9	98,592	98.9	87,841	99.1
Importing and trading of frozen and chilled foods								
Sales of goods and services and other income	Siam Food Services Limited	99.9	1,206	1.1	1,078	1.1	823	0.9
Total			1,206	1.1	1,078	1.1	823	0.9
Importing, exporting, and trading of frozen and chilled foods								
Sales of goods and services and other income	Vina Siam Food Company Limited*	100	4	0.0	-	-	-	-
Total			4	0.0	-	-	-	-
Grand total			114,956	100	99,670	100	88,664	100

Remark :

- * The Board of Directors' Meeting of Siam Makro Public Company Limited ("the Company") No. 3/2012, held on August 9, 2012, unanimously adopted the resolution for investment in Vietnam to incorporate a new company in Vietnam under the name "Vina Siam Food Company Limited" ("VSF"); where the Company will hold 100% shares of VSF. The Company has completed the incorporation of VSF on October 15, 2012 and holds 100% shares of VSF.

OTHER INFORMATION

3. Shareholding Structure and Management

3.1 Shareholders

Major Shareholders

Major shareholders of the Company as at the latest book closing date (November 21, 2012)

Name	No. of shares	% of all shares
1) Siam Makro Holding (Thailand) Ltd.	132,015,140	55.006
2) Orkam Holding Asia N.V.	22,414,360	9.339
3) BNP Paribas Securities Services Luxembourg	6,778,000	2.824
4) Social Security Fund (2 case)	6,737,100	2.807
5) Thai NVDR Company Limited	4,640,045	1.933
6) Chase Nominees Limited	4,526,300	1.886
7) State Street Bank and Trust Company	4,395,009	1.831
8) American International Assurance Company, Limited-Apex	2,506,700	1.044
9) CPF Investment Limited	2,421,262	1.009
10) HSBC (Singapore) Nominees PTE Ltd.	2,358,001	0.983

Major Shareholder Groups

The major Shareholder groups as stated on the latest book closing date on November 21, 2012 are as follows :

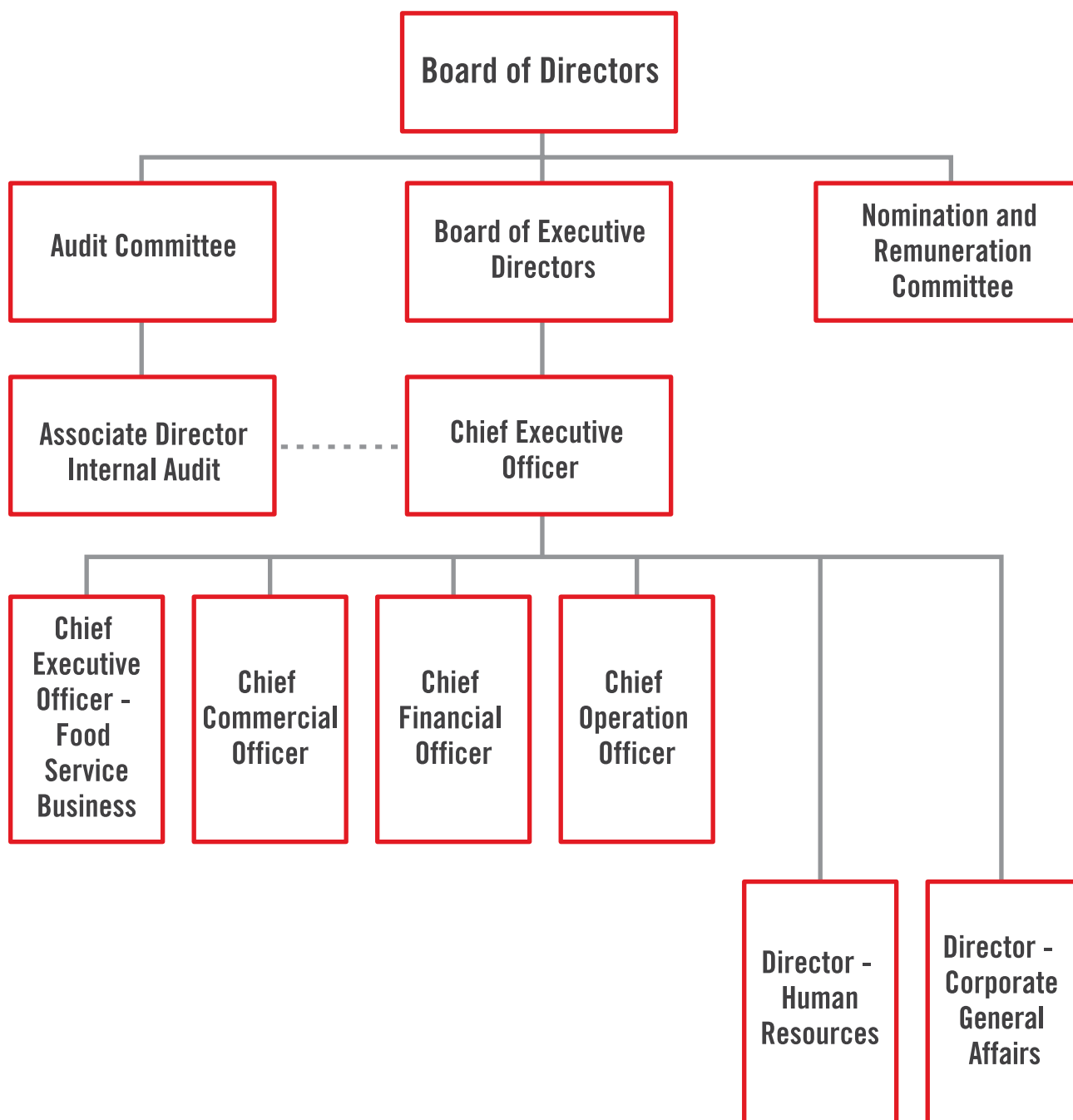
Name	No. of shares	% of all shares
1. SHV Group - Orkam Holding Asia N.V.	22,414,360	9.339
2. Joint venture among SHV Group and other shareholders - Siam Makro Holding (Thailand) Ltd.	132,015,140	55.006

Remark :

1. SHV Group is a major shareholder and has appointed its representatives to be Directors of the Company.
2. Investors can visit the Company's website (www.siammakro.co.th) for more update information prior to the Annual General Shareholders' Meeting.

OTHER INFORMATION

Siam Makro Public Company Limited Organisation Structure as at 31 December 2012



OTHER INFORMATION

3.2 Management

(1) Management Structure

The Company's management structure comprises of the Board of Directors, the Executive Board, together with the Audit Committee and the Nomination and Remuneration Committee.

Board of Directors

Members of the Board of Directors as at December 31, 2012

1. Mr. Arsa Sarasin	Independent Director and Chairman
2. Mrs. Suchada Ithijarukul	Vice Chairman
3. Mrs. Saowaluck Thithapant	Director
4. Mr. Stephan Ronald Nanninga	Director
5. Mr. Willem Hendrikus van Leeuwen*	Director
6. Mr. Wouter van der Woerd	Director
7. Dr. Prasert Jarupanich	Director
8. Mr. Athaporn Khaimarn	Independent Director
9. Mr. Chavalit Uttasart	Independent Director
10. Mr. Thira Wipuchanin	Independent Director

Remark :

- * Substituted the director who resigned during the year.
- Independent Director means a Director who is not concurrently an executive and does not involve in the day-to-day operations of the Company, as well as who is not major shareholder of the Company and is qualified in accordance with the criteria prescribed by the Capital Market Supervisory Board.
- In the case of Mr. Chavalit Uttasart, Independent Director and Member of the Audit Committee, he is the Managing Director of Siam City Law Offices Ltd. and Chavalit and Associates Ltd., which firms provide legal services to the Company at an annual fee exceeding Baht 2.0 million, resulting in Mr. Chavalit Uttasart having one qualification that does not meet the required qualifications prescribed by the Capital Market Supervisory Board. However, at the Company's Board of Directors' Meeting No.1/2010 on February 23, 2010, it was unanimously resolved to waive this qualification of Mr. Chavalit Uttasart based on the following reasons:
 - Since Mr. Chavalit Uttasart has extensive knowledge of the Company's business as well as the various official rules and regulations that relate to the Company's business or may affect the Company and/or its operations. Therefore, it was considered necessary to have Mr. Chavalit Uttasart remain as an Independent Director, so that the Company is able to be well-prepared to properly and immediately comply with all such rules and regulations as well as to implement any preventive measures which will mitigate any possible negative effects that may occur.
 - The Board of Directors is also of the opinion that the appointment of Mr. Chavalit Uttasart does not affect the performance of his duty and the independent rendering of his opinions.

In this regard, included in the invitation notice for the Annual General Shareholders' Meeting No.17 on April 29, 2010, the Company disclosed this information as part of the proposed Agenda to consider the re-election of Mr. Chavalit Uttasart as an Independent Director.

OTHER INFORMATION

Functions and Responsibilities of the Board of Directors

1. The Company's Board of Directors has duties to establish the Company's principle policy and direction and to monitor the Corporate General Affairs to effectively comply with the Company's policy for the highest benefit of the Company and the Shareholders with transparency and fairness under the legislative and regulatory frameworks and the code of business conduct.
2. The Company's Board of Directors has duties to establish the Company's vision, business plans and budgets and to continuously supervise management team to proceed in compliance with the prescribed plan and budget in order to ensure effective and efficient implementation to maximise the economic value of the business.
3. The Company's Board of Directors shall establish a Business Ethics Guideline of the Company for compliance by the Board of Directors, Executives, Employees and all staffs together with the Company's rules and regulations for fairness to all relevant persons.
4. The Company's Board of Directors shall fully perform their duties with knowledge and ability and also be responsible for their own decision with independent discretion based on honesty, carefulness and diligence in considering the highest benefit of the Company and the fairness to all Shareholders.
5. The Company's Board of Directors has a duty to approve any financial transaction on the Company's investment in considering the highest benefit of the Company and the fairness to all relevant persons.
6. The Company's Board of Directors shall arrange for accounting system, financial report, accounting audit, internal controls and reliable internal audit. In addition, the Board shall also regularly review the internal control and internal audit systems for the efficiency and effectiveness.
7. The Company's Board of Directors shall omit or avoid participating in any business which has interest with the Company's business or potentially cause conflict of interest with the Company. In addition, the Board shall inspect the conflict of interest solution and connected transaction.
8. The Company's Board of Directors shall arrange for the Company's Secretary to provide legal and regulatory advice required by the Board for acknowledgement and for the Board and the Company to comply with any enforceable law and regulation.
9. The Company's Board of Directors shall regularly arrange for review and evaluation of the Board's self-performance as a whole every year. The Board shall jointly consider their operational result and problems in order to reflect the efficiency of their performance and seek improvement.
10. The Company's Board of Directors has a duty to attend the Board of Directors' Meeting and every Shareholders' Meeting. If there is any important task and could not attend the meeting, notification to the Chairman shall be made.
11. The Company's Board of Directors shall arrange for an assessment on compliance with the Company's Good Corporate Governance Policies and ethical framework at least once a year.

OTHER INFORMATION

Company Secretary

The Board of Directors has appointed Miss Nilobon Tangprasit as the Company Secretary, responsible for the undertaking the following activities on behalf of the Company or the Board of Directors:

1. Preparing, updating and keeping on file the following documents:
 - (a) a register of the Directors;
 - (b) notices calling for Directors' Meetings, Minutes of the Board of Directors' Meetings, and the Annual Reports;
 - (c) notices calling for the Shareholders' Meetings and Minutes of the Shareholders' Meetings.
2. Keeping a record of all points of interest as reported by Directors and Executives.
3. Performing any other activities as prescribed in the Notification of the Capital Market Supervisory Board.
4. Submitting a copy of the report on points of interest (as reported by Directors/ Executives/ related parties) to the Chairman of the Board and the Chairman of the Audit Committee within 7 days from the date on which the Company has received such report.
5. Performing the duties as described above in good faith and with care and responsibility as well as in full compliance with the laws and regulations, the Articles of Association, objectives of the Company and the Resolutions of the Board of Directors and of the Shareholders' Meetings.

Biographical Information of the Company Secretary

Miss Nilobon Tangprasit

Position	Company Secretary
Shareholding	None
Relationship with Executives	None
Age	53

Education

- LL.B (Honours), Chulalongkorn University
- Barrister-at-Law (The Institute of Legal Education, Thailand)
- Certificate in Attorney Assistant Training Program, Litigation/ Corporation, UCLA Extension, School of Law, Los Angeles, California, U.S.A.
- LL.M, Temple University, School of Law, at Philadelphia, Pennsylvania, U.S.A.

Working Experience

- **1986-1989**
Lawyer (In house), B.Grimm&Co
- **1989-2004**
Partner, International Legal Counsellors Thailand Ltd.
- **2005-present**
Director/ Partner, Siam City Law Offices Ltd.
- **2008-present**
Company Secretary, Siam Makro Plc.

OTHER INFORMATION

Executive Board

Members of the Executive Board as at December 31, 2012

1.	Mrs. Suchada Ithjarukul	Executive Director and Chief Executive Officer
2.	Mrs. Saowaluck Thithapant	Executive Director
3.	Mr. Stephan Ronald Nanninga	Executive Director
4.	Mr. Willem Hendrikus van Leeuwen*	Executive Director

Remarks :

* Substituted the executive director who resigned during the year.

Functions and Responsibilities of the Executive Board

1. To determine the Company's strategy and business plans of each business unit within the Company, including their investments plans, human resources planning, performance appraisals and proposed remuneration plans.
2. To prepare the budgets and investment projects of each business unit, that are to be submitted to the Board of Directors for consideration and approval.
3. To follow-up on as well as monitor the operating performance and the progress of all investment projects in each business unit; and to report to the Board of Directors the associated performance result, problems or issues encountered as well as possible solutions.
4. To follow-up on as well as monitor developments relating to the risk management system of each business unit.
5. To follow-up on as well as monitor human resource development programs, promotion and/or rotation of management-level staff in each business unit so that they are in accordance with the Company's succession plans.

OTHER INFORMATION

Audit Committee

Members of the Audit Committee as at December 31, 2012

1.	Mr. Athaporn Khaimarn	Chairman of the Audit Committee
2.	Mr. Chavalit Uttasart	Member of the Audit Committee
3.	Mr. Thira Wipuchanin	Member of the Audit Committee

Remark :

Mr. Athaporn Khaimarn, Chairman of the Audit Committee, has the expertise and experience to review the correctness and completeness of the Financial Statements of the Company, whereby his professional experience is shown on page 58.

Functions and Responsibilities of the Audit Committee

1. To review the Company's financial reporting process in order to ensure that it is accurate and adequate;
2. To review the Company's internal controls system and internal audit functions ensuring that they are suitable and efficient, to determine the degree of independence of the internal audit group, as well as to approve the appointment, transfer and dismissal of the head of an internal audit group or any other group responsible for internal audit functions within the Company;
3. To review the Company's compliance with the law on Securities and Exchange, the SET's regulations, and any other laws relating to the Company's business;
4. To consider, select and nominate independent persons to be the Company's auditors, and to propose such auditors' remuneration, as well as to attend meetings with the auditors among themselves without management team at least once a year;
5. To review any connected transactions or transactions that may lead to a conflict of interests situation, in order to ensure that they are in full compliance with the laws and regulations of the SET as well as that such transactions are reasonable and undertaken for the fullest benefit of the Company;
6. To prepare the Audit Committee's Report to be included in the Company's Annual Report which must be signed by the Audit Committee Chairman and consist of at least the following information :
 - (a) an opinion on the accuracy, completeness and reliability of the Company's financial report,
 - (b) an opinion on the adequacy of the Company's internal controls system,
 - (c) an opinion on the compliance with the laws on Securities and Exchange, the SET's regulations or any other laws relating to the Company's business,
 - (d) an opinion on the suitability of an auditor,
 - (e) an opinion on the transactions that may lead to conflict of interests situations,
 - (f) the number of the Audit Committee meetings and the attendance record at such meetings by each member of the Audit Committee,
 - (g) any opinions or comments that are received by the Audit Committee in performing its duties in accordance with its Charter, and
 - (h) other transactions which, in the opinion of the Audit Committee, should be made known to the Shareholders and general investors, subject to the scope of duties and responsibilities as assigned by the Company's Board of Directors; and
7. To perform any other activities as assigned by the Company's Board of Directors and concurred to by the Audit Committee.

OTHER INFORMATION

Nomination and Remuneration Committee

Members of the Nomination and Remuneration Committee as at December 31, 2012

1.	Mr. Thira Wipuchanin*	Chairman of the Nomination and Remuneration Committee
2.	Dr. Prasert Jarupanich	Member of the Nomination and Remuneration Committee
3.	Mr. Willem Hendrikus van Leeuwen**	Member of the Nomination and Remuneration Committee

Remark :

* Also an Independent Director

** Substituted the Member of the Nomination and Remuneration Committee who resigned during the year.

Functions and Responsibilities of the Nomination and Remuneration Committee

1. Select and nominate suitable and qualified persons to be members of Board Committees in accordance with the composition and qualifications as prescribed by the law/relevant regulations; and present its recommendations to the Board of Directors for consideration and approval or for further submission to the Board of Directors which will be presented to the Shareholders' Meeting for its consideration and approval (as the case may be);
2. Consider the criteria relating to and determination of remuneration schemes for the Company's Directors and the Board Committees appointed by the Board of Directors, and to ensure that these are consistent with and appropriate for the Company's performance result and respective responsibilities as well as comparable to the remuneration schemes of other companies in the same industry;
In case the Nomination and Remuneration Committee considers that there should be any changes to those resolutions approved and adopted at the previous Shareholders' Meeting Resolution, this Committee must present the matter to the Company's Board of Directors for consideration and for proposal to the Shareholders' Meeting for consideration and approval;
3. Perform other activities as assigned by the Board of Directors.

Criteria for selecting an Independent Director

Qualifications of an Independent Director

An Independent Director must possess such qualifications in accordance with the established criteria as follows:

1. Holding shares not exceeding one percent of the total number of shares with voting rights of the Company, its parent company, subsidiary companies, associated companies, major shareholder or controlling person of the Company, which shall be inclusive of the shares held by related persons of such independent director;
2. Neither being nor used to being a director who takes part in the management, employee, staff member, advisor who receives a regular salary, or controlling person of the Company, its parent company, subsidiary companies, associated companies, same-level subsidiary companies, major shareholder or of the controlling person of the Company, unless the foregoing status has ended not less than two years. However, such prohibited characteristic shall not include the case where the independent director used to be a government official or advisor of a government unit which is a major shareholder or controlling person of the Company;
3. Not being a person related by blood or by legal registration as father, mother, spouse, sibling, and child, including spouse of child, of the executive, major shareholder, controlling person, or person to be nominated as executive or controlling person of the Company or its subsidiary companies;
4. Neither having nor used to having a business relationship with the Company, its parent company, subsidiary companies, associated companies, major shareholder or controlling person of the Company, in the manner which may interfere with his independent judgement, and neither being nor used to being a significant shareholder or controlling person of any person having a business relationship with the Company, its parent company, subsidiary companies, associate companies, major shareholder or controlling person of the Company, unless the foregoing relationship has ended not less than two years.

OTHER INFORMATION

The term “business relationship” under the first paragraph shall include any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or granting or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, and any other similar actions, which result in the Company or its counterpart being subject to indebtedness payable to the other party in the amount of three percent or more of the net tangible assets of the Company or twenty million Baht or more, whichever is lower. The amount of such indebtedness shall be calculated according to the method for calculation of value of connected transactions under the Notification of the Capital Market Supervisory Board governing rules on connected transactions mutatis mutandis. The consideration of such indebtedness shall include indebtedness occurred during the period of one year prior to the date on which the business relationship with the person commences;

5. Neither being nor used to being an auditor of the Company, its parent company, subsidiary companies, associated companies, major shareholder or controlling person of the Company, and not being a significant shareholder, controlling person, or partner of the audit firm which employs auditors of the Company, its parent company, subsidiary companies, associated companies, major shareholder or controlling person, unless the foregoing relationship has ended not less than two years;
6. Neither being nor used to being any professional service provider including a legal counselor or financial advisor who receives service fee of exceeding two million Baht per year from the Company, its parent company, subsidiary companies, associated companies, major shareholder or controlling person of the Company, and not being a significant shareholder, controlling person or partner of the aforementioned professional service provider, unless the foregoing relationship has ended not less than two years;
7. Not being a director appointed as representative of directors of the Company, major shareholder or shareholder who is related to major shareholder;
8. Not undertaking any business of the same nature as and competing with that of the Company or its subsidiary companies or not being a significant partner in a partnership or being a director who takes part in the management, employee, staff member, advisor who receives regular salary or holding shares exceeding one percent of the total number of shares with voting rights of other companies which undertake businesses of the same nature as and competing with that of the Company or its subsidiary companies;
9. Not having any other characteristics which cause the inability to render independent opinions with regard to the Company’s business operations.

Independent Director with qualifications described in 1-9 above may be empowered by the Board of Directors to make decision for the business operation of the Company, its parent company, subsidiary companies, associated companies, the same-level subsidiary companies, major shareholder or the controlling person of the Company in the form of collective decision.

In case the person appointed by the Company as the Independent Director is person having or used to having business relationship or providing professional service with value of exceeding those prescribed in item 4 or item 6, the Board of Directors may consider waiving this disqualification if the Board opines that the appointment of the said person does not affect his duty performance and his rendering of independent opinion and the Company has disclosed the following information in the notice calling for the shareholders’ meeting on agenda regarding the appointment of the said Independent Director:

- (a) Manner of business relationship or professional service causing the said person not being qualified under the prescribed criteria;
- (b) Reason and necessity to maintain or to appoint the said person as the independent director;
- (c) Opinion of the Company’s Board of Directors to nominate the said person as the independent director.

Nominations of Independent Directors

The nominating procedure for proposed Independent Directors of the Company is as described in the section on “Nomination of Directors” as shown on page 63.

OTHER INFORMATION

Biographical Information of the Company's Directors



**Mr. Arsa
Sarasin**

Position	Independent Director and Chairman
Shareholding	18,900 shares (no change)
Relationship with Executives	None
Age	76
Education	<ul style="list-style-type: none"> • B.A. in Business Administration, Boston University, U.S.A. • Certificate in Director Accreditation Program initiated by the Thai Institute of Directors • Certificate in Finance for Non-Finance Director initiated by the Thai Institute of Directors • Certificate in Audit Committee Program initiated by the Thai Institute of Directors
Working Experience	<ul style="list-style-type: none"> • 1993-present Chairman, Thai Asia Pacific Brewery Co., Ltd. • 1996-present Chairman, Amata City Co., Ltd. • 1998-present Chairman, Padaeng Industry Plc. • 1998-present Vice Chairman, The Thai Tapioca Development Institute • 1999-present Independent Director and Member of the Audit Committee, Charoen Pokphand Foods Plc. • 1999-present Chairman, Siam Makro Plc. • 2000-present His Majesty's Principal Private Secretary • 2001-present Director, The Siam Cement Plc. • 2003-present Director, Thai Pure Drinks Co., Ltd. • 2007-present Independent Director, Siam Makro Plc.

OTHER INFORMATION



**Mrs. Suchada
Ithijarukul**



**Mrs. Saowaluck
Thithapant**

Position	Vice Chairman, Executive Director and Chief Executive Officer	
Shareholding	None	
Relationship with Executives	None	
Age	60	

Education

- Bachelor Degree in Accountancy (Second Class Honours), Chulalongkorn University
- Certificate in Director Certification Program initiated by the Thai Institute of Directors

Working Experience

- **1995-2001**
Finance Director,
Siam Makro Plc.
- **1996-present**
Executive Director,
Siam Makro Plc.
- **2001-2010**
President,
Siam Makro Plc.
- **2001-present**
Vice Chairman,
Siam Makro Plc.
- **2005-present**
Director,
Siam Food Services Limited
- **2010-present**
Chief Executive Officer,
Siam Makro Plc.

Position	Executive Director and Chief Financial Officer	
Shareholding	None	
Relationship with Executives	None	
Age	57	

Education

- Bachelor Degree in Accountancy (Second Class Honours), Thammasat University
- Bachelor Degree in Laws, Thammasat University
- Master Degree in Accountancy, Thammasat University
- Certificate in Director Accreditation Program initiated by the Thai Institute of Directors

Working Experience

- **1997-1999**
Vice President-Accounting and Finance,
Premier Enterprise Plc.
- **1999-2002**
Senior Vice President-Accounting and Finance,
Premier Group of Companies
- **2002-2010**
Finance Director,
Siam Makro Plc.
- **2004-present**
Executive Director,
Siam Makro Plc.
- **2005-present**
Director,
Siam Food Services Limited
- **2010-present**
Chief Financial Officer,
Siam Makro Plc.

OTHER INFORMATION



**Mr. Stephan
Ronald Nanninga**

Position Executive Director
Shareholding None
Relationship with Executives None
Age 55

Education

- Master Degree in Law (Rotterdam)
- Master Degree in Business Administration (Delft)

Working Experience

- **1993**
Branch Manager/ Member of the Board,
Technische Unie B.V.
- **1999**
Group Managing Director Distribution Europe,
CRH Nederland B.V.
- **2007-present**
Member of the Executive Board of Directors,
SHV Holdings N.V.
- **2008-present**
Executive Director,
Siam Makro Plc.



**Mr. Willem
Hendrikus
van Leeuwen**

Position Executive Director and Member of
the Nomination and Remuneration
Committee
Shareholding None
Relationship with Executives None
Age 63

Education

- Master Degree in Business Economics and Business
Administration, Amsterdam, The Netherlands
- M.B.A. in Banking and Finance (Cum Laude), Tilburg,
The Netherlands

Working Experience

- **2001-2009**
Corporate Financial Controller,
SHV Holdings N.V., The Netherlands
- **2009-2010**
Director,
Siam Makro Plc.
- **2010-2011**
Chief Financial Officer and Vice President,
Makro Atacadista SA, Brazil
- **Feb 2012-present**
Advisor to the Executive Board of Directors,
SHV Holdings N.V., The Netherlands
- **Aug 2012-present**
Executive Director and Member of the Nomination and
Remuneration Committee
Siam Makro Plc.

OTHER INFORMATION



**Mr. Wouter
van der Woerd**

Position Director
Shareholding None
Relationship with Executives None
Age 54

Education

- Bachelor History, Ubbo Emmius, Groningen, The Netherlands
- Human Resources Management, VNO - de Baak, Noordwijk
- Business Economics (post Bachelor), NIVE, Utrecht

Working Experience

- **1998-2007**
Director/ shareholder, Mandev Benelux B.V.
- **2007-present**
Human Resources Director, SHV Holdings N.V.
- **2010-present**
Director, Siam Makro Plc.



**Dr. Prasert
Jarupanich**

Position Director and Member of the Nomination and Remuneration Committee
Shareholding 10 shares (no change)
Relationship with Executives None
Age 64

Education

- Ph. D. in Industrial Engineering and Management, Oklahoma State University
- Certificate in Director Certification Program initiated by the Thai Institute of Directors

Working Experience

- **1988-2007**
Director, Siam Makro Plc.
- **1988-present**
Director, CP ALL Plc.
- **2007-2010**
Independent Director, Siam Makro Plc.
- **2008-2009**
Chairman of the Nomination and Remuneration Committee, Siam Makro Plc.
- **2010-present**
Director and Member of the Nomination and Remuneration Committee, Siam Makro Plc.

OTHER INFORMATION



**Mr. Athaporn
Khaimarn**

Position	Independent Director and Chairman of the Audit Committee	
Shareholding	None	
Relationship with Executives	None	
Age	68	

Education

- Associate member of the Institute of Chartered Accountants in Australia
- Associateship in Accounting from Western Australia Institute of Technology (Now, Curtin University of Technology)
- Certificate in Director Accreditation Program initiated by the Thai Institute of Directors
- Certificate in Director Certification Program initiated by the Thai Institute of Directors

Working Experience

- **1992-1996**
Managing Director,
Price Waterhouse, Bangkok
- **Present**
Independent Director and
Chairman of the Audit Committee,
Goodyear (Thailand) Plc.
- **1999-present**
Independent Director and
Chairman of the Audit Committee,
Siam Makro Plc.



**Mr. Chavalit
Uttasart**

Position	Independent Director and Member of the Audit Committee	
Shareholding	None	
Relationship with Executives	None	
Age	64	

Education

- LL.B. (Second Class Honours),
Chulalongkorn University
- Barrister-At-Law, The Institute of Legal Education
- Barrister-At-Law, Gray's Inn, London
- Certificate in Director Accreditation Program initiated by the Thai Institute of Directors
- Certificate in Director Certification Program initiated by the Thai Institute of Directors

Working Experience

- **1977-2005**
Director,
International Legal Counsellors Thailand Ltd.
- **2005-present**
Managing Director,
Siam City Law Offices Limited
Managing Director,
Chavalit & Associates Limited
- **1999-present**
Independent Director and
Member of the Audit Committee,
Siam Makro Plc.
- **2009-present**
Independent Director and
Member of the Audit Committee,
Internet Thailand Plc.

OTHER INFORMATION



**Mr. Thira
Wipuchanin**

Position	Independent Director, Member of the Audit Committee, and Chairman of the Nomination and Remuneration Committee	
Shareholding	None	
Relationship with Executives	None	
Age	63	
Education	<ul style="list-style-type: none"> • B.Sc. in Economic and Business Administration, University of Wisconsin-Stevens Point, U.S.A. • Certificate in Director Certification Program initiated by the Thai Institute of Directors • Certificate in Audit Committee Program initiated by the Thai Institute of Directors 	
Working Experience	<ul style="list-style-type: none"> • 1990-1994 Thailand Representative, Prudential Asset Management Asia Ltd. • 1995-1997 Senior Vice President, Premier Group of Companies • 1998-2004 Senior Executive Vice President, Export - Import Bank of Thailand • Present Independent Director and Chairman, Interhides Plc. • Present Independent Director and Chairman, Precious Shipping Plc. • Present Independent Director and Chairman of the Audit Committee, Bangkok First Investment & Trust Plc. • Present Independent Director, Chairman and Chairman of the Audit Committee, United Palm Oil Industry Plc. • 2003-present Independent Director and Member of the Audit Committee, Siam Makro Plc. • 2008-2009 Member of the Nomination and Remuneration Committee, Siam Makro Plc. • 2010-present Chairman of the Nomination and Remuneration Committee, Siam Makro Plc. 	

OTHER INFORMATION

Biographical Information of the Company's Executives



**Mr. Lin,
Chi-Lung**

Position	Chief Executive Officer - Food Service Business
Shareholding	None
Relationship with Executives	None
Age	49

Education

- Business Manager Courses, Chung-Shin University
- Certificate in Director Certification Program initiated by the Thai Institute of Directors

Working Experience

- **1990-2001**
Fresh Food Manager,
Wellcome Taiwan Dairy Farm
- **2001-2003**
Commercial Director (Food),
Makro Taiwan
- **2003-2010**
Commercial Director (Fresh Food),
Siam Makro Plc.
- **2007-present**
Executive Director,
Siam Food Services Limited
- **2010-present**
Chief Executive Officer - Food Service Business,
Siam Makro Plc.
- **Present**
Chairman,
Vina Siam Food Company Limited



**Mr. Jean-Michel
de Geyer**

Position	Chief Commercial Officer
Shareholding	None
Relationship with Executives	None
Age	54

Education

- Master Degree in Business Administration,
Institut Supérieur de Gestion (ISG, Paris)

Working Experience

- **1996-2005**
Marketing and Merchandise Director,
Carrefour
- **2005-2007**
CEO Giant Hypermarket,
Dairy Farm
- **2009-2010**
Offer Director,
Kingfisher Group
- **2010-present**
Chief Commercial Officer,
Siam Makro Plc.

OTHER INFORMATION



**Mr. Thomas
Leslie Hammer**

Position Chief Operation Officer
Shareholding None
Relationship with Executives None
Age 58

Education

- Business Administration, San Diego College

Working Experience

- **2000-2003**
Executive Vice President,
Price Smart China Enterprises, China
- **2003-2005**
Vice President and Business Unit General Manager,
China Resource Vanguard Co., Ltd., China
- **2006-2008**
Executive Director/
Retail Business Unit General Manager,
Great Dreams Cartoon Group Ltd., China
- **2009-2010**
Sales & Operation Director,
Siam Makro Plc.
- **2011-present**
Chief Operation Officer,
Siam Makro Plc.



**Mrs. Boonsin
Srilertchaipanij**

Position Corporate General Affairs Director
Shareholding None
Relationship with Executives None
Age 59

Education

- B.A. Faculty of Arts (First Class Honours),
Chulalongkorn University
- Certificate in Director Certification Program initiated
by the Thai Institute of Directors
- Certificate in Finance for Non-Finance Director initiated
by the Thai Institute of Directors

Working Experience

- **1992-1997**
Vice President - Administration & Personnel
Christiani & Nielsen (Thai) Plc.
- **1998-2010**
Human Resources Director,
Siam Makro Plc.
- **2001-2004**
Director,
Siam Makro Plc.
- **2005-present**
Director,
Siam Food Services Limited
- **May-Dec 2007**
Director,
Siam Makro Plc.
- **2010-present**
Corporate General Affairs Director,
Siam Makro Plc.
- **Present**
Acting Human Resources Director,
Siam Makro Plc.

OTHER INFORMATION

Details of the Board of Directors and Executives in the Company and its Subsidiaries and/ or Related Company as at December 31, 2012

Company Name	Siam Makro Plc.	Subsidiary Companies		Related Company
Name		A	B	C
Mr. Arsa Sarasin	1, 6			
Mrs. Suchada Ithjarukul	2, 3, 5	4		
Mrs. Saowaluck Thithapant	5, 11	4		
Mr. Stephan Ronald Nanninga	4, 5			5
Mr. Willem Hendrikus van Leeuwen	4, 5, 10			
Mr. Wouter van der Woerd	4			
Dr. Prasert Jarupanich	4, 10			
Mr. Athaporn Khaimarn	6, 7			
Mr. Chavalit Uttasart	6, 8			
Mr. Thira Wipuchanin	6, 8, 9			
Mr. Lin, Chi-Lung	12	4	1	
Mr. Thomas Leslie Hammer	13	4		
Mrs. Boonsin Srilertchaipanij	14	4		
Mrs. Chamroon Thong-on (Resigned on February 1, 2013)	15			

Remark : Positions

- | | |
|-------------------------------------|---|
| 1 = Chairman | 9 = Chairman of the Nomination and Remuneration Committee |
| 2 = Vice Chairman | 10 = Member of the Nomination and Remuneration Committee |
| 3 = Chief Executive Officer | 11 = Chief Financial Officer |
| 4 = Director | 12 = Chief Executive Officer - Food Service Business |
| 5 = Executive Director | 13 = Chief Operation Officer |
| 6 = Independent Director | 14 = Corporate General Affairs Director and |
| 7 = Chairman of the Audit Committee | 15 = Human Resources Director |
| 8 = Member of the Audit Committee | |

Subsidiary Companies

A = Siam Food Services Limited

B = Vina Siam Food Company Limited

Related Company

C = SHV Holdings N.V.

OTHER INFORMATION

Details of Directors of Subsidiary Companies as at December 31, 2012

Subsidiary Companies	Siam Food Services Limited	Vina Siam Food Company Limited
Directors Name		
Mrs. Suchada Ithjarukul	Director	-
Mrs. Saowaluck Thithapant	Director	-
Mr. Lin, Chi-Lung	Director	-
Mr. Boey Fook Choy	Director	-
Mr. Thomas Leslie Hammer	Director	-
Mrs. Boonsin Srilertchaipanij	Director	-
Miss Thanyamas Vorachart	Director	-
Mr. S.P. Leong	-	Director

(2) Nomination of Directors

The Company gives minority Shareholders an opportunity to nominate suitable and qualified persons to be considered for selection as Directors of the Company in accordance with the Company's established criteria in advance of the Annual General Shareholders' Meeting for 2013.

The Nomination and Remuneration Committee is responsible for the selection and nomination of suitable and qualified persons as Directors or Independent Directors of the Company, details of which are presented to the Board of Directors for consideration. The Board of Directors then presents its opinion to the Shareholders' Meeting for consideration and approval. The resolution on the election of the Directors must be adopted by an affirmative majority vote from the total number of votes of those Shareholders attending and present at the Meeting as well as entitled to vote in accordance with the following criteria and procedures prescribed in the Company's Articles of Association:

- A shareholder shall have a number of votes which is equivalent to the number of shares held by him;
- Each shareholder may exercise all the votes he has under clause a), to elect one or more persons as directors but he may not split his votes among any such persons;
- The persons receiving the highest number of votes in the respective order of the votes shall be elected as directors up to the total number of directors required or to be elected at such time. In the event that a number of persons receiving an equal number of votes for the last directorship exceed the number of directors the Company required or to be elected at such time, the chairman of the meeting shall have a casting vote.

If the directorship become vacant for any reason other than by rotation, the board of directors shall elect a person who is qualified and not having a prohibited characteristics as provided in Section 68 of the Public Limited Company Act B.E. 2535 as director to fill the vacancy at the subsequent board of directors meeting unless the remaining term of the director is less than 2 months. The director who fills the vacancy shall retain his office only for the remaining term of the office of the director whom he replaces. The resolution of the board of directors shall consist of not less than three-fourth of the votes of the remaining number of directors.

OTHER INFORMATION

(3) Remuneration of Directors and Executives for 2012

Financial Remuneration

- (a) The 11 Directors (including director who resigned during the year) of the Company received Directors fees totaling Baht 12.90 million. Individual Director's remuneration rates for 2012 are as follows.

Name		Remuneration Rate	
1.	Mr. Arsa Sarasin	150,000	Baht/ Month
2.	Mrs. Suchada Ithijarukul	95,000	Baht/ Month
3.	Mrs. Saowaluck Thithapant	95,000	Baht/ Month
4.	Mr. Stephan Ronald Nanninga	95,000	Baht/ Month
5.	Mr. Loic Arthur Bernard Marie Driebeek (Resigned during the year)	95,000	Baht/ Month
	Mr. Willem Hendrikus van Leeuwen (Substituted)	95,000	Baht/ Month
6.	Mr. Wouter van der Woerd	95,000	Baht/ Month
7.	Dr. Prasert Jarupanich	95,000	Baht/ Month
8.	Mr. Athaporn Khaimarn	135,000	Baht/ Month
9.	Mr. Chavalit Uttasart	110,000	Baht/ Month
10.	Mr. Thira Wipuchanin	110,000	Baht/ Month
Other types of remuneration for Directors		None	

- (b) The 5 Executive Directors (Including the executive director who resigned during the year) received remuneration in their capacity as a member of the Board of Directors, details of which are included in clause (a) above.
- (c) The 7 Executives received remuneration in the form of salaries and bonus totaling Baht 117.28 million.

Other Remuneration

In 2012 the Company paid 7 Executives other remuneration totaling Baht 33.63 million, consisting of the Company's contribution to the provident fund (equal to 3 % of salary) together with expatriate executives' expenses, i.e. house rent, utility bills, telephone expenses, income tax payable, life insurance premium, and travelling expenses etc.

The above remuneration for Executives is based on actual payments made during 2012, which amount differs from the total amount as stated in the Consolidated and Company Financial Statements, in compliance with the Thai Generally Accepted Accounting Principles, under the Accounting Act of B.E. 2543.

OTHER INFORMATION

Directors' and Executives' Shareholding Status in the Company and Affiliated Company as at December 31, 2012

Name and Position	Company/Affiliated Company	No. of shares held	Increase/ Decrease
1) Mr. Arsa Sarasin Independent Director and Chairman	Siam Makro Plc.	18,900	No change
2) Dr. Prasert Jarupanich Director	Siam Makro Plc.	10	No change

(4) Compliance with established Best Practices and Code of Conduct for Directors of listed Companies

The Board of Directors complies with the Best Practices and Code of Conduct for Directors of listed Companies of the Stock Exchange of Thailand. It has also performed its duties in compliance with all legal requirements and regulations relating to the role and responsibilities of Directors as well as in accordance to the stated objectives and the Articles of Association of the Company and resolutions of the Shareholders' Meetings, with honesty and due care, in order to protect the interests of the Company, and with accountability to the Shareholders. The Board of Directors determines the direction and policies of the Company, supervises and closely monitors that Management follows all agreed policies and procedures as well as complies with all legal or regulatory requirements. The Board of Directors also continuously follow-up on the achieved operating performance results of the Company. Additionally, the Board of Directors has established adequate internal control together with an internal audit function, in order to ensure ongoing effectiveness of the Company's operations.

(5) Supervision on the Use of Inside Information

In order to prevent purchase or sale of Company shares through using inside information and knowledge and also in order to avoid any criticisms on the propriety of people within the Company purchasing or selling of Company shares, the Company has in place controls and limitations on the use of the inside information of the Company for personal gain and for the purchase or sale of the Company's shares. The Company will keep confidential any material information which has not yet been disclosed, and will reveal such information only to the responsible senior Executives. Those senior Executives who have access to material and confidential information, not yet disclosed to the public, must report any purchase and sale of the Company's shares on their part in accordance with the regulations of the Securities Exchange Commission (SEC) relating to the Rules, Regulations and Procedures Governing the Preparation of Disclosure Reports on Shareholdings. Further, the preparation and distribution of documents relating to any confidential information are undertaken only by the appropriate and responsible Officers of the Company.

Additionally, the Company has a policy to regularly announce to the public and notify internally to its Executives, Officers and Employees details regarding the core values of the Company relating to required lawful and ethical conduct on their part. In such internal communications, specific and special references are made to the need to keep confidential any material inside information which may potentially impact both the price and trading of the Company's shares as well as to the need to prevent gaining of personal benefits when trading Company shares, whereby making use of as well as revealing any material and confidential inside information of the Company for any personal gain is strictly prohibited. According to the Company's policy, both Management and employees are prohibited from making use of any inside confidential information or knowledge for personal gain or for business benefits, whereby it is stipulated that each employee should avoid any misuse of inside information that may result in a possible conflict of interest situation. Further, they are duty bound to strictly maintain confidential any and all such inside information.

OTHER INFORMATION

(6) The Opinion of the Board of Directors regarding Internal Control of the Company and its Subsidiaries

The Company's Board of Directors, which includes the Audit Committee, is of the opinion that the financial system, financial reports and accounts audit are reliable within the existing internal control system and framework that are considered adequate and appropriate for the business activities and operations of Company and its Subsidiaries. The Company has an Internal Audit Department that continuously monitors the internal control system and regularly reviews any major transactions. The Internal Audit Department has a procedure to periodically assess whether the existing internal control is sufficient and adequate, as well as constantly evaluates operational activities to ensure that they are in accordance with stated policies of the Company.

(7) Dividend Payment Policy

Unless it is otherwise required due to other considerations, the Company's Board of Directors intends to propose at the Annual General Shareholders' Meeting for approval that the Company pay dividends that is not less than 40 percent of its annual Net Profit after Tax, whereby this has been effective as from 1994 onwards.

Additionally, with regard to the dividend payment policy for its Subsidiaries, the Board of Directors of the Subsidiary Companies shall consider and propose payment of dividends on a case by case basis.

OTHER INFORMATION

4. Related Transactions with Connected Parties and Those who may have a Conflict of Interest

During fiscal year 2012 the Company and its Subsidiaries undertook various related transactions with connected Parties and those who may have a conflict of interest as described below. Further, these related transactions are also shown on page 108 in clause 9 “Related Party Transactions” of the Notes to the Consolidated and Company Financial Statements for the year ending 31 December 2012 and 2011 which is audited by the certified public accountant.

Nature of the Relationship and Related Transactions :

1. Purchase of intangible assets

The Company and its Subsidiaries have been granted the rights to use antivirus and sales management applications software from an overseas affiliated company, which is a member of the SHV Group as follows:

Company Name	Nature of Relationship	Amount (Baht Mil.)
SHV Holdings N.V.	Affiliated company	1.9
Total		1.9

2. Service expenses

The Company has been granted the rights to use software and trademarks, maintenance services for application software, together with the rights to use the virtual private network that is shared among the SHV Group of Companies and also MBS and business intelligence application support services from overseas affiliated companies, which are members of SHV Group as follows:

Company Name	Nature of Relationship	Amount (Baht Mil.)
1. Orkam Asia Trademark AG	Affiliated company	173.2
2. SHV Holdings N.V.	Affiliated company	1.1
Total		174.3

Pricing Policy of Related Transactions

1. The purchase of intangible assets consists of the software license fees for the use of antivirus and sales management applications software, as specified in the Purchase Agreements. The Company considered these transactions to be appropriate and reasonable.
2. Service expenses includes software license fees and royalty fees for the use of such trademarks, maintenance service fees for application software, as well as virtual private network usage service fees that is shared among the SHV Group of Companies, and service fees for MBS and business intelligence application support, and are as specified in the Service Agreement. The Company considered the fees, as described below, to be reasonable.

OTHER INFORMATION

- a) Royalty fee for the use of trademarks is 0.5 percent of sales volume of the first-10 stores of the Company subtracted by value of goods return and VAT. The Agreement is valid for 1 year. However, the Company reserves the right to renew the Agreement every year and have the right to use such trademarks and service marks in business operations.
- b) Software license fee is is NLG 50,000 (or EUR 22,689 in equivalent) for each Makro new store. The payment is made once a new store is opened. The Agreement is valid for 1 year and is renewable annually. Regarding the benefit from this license, the Company obtains specific IT software which is necessary to its business operations.
- c) Maintenance fee regarding business intelligence application is charged at actual amounts. The Agreement is for unlimited period of time, unless party shall terminate the Agreement by written notice. Regarding the benefit from this Service Agreement, the Company receives maintenance services for the application software.
- d) Virtual private networking service fee is EUR 27,000 and EUR 22,000 for the year 2012 and 2011, respectively. The Agreement is for unlimited period of time, unless party shall terminate the Agreement by written notice. Benefit from this service is data transfer security among the SHV Group of Companies.
- e) MBS and business intelligence application support fee is EUR 68,927. The Agreement is valid for 1 year ended 31 December 2012. The Agreement is automatically renewed for 1 year, unless party shall terminate the Agreement by written notice. Regarding the benefit from this Service Agreement, the Company obtains a support for MBS and business intelligence application.

Necessity and Reasons for these Related Transactions

1. The purchase of intangible assets represents antivirus and sales management applications software license fees for the use of applications software, with the benefit from these Agreements being that the Company and its Subsidiaries are able to use these applications software.
2. As for the service expenses, i.e. software license fees, royalty fees for the use of such trademarks, maintenance service fees for application software, as well as shared virtual private network usage service fees and service fees for MBS and business intelligence application support and the associated benefits derived by the Company i.e. the technical services support relating to the management for the Company's core business operations by overseas affiliated companies.

OTHER INFORMATION

Procedures for Approving Related Transactions and Policies for Future Transactions

Related transactions should occur only when required as part of the normal course of doing business and purely for the benefit of the Company as a whole. The purchase of intangible assets and the use of software licenses and trademarks, the maintenance services for the application software together with the rights to use the virtual private network shared among SHV Group of companies and also MBS and business intelligence application support services are considered necessary for the Company's normal business operations. Such related transactions are reviewed by the Audit Committee of the Board, which Committee is of the opinion that these transactions undertaken between the Parties are fair and reasonable. These related transactions are also approved by the Board of Directors in accordance with the Company's Articles of Association, before they are undertaken. The Company and its Subsidiaries have a policy for future related transactions that all related transactions will only be undertaken when required by normal business operations. Further, the terms and conditions of all such related transactions will be treated in the exact same manner as any other transactions undertaken with third-parties. Nevertheless, any related transaction must be approved or ratified by the Board of Directors.

In addition, the Company's Board of Directors has also unanimously approved, in principle, that the Company and its Subsidiaries will be approved to enter into related transactions with a Company Director, an Executive or any other related Party only if such transactions consist of the same commercial considerations and terms as well as shall be undertaken under similar circumstances as those which an ordinary non-related counterparty would agree to and on the basis of normal commercial negotiation without any associated or special considerations being given because of the status of the Director, Executive or any other related Party. Details of such internal regulations are as follows :

1. Purchase of Goods

In the event that the Company and its Subsidiaries purchase goods from a related Company through having the same or shared Director(s) and/ or the same group of shareholders, such transactions shall be fully in accordance with normal business conditions as well as in line with normal market prices applicable at the time, and shall be treated in the same manner as any other transactions undertaken with any other unrelated Parties.

2. Use of Service

In the event that the Company and its Subsidiaries make use of legal consulting services from Siam City Law Offices Co., Ltd. and Chavalit & Associates Limited, both of which companies have shared co-directors, such transactions shall be specified in an Agreement and shall be based on a reasonable terms and conditions for the Company and its Subsidiaries.

3. Sale of Goods

In the event that the Company and its Subsidiaries agree to sell any goods to its Directors and/or Executives, such transaction shall be treated and made under normal business conditions as well as in line with normal market prices applicable at the time and in the exact same manner as those similarly undertaken with any other unrelated Parties.

Additionally, the purchase of intangible assets, i.e. antivirus and sales management applications software licenses and the use of services including the usage of software license and trademarks, maintenance services for application software, rights granted to use virtual private network shared among the SHV Group of Companies from overseas affiliated companies and also MBS and business intelligence application support services that are part of the SHV Group, shall be documented and specified in relevant Agreements, which shall also be undertaken on a fair and reasonable basis.

OTHER INFORMATION

5. CORPORATE GOVERNANCE

5.1 Rights of Shareholders

- (1) The Board of Directors has defined the Company's policies relating to Good Corporate Governance, which has recognised the importance of the rights of Shareholders including the protection of the fundamental rights entitled by Shareholders, the equitable treatment with full transparency and fairness under the legislative and regulatory frameworks, together with the code of business conduct as well as the appropriate and efficient management that will effectively result in the highest benefits for the Company's Shareholders.
- (2) The Company emphasises and respects the Rights of Shareholders by complying with the criteria as prescribed by the law. During 2012, the Annual General Shareholders' Meeting was held on April 27, 2012 held at Parichart Room, Golden Tulip Sovereign Hotel, 92, Rama 9 Road, Bangkapi Subdistrict, Huay Kwang District, Bangkok. For the year 2012, the Company provided minority Shareholders the opportunity to propose any additional agenda items in advance before the 2013 Annual General Shareholders' Meeting (AGM) as well as to nominate, in advance between September 14, 2012 through to December 20, 2012, any suitable and qualified persons to be considered for selection as Directors of the Company, whereby associated details and selection criteria were posted on the Company's website (www.siammakro.co.th). The Company also notified these rights to all Shareholders via the online news system of the Stock Exchange of Thailand.
- (3) The Company authorised the Thailand Securities Depository Co., Ltd., in its capacity as the Company's Share Registrar, to send out to the Shareholders 22 days in advance, invitation notices for the 2012 Annual General Shareholders' Meeting (AGM) together with all relevant supporting information for all of the proposed agenda items together with the opinion of the Board of Directors' relating to each proposed agenda item.
- (4) The Company also published the notices for the AGM on the Company's website (www.siammakro.co.th) 38 days prior to the 2012 Annual General Shareholders Meeting date; and again notified through the online news system of the Stock Exchange of Thailand about the AGM notice that appeared on the Company's website. Minutes of the AGM was also published on this website 12 days after the AGM took place.
- (5) The 2012 Annual General Shareholders' Meeting was attended by the Company's 9 Directors, including members of the Audit Committee, the Company's external Auditor and legal counselor. At the start of the AGM, the Chairman of the AGM announced to the meeting the number and proportion of Shareholders, their proxies attending the AGM, the voting and votes counting procedures for each of the proposed agenda items in the order as announced in the AGM notice. There was no "other agenda item" tabled during the AGM, which proceeded in accordance with the Company's Articles of Association. Minutes were completely and accurately recorded for reference and review by Shareholders. The Company provided equal opportunity to all Shareholders to ask questions, to make enquiries or to express their opinions relating to any of the agenda items discussed or the proposals tabled, for which the Company gave satisfactorily answers to all the questions raised during the AGM.
- (6) Those Shareholders attending the Shareholders' Meeting after the start of a meeting are still entitled to vote for the agenda then being considered as well as any other agenda items for which a resolution has not yet been voted upon.

OTHER INFORMATION

5.2 Equitable Treatment of Shareholders

The Company has a policy to allow equitable treatment to all Shareholders and to be in accordance with the law; as well as to set procedures to prevent Directors and Executives from making use of any inside information for abusive self-dealing and thereby creating a disadvantage for other Shareholders. In this respect, the Company has taken into consideration the equitable treatment to all Shareholders as follows :

- (1) The right to vote in the Shareholders' Meeting based on the number of shares held by Shareholders, whereby one share equals one vote.
- (2) Again, for 2012 the Company provided the opportunity for minority Shareholders to propose any additional agenda items in advance before the 2013 Annual General Shareholders' Meeting (AGM) as well as to nominate, in advance between September 14, 2012 through to December 20, 2012, any suitable and qualified persons to be considered for selection as Directors of the Company, whereby associated details and selection criteria were posted on the Company's website (www.siammakro.co.th).
- (3) The Company has already delivered the AGM together with all the supporting documents relating to the proposed agenda items. The Company has also encouraged Shareholders to make use of the proxy forms as supplied that will enable them to determine the direction of the voting for the agenda items being considered as well as to exercise their vote relating to the election of the proposed individual Directors in regard to the agenda relating to the appointment of the Company's Directors.
- (4) Shareholders are able to appoint any other person or any one of the Company's Independent Directors to be their proxy in attending the AGM. The Company recommended that Shareholders appoint those Independent Directors who are also members of the Audit Committee as their proxy. Details relating to the Audit Committee members were provided together with the AGM notices. And for the Annual General Shareholders' Meeting for 2012, a total of 360 shareholders appointed the Chairman of the Audit Committee and other members of the Audit Committee, who were also Independent Directors, as their proxies. Additionally, during the AGM for 2012, the Company provided equal assistance and treatment to all Shareholders alike.
- (5) The Company regularly issues announcements and regulations to the Management, Officers and other relevant persons in regard to the Company's principles on the legal conduct and proper business ethics to be applied both within the Company and towards the third parties, especially in regard to the maintenance of confidentiality of sensitive information as well as protection against the possible use of inside information, whereby relevant details are provided in the section on "Supervision on the Use of Inside Information" on page 65.

5.3 Role of Stakeholders

- (1) The Company emphasises the rights of every group of Stakeholders, whereby it complies with the provisions of the law, in order to maintain the rights of any group of Stakeholders and to appropriately coordinate gaining of mutual benefits as follows :

Shareholders

The Company will operate its business in a transparent manner, with the commitment to building long-term sustainable growth and providing good financial returns for its Shareholders.

Customers

The Company is committed to sourcing and increasing its assortment of products as well as to implementing quality controls that meet the standards required by its customers. Further, towards this end, the Company is committed to continuously developing and improving its services, as well as to creating sound and sustainable relationships with its customers in order to provide them with the highest satisfaction in both the Company's products and services.

OTHER INFORMATION

Employees

The Company has a policy to focus on continuing human resource training and development, in order that employees will have the opportunity for ongoing career advancement. To achieve this policy, the Company has arranged training and skills development for employees at every level, so that they can become qualified, effective and efficient employees as well as being ready for promotion to a higher level. Moreover, the Company also has a policy to give remuneration based on the job value and actual performance, inclusive of equitable welfare and benefits schemes to its employees. The remuneration and welfare schemes of the Company will be at the competitive rates in the labour market within the same industry. In addition, the Company also has a policy regarding the Occupational Safety and Workplace Environmental Management, and has set up the Committee of Occupational Safety and Working Environment, the Occupational Safety Officer at Supervisory Level, and the Occupational Safety Officer at Executive Level. The Company has adequately and appropriately proceeded with the Occupational Safety and Workplace Environmental Procedures, in order to prevent any loss of life, injury from accidents and illnesses related to work performance, as well as continually promotes various work safety related activities together with associated official or Government organisations.

Business Partners and Creditors

The Company intends to treat all trading parties fairly, taking into consideration the mutual benefits of all parties and complying with all mutual Agreements. In addition, the Company strictly complies with any Agreements made with all creditors, and also settles any debts as agreed to under the terms and conditions as specified in the Agreements.

Competitors

The Company operates its business under the framework of international rules of competition as well as laws relating to competitive trade principles and practices. The Company does not commit any infringement or fraudulent acquisition of competitors' trade secrets or confidential information; and does not destroy competitors through any dishonest methods.

Society and Environment

The Company realises the importance of the society and environment in which it operates. Thus, the Company encourages every branch to always be jointly responsible for the immediate community by cooperating in any local community and public activities, including development of education, the environment and society as a whole. Further details are given in the section of "Corporate Social Responsibility" on page 20. Moreover, the Company has determined a policy for energy conservation as a guideline for energy usage that promotes the efficient energy consumption that will have highest benefit and which will assist in reducing the global warming crisis.

(2) Following-up and Supervision of compliance and notification

Directors, Executives and all Employees have a duty and responsibility to keep themselves informed and always have a good understanding of the Good Corporate Governance Policies, in order to be able to effectively use this knowledge as a practical guideline so as to support the Company in becoming more efficient and in implementing good corporate governance practices.

The Company's Executives at all levels must treat such Good Corporate Governance Policies as being critically important, and must be responsible for notifying their subordinates so that they will fully understand and comply with such Policies.

OTHER INFORMATION

The Company will allow Directors, Executives and all Employees to have the opportunity to make enquiries and to seek any clarifications on these policies, as well as to be able to notify on any perceived non-compliance with the Company's Good Governance Policies by submitting any compliant or any enquiries on practical guideline, to :

- a) Superiors, at each level;
- b) Human Resource Division - Head Office;
- c) Legal and Good Corporate Governance Division;
- d) Internal Audit Group; and
- e) Chairman of the Audit Committee

- (3) The Company has policies on anti-corruption within the following framework.
 - a) Executives and Employees of the Company must act within the business ethic framework and refrain from any actions that may be fraudulent or illegal and which will affect their work;
 - b) Executives and Employees of the Company shall not offer or accept money or other benefits that are deemed unlawful.
- (4) The Company has policies in regard to non-infringement of intellectual property (IP) as follows:
 - a) The Company discourages any actions that may or will violate the IP or copyright as prescribed by the IP laws. In the event that the Company finds any infringements of IP, the Company will proceed promptly and appropriately to remove or disable any access to the alleged IP infringements;
 - b) The Company will promptly proceed with various steps as appropriate in accordance with disciplinary actions of the employees of the Company, and will inform the Party whose IP has been infringed accordingly.

5.4 Disclosure of Information and Transparency

- (1) In addition to disclosing information, as specified and required by law or regulations, through the Stock Exchange of Thailand and within its Annual Statements (Form 56-1) and Annual Reports, the Company also discloses information, both in Thai and English, through other channels such as the Company's website, whereby such information is regularly updated.
- (2) The Board of Directors recognises the importance of disclosing both financial and non-financial information, in an accurate, complete, transparent, and timely manner as required by the laws, in order to provide investors and every group of Stakeholders with reliable and sufficient information for the purpose of making decisions. The Company Secretary and the Investor Relations Department are responsible for communicating and disseminating information of the Company, both domestically and internationally, which is useful to individual investors, institutional investors, investment analysts and the general public and on the basis of equity and fairness as required by the laws. Such information dissemination will be undertaken through various communications channels, such as announcements via the Stock Exchange of Thailand or the Company's website. In addition, the Company regularly organises investors and analysts meetings every quarter after disclosing the Company's quarterly operating performance results to the Stock Exchange of Thailand.
- (3) The Board of Directors provides, within the Company's Annual Report, the Report of the Board of Directors' Responsibilities for Financial Statements as shown on page 80 together with the Auditor's Report.
- (4) Details regarding the roles, duties and responsibilities of the Board of Directors of the Company, the Executive Board, the Audit Committee and the Nomination and Remuneration Committee, together with details of the Directors' terms, the Board of Directors' meetings, and the policy on the remuneration of its Directors and Executives are all described in item 5.5 "Responsibilities of the Board".

OTHER INFORMATION

5.5 Responsibilities of the Board

(1) Board Structure

- (1.1) The Board of Directors consists of not less than 5 Directors or any minimum number as required by the laws and the resolution of the Shareholders' Meeting but not more than 11 Directors, whereby the Board of Directors must comprise of those who are qualified as well as not having any disqualifying criteria as prescribed by the law governing public limited companies and any other relevant laws.

For the year 2012, the Board of Directors comprises of 10 Directors, which is deemed suitable for the size of the Company's business and operations, whereby the Chairman is an Independent Director with no relationships with any Executives and who is also not the Chief Executive Officer. This is in order to separate the respective duties of determining policies relating to good Corporate Governance from the routine operational and management responsibilities of the Company. Additionally, a good balance between Non-Executive and Executive Directors has been established, whereby the Board of Directors consists of the following :

a) Executive Directors (who are authorised signatories)	4	persons
b) Executive Director (who is not an authorised signatory)	1	person
c) Non-Executive Directors :	5	persons
- Director (who is not an Audit Committee member)	1	person
- Independent Director (who is not an Audit Committee member)	1	person
- Independent Directors (who are also Audit Committee members)	3	persons

It is the opinion of the Board of Directors that the 4 Independent Directors (including the Chairman of the Board), accounting for 40 percent of all Directors, are all duly qualified, as per the details shown on page 52. In this regard, the Board of Directors, also believe that Mr. Athaporn Khaimarn, an Independent Director, has the required extensive accounting and financial management knowledge and expertise, and have therefore appointed him to be the Chairman of the Audit Committee.

- (1.2) The Board of Directors has also appointed Miss Nilobon Tangprasit as the Company Secretary, with details of this role described in the section on "Company Secretary" on page 49.
- (1.3) In order to ensure the effectiveness of the Directors' performances, each Director of the Company has strictly complied with the requirement that each Director will serve as a Director of not more than 5 listed companies.
- (1.4) Appointments of Directors shall be in compliance with the Articles of Association of the Company and relevant laws, and shall be transparent. The nomination of Directors shall proceed in accordance with the process as established by the Nomination Committee as well as take into consideration the educational background and professional experience of the candidate, whereby sufficient details will be made available in order that the Board of Directors and / or the Shareholders can make a decision.

(2) Committees

The Board of Directors has established these Board Committees to assist in the Company's good corporate governance practices as follows:

- (2.1) Audit Committee, comprising of 3 Independent Directors as members; namely, Mr. Athaporn Khaimarn, Chairman of the Audit Committee; Mr. Chavalit Uttasart; and Mr. Thira Wipuchanin together with the Associate Director - Internal Audit as the Audit Committee Secretary. Additional details are shown in the section on the "Audit Committee Report" on page 32 and on the "Audit Committee" on page 51.
- (2.2) Nomination and Remuneration Committee, as described in the section on "Nomination and Remuneration Committee" on page 52.

OTHER INFORMATION

(3) Roles and Responsibilities of the Board of Directors

- (3.1) The Board of Directors has established a policy on Corporate Governance practices with an intention of performing its duties in accordance with good Corporate Governance principles. In this regard, the Board of Directors has established the Company's principle policy and direction and to monitor the Corporate General Affairs to effectively comply with the Company's policy for the highest benefit of the Company and the Shareholders with transparency and fairness under the legislative and regulatory frameworks and the code of business conduct. Additionally, the Board of Directors gives importance to the establishment as well as use of the Company's internal control and audit systems.
- (3.2) The Board of Directors has established the Company's vision, business plans and budgets and to continuously supervise management team to proceed in compliance with the prescribed plan and budget in order to ensure effective and efficient implementation to maximise the economic value of the business. The roles, duties and responsibilities of the Board of Directors, the Executive Board as well as both the Audit Committee and Nomination and Remuneration Committee are described in detail in the section on "Management Structure" on page 47. The Board of Directors also approves all financial transactions relating to any investments by the Company except those transactions that require approval of Shareholders in accordance with regulations of the SEC, SET and the Public Limited Companies Act B.E. 2535.
- (3.3) With regard to the term of service of the Directors, the Company dictates that one third of its Directors must retire by rotation at each Annual General Shareholders' Meeting held by the Company, whereby those Directors with the longest service shall retire first, but they can be nominated for reelection.
- (3.4) The Board of Directors has established a Business Ethics Guideline of the Company for compliance by the Board of Directors, Executives, Employees and all staffs together with the Company's rules and regulations for fairness to all relevant persons. The Company closely monitors actual compliances with this Business Ethics Guideline and imposes strict disciplinary actions for any violations.
- (3.5) Transactions having potential conflict of interest are described in the section on "Related Transactions with Connected Parties and Those who may have a Conflict of Interest" on page 67. Such transactions are also disclosed in the notes to the Quarterly and Annual Financial Statements under "Related Party Transactions", whereby such Financial Statements have been reviewed by the Audit Committee and also approved by the Board of Directors.
- (3.6) Transactions falling under the category of the Company's interconnected transactions must be reviewed and approved by the Board of Directors, and must be in compliance with all relevant SEC and SET regulations.
- (3.7) The Board of Directors has arranged for accounting system, financial report, accounting audit, internal controls and reliable internal audit. In addition, the Board of Directors also regularly reviews the internal control and internal audit systems for the efficiency and effectiveness. The Company also has internal control for its financial system through having regular financial reports prepared and presented to the responsible Management members, together with an internal audit function in order to ensure that the Company's core operations performance outputs and important financial transactions have been effectively implemented in full accordance with prescribed guidelines and procedures, whereby the Internal Audit Division reports directly to the Audit Committee.
- (3.8) The Board of Directors gives great importance to risks management. In this regard, the Company provides a questionnaire on the management of risks of each respective business area of its operations. The management of each department acts as the evaluator of the various possible risks, and the external auditor reviews the questionnaires to see whether or not the answers are correct and relevant. Such preventive risks management measures are defined in order to ensure the continued stability of the Company's operations and existence.

OTHER INFORMATION

(4) Board of Directors' Meetings

Meetings of the Board of Directors' are regularly held every 3 months together with any other required extraordinary meetings as may be required. The agenda for these meetings are clearly specified in advance, with consideration of the Audit Committee Report and financial statements being regular agenda items. In this regard, the Company arranges that notices of Board meetings together with proposed agenda and any supporting documents are delivered to the Directors 7 days in advance, so as to allow Directors to have sufficient time to review the information before attending the meeting. During 2012, there was a total of 5 Board of Directors' Meetings - both ordinary and extraordinary. A summary of the attendance record of each Director for these 5 meetings is given below :

Name	Position	Term of Service	Number of Attendance
1. Mr. Arsa Sarasin	Independence Director and Chairman	Apr 2011 - Apr 2014	5
2. Mrs. Suchada Ithjarukul	Vice Chairman	Apr 2012 - Apr 2015	5
3. Mrs. Saowaluck Thithapant	Director	Apr 2011 - Apr 2014	5
4. Mr. Stephan Ronald Nanninga	Director	Apr 2010 - Apr 2013	3
5. Mr. Loic Arthur Bernard Marie Driebeek (Resigned during the year)	Director		2
Mr. Willem Hendrikus van Leeuwen* (Substituted)	Director	Aug 2012 - Apr 2015	2
6. Mr. Wouter van der Woerd	Director	Apr 2012 - Apr 2015	2
7. Dr. Prasert Jarupanich	Director	Apr 2011 - Apr 2014	4
8. Mr. Athaporn Khaimarn	Independent Director	Apr 2010 - Apr 2013	5
9. Mr. Chavalit Uttasart	Independent Director	Apr 2010 - Apr 2013	4
10. Mr. Thira Wipuchanin	Independent Director	Apr 2010 - Apr 2013	5

Remarks :

* Substituted the director who resigned during the year according to the resolution of the Board of Directors' Meeting No. 3/2012 dated 9 August 2012.

Minutes of all Board Meetings were recorded and certified by the Board of Directors; and they are maintained for review by members of the Board of Directors or other Stakeholders.

Further, during 2012, the Audit Committee, comprising of three Independent Directors, also attended non-management meeting with the Company's external auditors.

OTHER INFORMATION

(5) Board of Directors Self Assessment

The Board of Directors arranges a self-assessment of its performance at least once a year, in order to evaluate the performance and any issues and to assess their efficiency and effectiveness as well as to then explore and determine possible solutions and areas for improvement.

(6) Remuneration for Directors and the Management

a) Directors' Remuneration

The Company has clearly and transparently determined Directors' remuneration to be consistent with and appropriate for the Company's operations and their responsibilities, whereby comparisons are made with similar remuneration schemes of other companies within the same industry. Once determined, the remuneration scheme is proposed for approval by Shareholders at the AGM.

b) Management's Remuneration

The Company has determined Management's remuneration in accordance with the principles and policies of the Company, taking into considering the Company's overall operating performance results as well as those of each individual Management team member.

c) Remuneration of Directors and Management for 2012

Details are given in the section on "Remuneration of Directors and Executives for 2012" on page 64.

(7) Board of Directors and Management Training

Before performing their duties, any newly-appointed Directors shall be adequately briefed of the Company's details, regulations and business-related information, including any other information that will be beneficial to the performance of the new Director.

The Board of Directors encourages the education and training of all related parties such as, Directors, members of the Audit Committee, Executives, Company Secretary, etc. to enable them to continuously improve their performances and enhance their efficiency.

OTHER INFORMATION

6. AUDITOR'S REMUNERATION IN 2012

Audit fees

The Company and its Subsidiaries paid to the Audit Firm the following fees during in the fiscal year 2012 :

Company	Audit Firm	Audit Fee (Baht)
Siam Makro Plc.	PricewaterhouseCoopers ABAS Ltd.	4,993,718*
Siam Food Services Limited	PricewaterhouseCoopers ABAS Ltd.	804,058
Vina Siam Food Company Limited	PricewaterhouseCoopers (Vietnam) Limited	106,386

Remark :

* Excluding remuneration of Baht 944,683 of the auditor's staff attending and observing stock count during the year at each outlets of the Company. The above fee does not include the auditing fee and the stock count attendance fee for new 5 stores opened in 2012 in the amount of Baht 200,000.

OTHER INFORMATION

Non-audit fees

The Company and its Subsidiaries also paid to the Audit Firm during fiscal year 2012 non-audit fees, namely, for other consulting engagements not related to audit services, tax & legal consulting services, actuarial consulting services, and other engagements to review and observe specifically agreed procedures and activities as per the following details.

Company	Non-Audit Service	Service Providers	Paid (Baht)	Contingent Expenses (Baht)
Siam Makro Plc.	Other consulting Engagement not related to Audit Services ⁽¹⁾	PricewaterhouseCoopers ABAS Ltd.	210,000	-
Siam Makro Plc.	Tax & Legal Consulting Services ⁽²⁾	PricewaterhouseCoopers Legal & Tax Consultants Ltd.**	-	70,000
Siam Makro Plc.	Tax & Legal Consulting Services	The Group of PricewaterhouseCoopers**	158,850	-
Siam Makro Plc.	Actuarial Consulting Services	PricewaterhouseCoopers Actuarial Services (Thailand) Limited**	-	629,330
Siam Makro Plc.	Engagement to review and observe specifically agreed procedures and activities ⁽³⁾	PricewaterhouseCoopers ABAS Ltd.	70,000	-
Siam Food Services Limited	Actuarial Consulting Services	PricewaterhouseCoopers Actuarial Services (Thailand) Limited**	-	51,500
Siam Food Services Limited	Engagement to review and observe specifically agreed procedures and activities ⁽⁴⁾	PricewaterhouseCoopers ABAS Ltd.	22,500	-
Total			461,350	750,830

Remark :

- (1) Accounting advice on International Financial Reporting Standards ("IFRS") conversion for the Financial Statements of Siam Makro Public Company Limited, which is an on-going service as from 2009
- (2) This service is an on-going activity from 2010
- (3) Attendance to observe inventory destruction of Siam Makro Public Company Limited during 2012
- (4) Attendance to observe inventory destruction of Siam Food Services Limited during 2012

** These service providers are in the same Group as with the Audit firm

REPORT OF THE BOARD OF DIRECTORS' RESPONSIBILITIES FOR FINANCIAL STATEMENTS

The Board of Directors of Siam Makro Public Company Limited has provided the Financial Statements showing the Company's financial status and operational performance results for the fiscal year 2012 in compliance with the requirements of the Public Companies Act B.E. 2535 (A.D. 1992) as well as the Rules and Regulations of the Stock Exchange of Thailand. The Board of Directors is responsible for the Consolidated and the Company financial statements as presented in this Annual Report; and hereby confirms that these full year 2012 financial statements are prepared in accordance with the Thai Generally Accepted Accounting Principles, using appropriate accounting policies consistently employed by the Company as well as applying careful judgement and best estimates. Further, all important and relevant information is adequately disclosed within the notes to the financial statements.

The Board of Directors has provided and maintained efficient internal control system to ensure that the accounting records are accurate, complete and sufficiently adequate to protect its assets as well as to uncover any weaknesses in order to prevent possible fraud or materially irregular operations.

The Board of Directors has appointed an Audit Committee, consisting of Independent Directors, which is responsible for the quality of these financial statements, the internal control system and any required legal compliances, whereby its comments relating to these issues are readily included in the Audit Committee's Report - as shown in this Annual Report.

The Board of Directors is of the opinion that the Company's overall internal control system has functioned satisfactorily and, thus, has provided credibility as well as reliability to the Consolidated and the Company financial statements for the fiscal year ending December 31, 2012.



Mr. Arsa Sarasin
Chairman



Mrs. Suchada Ithijarakul
Chief Executive Officer

SIAM MAKRO PUBLIC COMPANY LIMITED

**CONSOLIDATED AND COMPANY
FINANCIAL STATEMENTS**

31 DECEMBER 2012

AUDITOR'S REPORT

To the Shareholders of Siam Makro Public Company Limited

I have audited the accompanying consolidated and company financial statements of Siam Makro Public Company Limited and its subsidiaries and of Siam Makro Public Company Limited, which comprise the consolidated and company statements of financial position as at 31 December 2012, and the related consolidated and company statements of income and comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other notes.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

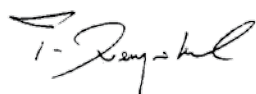
My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the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

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

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

Opinion

In my opinion, the consolidated and company financial statements referred to above present fairly, in all material respects, the consolidated and company financial position of Siam Makro Public Company Limited and its subsidiaries and of Siam Makro Public Company Limited as at 31 December 2012, and its consolidated and company results of operations and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.



Prasit Yuengsrikul
Certified Public Accountant (Thailand) No. 4174
PricewaterhouseCoopers ABAS Ltd.

Bangkok
27 February 2013

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2012 and 2011

	Notes	Consolidated		Company	
		2012	2011	2012	2011
		Baht	Baht	Baht	Baht
ASSETS					
Current Assets					
Cash and cash equivalents	7	6,055,828,796	6,288,326,236	6,030,978,816	6,272,871,845
Trade accounts receivable, net	8	234,939,823	174,916,818	39,236,448	6,951,535
Advances and short-term loans to a related party	9.4	-	-	5,836,854	136,614,471
Inventories, net	10	7,275,507,874	7,212,129,370	7,048,333,835	6,973,841,084
Purchase discounts receivable		652,563,291	544,550,101	652,563,291	544,550,101
Current portion of leasehold right	15	32,915,508	31,423,179	32,915,508	31,423,179
Other current assets, net	11	435,786,922	334,118,637	432,302,876	331,863,538
Total Current Assets		14,687,542,214	14,585,464,341	14,242,167,628	14,298,115,753
Non-Current Assets					
Investments in subsidiaries	12	-	-	278,974,379	269,764,379
Property, plant and equipment, net	13	16,499,150,059	14,824,003,980	16,483,105,535	14,807,908,866
Investment property, net	14	112,866,009	119,200,000	112,866,009	119,200,000
Leasehold right, net	15	529,432,099	555,400,233	529,432,099	555,400,233
Goodwill, net	16	167,384,412	167,384,412	-	-
Other intangible assets, net	17	69,528,676	55,657,239	60,275,925	43,410,871
Other non-current assets		18,658,359	12,335,962	13,553,298	10,197,040
Total Non-Current Assets		17,397,019,614	15,733,981,826	17,478,207,245	15,805,881,389
Total Assets		32,084,561,828	30,319,446,167	31,720,374,873	30,103,997,142

The notes to the consolidated and company financial statements form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2012 and 2011

		Consolidated		Company	
		2012	2011	2012	2011
	Notes	Baht	Baht	Baht	Baht
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current Liabilities					
Short-term loans from financial institutions	18	2,099,786,585	2,052,043,835	2,000,000,000	2,000,000,000
Trade accounts payable					
Third parties		15,728,455,131	15,595,914,528	15,610,530,927	15,527,689,482
Related party	9.3	-	-	8,236,796	25,254,308
Total trade accounts payable		15,728,455,131	15,595,914,528	15,618,767,723	15,552,943,790
Advances from related parties	9.5	88,190,730	80,860,599	88,054,716	80,860,599
Other current liabilities					
Other accounts payable		907,922,559	699,329,119	897,497,724	685,632,175
Income tax payable		521,675,917	634,472,734	515,935,053	628,431,672
Accrued expenses		1,339,630,879	993,425,172	1,328,364,475	982,818,260
Current portion of liabilities under financial lease, net	19	23,988,714	22,521,959	23,988,714	22,521,959
Others		291,584,536	170,007,838	288,738,051	167,700,802
Total Current Liabilities		21,001,235,051	20,248,575,784	20,761,346,456	20,120,909,257
Non-Current Liabilities					
Liabilities under financial lease, net	19	103,908,916	127,150,138	103,908,916	127,150,138
Provision for employee benefits	20	288,613,026	226,993,441	282,001,851	221,773,401
Other non-current liabilities		34,218,509	36,197,021	34,164,779	36,143,291
Total Non-Current Liabilities		426,740,451	390,340,600	420,075,546	385,066,830
Total Liabilities		21,427,975,502	20,638,916,384	21,181,422,002	20,505,976,087

The notes to the consolidated and company financial statements form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2012 and 2011

		Consolidated		Company	
		2012	2011	2012	2011
	Notes	Baht	Baht	Baht	Baht
LIABILITIES AND SHAREHOLDERS' EQUITY (Cont'd)					
Shareholders' Equity					
Share capital	22				
Authorised share capital					
Ordinary shares, 240,000,000 shares of par Baht 10 each		2,400,000,000	2,400,000,000	2,400,000,000	2,400,000,000
Issued and paid-up share capital					
Ordinary shares, 240,000,000 shares of paid-up Baht 10 each		2,400,000,000	2,400,000,000	2,400,000,000	2,400,000,000
Premium on share capital		3,290,152,068	3,290,152,068	3,290,152,068	3,290,152,068
Retained earnings					
Appropriated					
Legal reserve	23	240,000,000	240,000,000	240,000,000	240,000,000
Unappropriated		4,726,293,374	3,750,377,715	4,608,800,803	3,667,868,987
Other components of equity		140,884	-	-	-
Total Shareholders' Equity		10,656,586,326	9,680,529,783	10,538,952,871	9,598,021,055
Total Liabilities and Shareholders' Equity		32,084,561,828	30,319,446,167	31,720,374,873	30,103,997,142

The notes to the consolidated and company financial statements form an integral part of these financial statements.

INCOME STATEMENTS

For the years ended 31 December 2012 and 2011

	Notes	Consolidated		Company	
		2012	2011	2012	2011
		Baht	Baht	Baht	Baht
Revenues					
Sales	9.1	112,140,155,116	97,153,848,727	110,985,259,546	96,131,162,225
Service income	9.1	2,192,605,011	1,947,707,331	2,185,743,776	1,930,048,018
Other income	9.1	623,089,055	568,459,196	616,957,843	562,158,469
Total revenues		114,955,849,182	99,670,015,254	113,787,961,165	98,623,368,712
Expenses					
Cost of sales	9.2	102,760,452,992	89,402,408,032	101,831,081,987	88,579,931,674
Selling expenses	9.2	5,758,063,701	4,747,494,826	5,699,319,366	4,688,567,227
Administrative expenses	9.2	1,500,099,436	1,152,281,755	1,372,519,101	1,030,326,309
Management benefit expenses	9.6, 27	160,499,216	176,457,775	160,499,216	176,457,775
Other operating expenses in relation to floods	28	-	238,069,733	-	237,030,423
Total expenses		110,179,115,345	95,716,712,121	109,063,419,670	94,712,313,408
Profit before finance costs and income tax	24	4,776,733,837	3,953,303,133	4,724,541,495	3,911,055,304
Finance costs		(85,214,919)	(63,253,210)	(80,575,879)	(60,489,155)
Profit before income tax		4,691,518,918	3,890,049,923	4,643,965,616	3,850,566,149
Income tax		(1,135,603,259)	(1,285,612,985)	(1,123,033,800)	(1,272,439,844)
Net profit for the year		3,555,915,659	2,604,436,938	3,520,931,816	2,578,126,305
Basic earnings per share					
Net profit for the year	25	14.82	10.85	14.67	10.74

The notes to the consolidated and company financial statements form an integral part of these financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

For the years ended 31 December 2012 and 2011

	Consolidated		Company	
	2012	2011	2012	2011
	Baht	Baht	Baht	Baht
Net profit for the year	3,555,915,659	2,604,436,938	3,520,931,816	2,578,126,305
Other comprehensive income				
Currency translation differences	140,884	-	-	-
Total comprehensive income for the year	<u>3,556,056,543</u>	<u>2,604,436,938</u>	<u>3,520,931,816</u>	<u>2,578,126,305</u>

The notes to the consolidated and company financial statements form an integral part of these financial statements.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the years ended 31 December 2012 and 2011

Consolidated					
				Other components of equity	
				Other comprehensive income	
		Issued and paid-up share capital	Premium on share capital	Retained earnings	Currency translation differences
	Note	Baht	Baht	Baht	Baht
					Total Baht
2011					
Opening balance		2,400,000,000	3,290,152,068	3,485,940,777	- 9,176,092,845
Total comprehensive income for the year		-	-	2,604,436,938	- 2,604,436,938
Dividends	26	-	-	(2,100,000,000)	- (2,100,000,000)
Closing balance		2,400,000,000	3,290,152,068	3,990,377,715	- 9,680,529,783
2012					
Opening balance		2,400,000,000	3,290,152,068	3,990,377,715	- 9,680,529,783
Total comprehensive income for the year		-	-	3,555,915,659	140,884 3,556,056,543
Dividends	26	-	-	(2,580,000,000)	- (2,580,000,000)
Closing balance		2,400,000,000	3,290,152,068	4,966,293,374	140,884 10,656,586,326

The notes to the consolidated and company financial statements form an integral part of these financial statements.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the years ended 31 December 2012 and 2011

	Note	Company			
		Issued			Total
		and paid-up	Premium on	Retained	
		share capital	share capital	earnings	
		Baht	Baht	Baht	Baht
2011					
Opening balance		2,400,000,000	3,290,152,068	3,429,742,682	9,119,894,750
Total comprehensive income for the year		-	-	2,578,126,305	2,578,126,305
Dividends	26	-	-	(2,100,000,000)	(2,100,000,000)
Closing balance		2,400,000,000	3,290,152,068	3,907,868,987	9,598,021,055
2012					
Opening balance		2,400,000,000	3,290,152,068	3,907,868,987	9,598,021,055
Total comprehensive income for the year		-	-	3,520,931,816	3,520,931,816
Dividends	26	-	-	(2,580,000,000)	(2,580,000,000)
Closing balance		2,400,000,000	3,290,152,068	4,848,800,803	10,538,952,871

The notes to the consolidated and company financial statements form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

For the years ended 31 December 2012 and 2011

	Notes	Consolidated		Company	
		2012	2011	2012	2011
		Baht	Baht	Baht	Baht
Cash flows from operating activities					
Profit before income tax		4,691,518,918	3,890,049,923	4,643,965,616	3,850,566,149
Adjustments for :					
Depreciation	13	1,133,009,329	958,292,455	1,125,009,560	949,328,971
Amortisation of intangible assets	17	26,251,780	22,179,605	22,504,608	18,522,256
Amortisation of leasehold right	15	33,160,955	31,336,399	33,160,955	31,336,399
Write-off building and equipment	13	24,618,012	6,435,977	24,483,809	6,435,977
Write-off intangible assets	17	-	5,967,570	-	5,967,570
Interest income		(85,853,362)	(69,067,216)	(86,818,639)	(72,819,292)
Finance costs					
- interest expenses from borrowings		72,634,243	49,783,740	67,995,203	47,019,685
- interest expenses under finance lease		12,580,676	13,469,470	12,580,676	13,469,470
Loss on disposals of property, plant and equipment		20,942,697	6,077,417	21,078,280	6,444,442
Gain on disposals of investment property		(10,022,259)	-	(10,022,259)	-
(Reversal) allowance for loss from write-off of fixed assets	13	(11,319,814)	21,226,923	(11,319,814)	21,226,923
Allowance for impairment loss	14	-	16,300,000	-	16,300,000
(Reversal) allowance for obsolete and shrinkage inventories		(79,913,926)	106,616,079	(83,348,639)	105,088,557
(Reversal) allowance for inventory cost in excess of net realizable value		26,275	(202,401)	-	-
Provision for employee benefits	20	69,024,138	42,247,908	67,528,003	39,945,244
Currency translation differences		140,884	-	-	-
Others		3,261,654	77,886	3,377,229	1,205,131
Changes in operating assets and liabilities					
Trade accounts receivable		(59,907,430)	(29,304,758)	(32,284,913)	(2,002,214)
Advances to a related party		-	-	(4,222,383)	618,351
Inventories		16,509,147	(1,420,147,619)	8,855,888	(1,333,742,212)
Purchase discounts receivable		(108,013,190)	(80,024,615)	(108,013,190)	(80,024,615)

The notes to the consolidated and company financial statements form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS (CONTINUED)

For the years ended 31 December 2012 and 2011

	Note	Consolidated		Company	
		2012	2011	2012	2011
		Baht	Baht	Baht	Baht
Cash flows from operating activities (Cont'd)					
Changes in operating assets and liabilities (Cont'd)					
Other current assets		(104,720,653)	62,396,829	(103,491,706)	60,474,733
Other non-current assets		(6,322,397)	(4,799,185)	(3,356,258)	(4,582,548)
Trade accounts payable - third parties		132,540,603	2,783,840,344	82,841,445	2,792,534,018
Trade accounts payable - related party		-	-	(17,017,512)	(1,327,605)
Advances from related parties		7,330,131	4,741,332	7,194,117	4,785,397
Other accounts payable		165,936,363	5,389,678	169,437,881	5,816,177
Accrued expenses		344,099,842	290,632,970	343,332,790	291,776,730
Other current liabilities		121,229,198	(49,456,702)	120,689,749	(48,639,497)
Other non-current liabilities		(1,978,512)	(680,522)	(1,978,512)	(680,522)
Employee benefits paid	20	(7,404,553)	(9,698,908)	(7,299,553)	(9,678,908)
Cash generated from operating activities		6,399,358,749	6,653,680,579	6,284,862,431	6,715,364,767
Interest received		85,876,001	69,017,046	86,841,278	72,769,123
Interest paid		(70,528,378)	(26,558,009)	(65,781,778)	(23,974,808)
Income tax paid		(1,248,400,076)	(1,099,584,307)	(1,235,530,419)	(1,087,309,724)
Net cash generated from operating activities		5,166,306,296	5,596,555,309	5,070,391,512	5,676,849,358

The notes to the consolidated and company financial statements form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS (CONTINUED)

For the years ended 31 December 2012 and 2011

		Consolidated		Company	
		2012	2011	2012	2011
	Notes	Baht	Baht	Baht	Baht
Cash flows from investing activities					
Purchase of property, plant and equipment		(2,794,230,109)	(3,218,021,337)	(2,786,647,305)	(3,213,331,399)
Purchase of other intangible assets		(51,319,163)	(24,763,017)	(50,287,408)	(22,740,715)
Purchase of leasehold right	15	(10,000,000)	(85,344,681)	(10,000,000)	(85,344,681)
Cash received from disposals of property, plant and equipment		7,802,792	8,725,875	7,660,178	8,358,783
Cash received from disposals of investment property		16,356,250	-	16,356,250	-
Net payments loans to a related party	9.4	-	-	135,000,000	-
Cash payment on investment in a subsidiary	12	-	-	(9,210,000)	-
Net cash used in investing activities		(2,831,390,230)	(3,319,403,160)	(2,697,128,285)	(3,313,058,012)
Cash flows from financing activities					
Net short-term loans from financial institutions		47,742,750	852,043,835	-	800,000,000
Payments on finance lease payable		(35,156,256)	(34,460,883)	(35,156,256)	(34,460,883)
Dividends paid	26	(2,580,000,000)	(2,100,000,000)	(2,580,000,000)	(2,100,000,000)
Net cash used in financing activities		(2,567,413,506)	(1,282,417,048)	(2,615,156,256)	(1,334,460,883)
Net increase (decrease) in cash and cash equivalents					
		(232,497,440)	994,735,101	(241,893,029)	1,029,330,463
Cash and cash equivalents, opening balance		6,288,326,236	5,293,591,135	6,272,871,845	5,243,541,382
Cash and cash equivalents, closing balance		6,055,828,796	6,288,326,236	6,030,978,816	6,272,871,845
Non cash transactions					
Investing activities:					
Purchase of property, plant and equipment unpaid		392,408,943	338,555,920	391,871,587	338,526,173
Purchase of other intangible assets unpaid		7,167,163	18,363,109	7,167,163	18,084,909
Purchase of equipment under finance lease		801,113	15,848,165	801,113	15,848,165

The notes to the consolidated and company financial statements form an integral part of these financial statements.

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the years ended 31 December 2012 and 2011

1 General information

Siam Makro Public Company Limited ("The Company") was incorporated in Thailand on 10 May 1988, changed its status to a public company on 11 February 1994 and was subsequently listed on the Stock Exchange of Thailand on 11 August 1994. For reporting purposes, the Company and its subsidiaries are referred to as the Group.

The Company's principal business is the operation of Cash and Carry Trade Centres throughout Thailand, under the name "Makro", selling food and non-food products to registered members, predominantly small and medium size businesses, retailers, caterers, professional and service sectors and institutions.

The Company has two subsidiaries:-

- a) Siam Food Services Limited is an importing and trading business of food products from international and domestic source and providing services such as freight, delivery, rental and storage.
- b) Vina Siam Food Company Limited is a trading and distribution, and import and export food products. It was granted an operating license from Ministry of Planning and Investment (MPI) of Vietnam on 15 October 2012.

The registered head office of the Company is located at 3498 2nd Floor, Lard Prao Road, Klongchan, Bangkok, Bangkok 10240.

As at 31 December 2012, the Company operates 57 Makro stores (2011 : 52 stores) and 5 Frozen shops (2011 : 2 shops).

The consolidated and company financial statements have been approved for issue by the board of directors on 27 February 2013.

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the years ended 31 December 2012 and 2011

2 Accounting policies

The principal accounting policies adopted in the preparation of these consolidated and company financial statements are set out below.

2.1 Basis of preparation

The consolidated and company financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Account Professions Act B.E. 2547, and the financial reporting requirements by the Securities and Exchange Commission under the Securities and Exchange Act.

The consolidated and company financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported periods. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates. The Group discloses the critical accounting estimates, assumption and management judgements which are significant to the consolidated and company financial statements in Note 4.

An English version of the consolidated and company financial statements has been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the years ended 31 December 2012 and 2011

2 Accounting policies (Cont'd)

2.2 New accounting standards, new financial reporting standard, amendments to accounting standards and new interpretations

The following new accounting standards, new financial reporting standard, amendments to accounting standards and new interpretations are mandatory, but the Group has not early adopted them:

Effective for the accounting periods beginning on or after 1 January 2013

TAS 12	Income Taxes
TAS 20 (Revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2009)	The Effects of Changes in Foreign Exchange Rates
TFRS 8	Operating Segments
TSIC 10	Government Assistance - No Specific Relation to Operating Activities
TSIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
TSIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

Effective for the accounting periods beginning on or after 1 January 2014

TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TSIC 29	Service Concession Arrangements: Disclosure

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the years ended 31 December 2012 and 2011

2 Accounting policies (Cont'd)

2.2 New accounting standards, new financial reporting standard, amendments to accounting standards and new interpretations (Cont'd)

The Group's management has determined that the new accounting standards, new financial reporting standard, amendments to accounting standards and new interpretations will not significantly impact the financial statements being presented, except for;

- TAS 12 Income Taxes : The standard deals with taxes on income, comprising current tax and deferred tax. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, using tax rates and tax law that have been enacted or substantively enacted by the end of the reporting period. Deferred taxes are measured based on the temporary difference between the tax base of an asset or liability and its carrying amount in the financial information and using the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax law that have been enacted or substantively enacted by the end of the reporting period. The Group will apply this standard from 1 January 2013 retrospectively. The application of this standard will effect deferred tax account, retained earnings and income tax expenses. The Group's management is currently assessing the impact of applying this standard.
- TFRS 8 Operating Segments : The standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. The Group will apply this standard from 1 January 2013. The expected impact is still being assessed in detail by the Group's management, but it appears likely that the number of reportable segments, as well as the manner in which the segments are reported, will change in a manner that is consistent with the internal reporting provided to the chief operating decision-maker.

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the years ended 31 December 2012 and 2011

2 Accounting policies (Cont'd)

2.3 Investments in subsidiaries

Subsidiaries are those entities in which the Group has an interest of more than one half of the voting rights or otherwise has power to exercise control over the operations. Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases. All intercompany transactions and balances between group companies are eliminated. Where necessary, accounting policies for subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill.

Investments in subsidiaries in the company financial statements are presented by the cost method of accounting.

A list of the Group's principal subsidiaries is shown in Note 12.

2.4 Foreign currency translation

Items included in the financial statements of each entity in the Group are measured using Thai Baht. The consolidated financial statements are presented in Thai Baht.

Foreign currency transactions in the Group are accounted for at the exchange rates prevailing at the date of the transactions. The outstanding monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the statement of financial position date. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. The Group has limited exposure to foreign currency transactions by using forward exchange contracts and such balances are translated at year end exchange rates.

The statements of comprehensive income and cash flows of foreign entities are translated into the Group's reporting currency using the weighted average exchange rates for the year and statement of financial position are translated at the exchange rates as at the end of reporting period. Currency translation differences arising from the translation of the net investment in foreign entities are taken to shareholders' equity. On disposal of a foreign entity, accumulated exchange differences are recognised in the statement of comprehensive income as part of the gain or loss on sale.

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the years ended 31 December 2012 and 2011

2 Accounting policies (Cont'd)

2.5 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities not over three months, but not include deposits with bank which held to maturities.

2.6 Trade accounts receivable

Trade accounts receivable are carried at original invoice amount and subsequent measurement is based on the remaining amount less allowance for doubtful receivables by reviewing outstanding amounts at the year end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written off during the year in which they are identified and recognised in the income statement as administrative expenses.

2.7 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the first-in first-out basis. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, allowances or rebates. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses. Allowance is made, where necessary, for obsolete, slow-moving and shrinkage inventories.

2.8 Investments

The Group classifies its investments in debt securities as held-to-maturity securities. Those investments with fixed maturity that the management has the intent and ability to hold to maturity are included in current assets when the maturity date is less than 12 months from the statement of financial position date and included in non-current assets when the maturity date is longer than 12 months.

Investments in debt securities which are classified as held-to-maturity securities are carried at amortised cost.

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, the impairment loss is charged to the income statement.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged to the income statement.

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the years ended 31 December 2012 and 2011

2 Accounting policies (Cont'd)

2.9 Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Investment property of the Group is land currently held and future use is undetermined. The Group has not determined that it will use the land as owner-occupied property or for sale in short term.

Investment property is measured initially at its cost including related transaction costs. After initial recognition, investment property is carried at cost less accumulated impairment losses (if any).

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

2.10 Property, plant and equipment

All property, plant and equipment are initially recorded at cost, and are stated at cost less accumulated depreciation.

Depreciation is calculated on the straight-line method to write-off the cost of each asset, except for land which is considered to have an indefinite life, to its residual value over the estimated useful life as follows:

	2012 Years	2011 Years
Leasehold improvement	30	30
Building and building improvement	3 - 30	3 - 30
Equipment	5 - 10	3 - 10
Computer	3, 6	3
Vehicle	5	5

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the years ended 31 December 2012 and 2011

2 Accounting policies (Cont'd)

2.10 Property, plant and equipment (Cont'd)

At the end of each reporting period, the assets' residual values and useful lives are reviewed, and adjusted if appropriate.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposals of property, plant and equipment are determined by comparing proceeds with carrying amount and are recognised in the income statements.

2.11 Leasehold right

Leasehold right is initially recorded at cost, and are stated at cost less accumulated amortisation. The amortisation is calculated on the straight-line method over the period of lease agreements (25 - 30 years).

2.12 Intangible assets

2.12.1 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary undertaking at the date of acquisition. Goodwill on acquisition of subsidiary is reported in the consolidated statement of financial position as an intangible asset.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses (if any). Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash generating units or group of cash generating units that are expected to benefit from the business combination in which the goodwill arose.

2.12.2 Other intangible assets

Other intangible assets represent computer software for internal use. The cost includes cost of software development and software license fee. Other intangible assets are amortised using the straight-line method over their estimated useful lives, which range from 2 - 10 years.

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the years ended 31 December 2012 and 2011

2 Accounting policies (Cont'd)

2.13 Impairment of assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Property, plant and equipment and other non-financial assets, including investment property and other intangible assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount which is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the smallest levels for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.14 Leases - where the Group is the lessee

Leases of equipment which substantially transfer all the risks and rewards of ownership are classified as finance leases. Finance leases also include service agreements which involve dedicated assets solely used by the Group and having commitment in case the agreement is prematurely terminated. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated to the principal and to the finance charges so as to achieve a constant rate on the finance balance outstanding. The outstanding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the income statement over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The equipment acquired under finance lease concept is depreciated over the useful life of the assets.

Leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

2.15 Leases - where the Group is the lessor

Assets leased out under operating leases are included as land in the statement of financial position. Rental income (net of any incentives given to lessee) is recognised on a straight-line basis over the lease term.

2.16 Income taxes

The Group calculates income taxes according to the Revenue Code and records them on accrual basis. The Group does not recognise income taxes payable or receivable in future periods in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the years ended 31 December 2012 and 2011

2 Accounting policies (Cont'd)

2.17 Employee benefits

a) Short-term employee benefits

Short-term employee benefit obligations, which include salaries, wages, bonuses, contributions to the social security fund and others, are measured on an undiscounted basis and are expensed when they are incurred.

b) Post-employment benefits

The Group provides post-employment benefits through a defined contribution plan (under the Provident Fund Act B.E. 2530) and defined benefit plans. The details are as follows:

- Defined contribution plan

Provident fund

The Group operates a provident fund, being a defined contribution plan, the assets for which are held in a separate trust fund and managed by a fund manager. The provident fund is funded by payments from employees and by the Group. The Group's contributions to the provident fund are charged to the income statement in the years to which they relate.

- Defined benefit plans

Pension fund benefit

The Group operates a pension scheme for employees who joined the Company before the 1st of January 2003 and choose to retain the benefits of the original scheme. Employees, upon resignation or retirement from the Group after having completed 3 years of service, shall be entitled to receive cash payment equivalent to their prevailing salary multiplied by the number of years of service, but not exceeding the equivalent of 10 months of final salary.

Severance benefit

Under Labour Laws applicable in Thailand and Group's employment policy, all employees completing 120 days of service are entitled to severance pay on termination or retrenchment without cause or upon retirement age of 60. The severance pay will be at the rate according to number of years of service as stipulated in the Labor Law which is currently at a maximum rate of 300 days of final salary.

Additional benefit related to provident fund

The Company operates an employee benefit scheme under which employees who are members of the Company's provident fund, being a defined contribution plan, for at least 9 years are entitled to receive additional contribution from the Company on their resignation or retirement from employment with the Company. Employees, who are member of the provident fund for at least 9 years, shall be entitled to receive an additional 50% of the contributions made by the Company on their behalf.

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the years ended 31 December 2012 and 2011

2 Accounting policies (Cont'd)

2.17 Employee benefits (Cont'd)

c) Other long-term employee benefits

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

d) Termination benefits

The Group recognises termination benefits when it is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits are expensed when they arise.

The Group recognises liabilities in respect of these defined benefit plans and other long-term employee benefits at the present value of the benefit obligations at the statement of financial position date adjusted for actuarial gains/losses. These benefit obligations are calculated every year by independent actuaries using the projected unit credit method. The present value of the benefit obligations is determined by the estimated future cash outflows using interest rates of government bonds which have terms to maturity approximating the terms of the related liability.

Actuarial gains and losses arising from experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred), changes in actuarial assumptions and amendments to employee benefits plans are charged as expenses or credited to the income statement in the year in which they arise.

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the years ended 31 December 2012 and 2011

2 Accounting policies (Cont'd)

2.18 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.19 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and service net of output tax, rebates and discounts, and after eliminating sales within the Group for the consolidated financial statements.

Revenue from sales of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer.

Revenue from rendering services is recognised in the accounting period in which the services are rendered.

Interest income is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Group. Dividends are recognised when the right to receive payment is established.

2.20 Dividends

Dividends are recorded in the consolidated and Company's financial statements in the period when declared by the board of directors and/or approved by the shareholders of related companies.

2.21 Segment reporting

Segmental information is presented by the business segment and geographical area of the Group's operations.

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the years ended 31 December 2012 and 2011

3 Financial risk management

3.1 Financial risk factors

3.1.1 Interest rate risk

The Group encounters interest rate risk through its exposure to interest rate fluctuations on its cash and short-term investments but such risks do not carry significant impact.

3.1.2 Foreign currency exchange risk

The Group has limited exposure to foreign currency exchange fluctuations on purchasing of goods and services and these purchases are not significant in the ordinary course of business. The Group manages this risk through forward exchange contracts. Foreign currency exchange trading for speculative purpose is prohibited.

3.1.3 Credit risk

The Group has no significant concentrations of credit risk relating to its cash, short-term investments, trade receivables, amounts due from a related party and loans to a related party as the Group primarily operates on cash and carry basis in which most transactions are cash sales. In addition, the Group places its cash and short-term investments with high quality financial institutions. The Group's policies are designed to limit exposure with any one financial institution and to invest excess cash in low risk investment instruments. The Group has not experienced any losses on such accounts. The subsidiaries have in place credit policies not to provide credit for any companies considered high risk of collections.

3.1.4 Liquidity risk

The Group manages its liquidity risk by holding sufficient cash and short-term investments for operating expenses.

3.2 Accounting for financial instruments

Financial instruments carried on the statement of financial position include cash and cash equivalents, trade receivables and payables, amounts due from/to related parties, loans to a related party, and short-term loans from financial institutions. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Foreign currency forward contracts establish the exchange rate at which the Group will pay foreign currency amounts on a predetermined future date. The foreign currency amount receivables under these contracts are translated at the year end exchange rate. Unrealised gains or losses that result from the translation are recognised in the income statement. Any premium or discount equal to the difference between the spot exchange rate and the forward rate arising at the inception of the contract is amortised over the life of the contract.

3.3 Fair value

Fair values of financial instruments are accounted for at their carrying amounts because of the short maturities of these instruments, therefore, they are not considered a significant risk in the Group's future cash flows.

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the years ended 31 December 2012 and 2011

4 Critical accounting estimates, assumption and judgements

Estimates, assumption, and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of management's estimates.

4.2 Property, plant and equipment and intangible assets

Management determines the estimated useful life and residual value for the Group's property, plant and equipment and intangible assets. Management will revise the depreciation charge where useful life and residual value are different to previously estimated annually, or it will write off or write down technically obsolete assets or idle assets that have been abandoned or sold.

4.3 Employee benefits

The Group has commitment on pension fund benefit, severance benefit, additional benefit related to provident fund, and other long-term employee benefits. The present value of employee benefit liabilities recognised in the statement of financial position is determined on an actuarial basis utilising various assumptions. The assumptions used in determining the net year cost for employee benefits include discounted rate, future basis salary increase, service years, employee turnover rate, and others. Any changes in these assumptions will impact the net periodic cost recorded for employee benefits.

On an annual basis, the Group determines the appropriate discount rate, which represents the interest rate that should be used to determine the present value of future cash flows currently expected to be required to settle the employee benefits. In determining the appropriate discount rate the Group considers the current yields on high quality corporate fixed-income investments in Thailand.

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the years ended 31 December 2012 and 2011

5 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

6 Segment information

The Group's operations are in a single industry segment of wholesale and retail and are carried out in two geographic areas, which are Thailand and Vietnam. The Group included the operating results of a subsidiary in Vietnam since 15 October 2012. However, the Group's major operation is mainly in Thailand. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned industry segment and geographic areas.

7 Cash and cash equivalents

	Consolidated		Company	
	2012	2011	2012	2011
	Baht	Baht	Baht	Baht
Cash in hand	1,823,241,368	904,573,313	1,823,103,965	904,527,902
Deposits held at call with banks	2,182,820,793	2,984,544,853	2,158,108,216	2,969,135,873
Central bank bond	2,049,766,635	2,399,208,070	2,049,766,635	2,399,208,070
	<u>6,055,828,796</u>	<u>6,288,326,236</u>	<u>6,030,978,816</u>	<u>6,272,871,845</u>

The weighted average effective interest rates of deposits held at call with banks were 0.20% - 2.00% per annum (2011 : 0.10% - 1.50% per annum).

Investments in debt securities represent central bank bond having weighted average effective interest rates of 2.61% - 3.16% per annum (2011 : 1.82% - 3.46% per annum), having a maturity of three months or less when purchased.

During the year, other income includes interest income from investments in debt securities as follows:

	Consolidated		Company	
	2012	2011	2012	2011
	Baht	Baht	Baht	Baht
Investments in debt securities				
Interest income	45.3	41.8	45.3	41.8

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the years ended 31 December 2012 and 2011

8 Trade accounts receivable, net

	Consolidated		Company	
	2012	2011	2012	2011
	Baht	Baht	Baht	Baht
Gross trade accounts receivable	235,065,860	175,158,430	39,236,448	6,951,535
<u>Less</u> allowance for doubtful accounts	(126,037)	(241,612)	-	-
Trade accounts receivable, net	234,939,823	174,916,818	39,236,448	6,951,535

Outstanding trade accounts receivable as at 31 December can be analysed as follows:

	Consolidated		Company	
	2012	2011	2012	2011
	Baht	Baht	Baht	Baht
Up to 3 months	234,599,542	174,226,425	38,943,270	6,951,535
3 - 6 months	330,431	723,174	293,178	-
6 - 12 months	-	208,831	-	-
Over 12 months	135,887	-	-	-
Total	235,065,860	175,158,430	39,236,448	6,951,535
<u>Less</u> allowance for doubtful accounts	(126,037)	(241,612)	-	-
Trade accounts receivable, net	234,939,823	174,916,818	39,236,448	6,951,535

9 Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

SHV Group has certain control over the plan and the policies of the Company and its subsidiaries through the nomination to the board of directors and the shareholders' meeting for approval of the appointment of 5 directors from the Company's total number of 10 persons, 4 of whom are executive directors and 1 is non-executive director. Therefore, members of the SHV Group are considered to be related parties.

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the years ended 31 December 2012 and 2011

9 Related party transactions (Cont'd)

Feature of relationships and related transactions

Transactions with subsidiaries

Trading transactions with and services from subsidiaries are carried out under commercial terms and conditions. They are treated in the same manner as unrelated parties and are presented at market price.

The rental income charges in respect of buildings as specified in the agreement between the Company and subsidiary are based on the cost of the buildings plus related expenses which can be compared to the available market price. Cost of the buildings means acquisition cost and related expenses mean other related expenses incurred in bringing them into working condition for their intended use.

Management services provided by the Company are charged at agreed price upon the actual service rendered to a subsidiary on the basis of an agreed annual fee.

The Company has entered into a trading agreement with a subsidiary to collect discount and services based on goods purchased on the basis of an agreed annual fee. The agreement is valid for 1 year and renewed annually.

The Company has entered into a distributorship agreement to grant discount to a subsidiary, as a distributor. The fee is charged at fixed rate. The agreement is valid for 1 year until 31 March 2012. The agreement is renewed annually, unless any party shall terminate the agreement by written notice.

Transactions with other related parties

Purchase of intangible assets

During 2012, the Company and its subsidiary have been granted rights to use antivirus software from an overseas affiliated company, being a member of the SHV Group, which is SHV Holding N.V.. The antivirus software license fee is EUR 42,631.16 and EUR 1,374.96, respectively. Regarding the benefit from this agreement, the Company and its subsidiary are able to use the antivirus software.

During 2012, a subsidiary have been granted rights to use the sales management application software from an overseas affiliated company, being a member of the SHV Group, which is SHV Holding N.V.. The service fee is EUR 3,330.11. Regarding the benefit from this agreement, the subsidiary has a right to use the sales management application software.

During 2011, the Company has been granted rights to use computer application software from an overseas affiliated company, being a member of the SHV Group, which is Orkam Asia Trademark AG. The license fee is EUR 17,850. Regarding the benefit from this agreement, the Company has a right to use the application software.

Service expenses

The Company has been granted rights to use software and trademarks, maintenance services for application software, granted the rights to use virtual private networking among group of SHV companies and support provided for software and business intelligence application from overseas affiliated companies within the SHV Group, which are Orkam Asia Trademark AG and SHV Holding N.V., respectively.

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the years ended 31 December 2012 and 2011

9 Related party transactions (Cont'd)

Feature of relationships and related transactions (Cont'd)

Service expenses (Cont'd)

Software license fees, royalty fees for the use of such trademarks, maintenance service fees and virtual private networking service fees used among group of SHV companies and supporting fee for software and business intelligence application are as specified in the agreements. The Company considered the fees to be on a reasonable basis and they are as follows:

- a) Royalty fee for the use of trademarks represents a percentage of its sales. The agreement is valid for 1 year. However, the Company reserve the right to renew the agreement every year and have the right to use such trademarks and service marks in business operations.
- b) Software license fee is NLG 50,000 (or EUR 22,689 in equivalent) for each Makro new store. The payment is made once a new store is open. The agreement is valid for 1 year and is renewable annually. Regarding the benefit from this license, the Company obtains specific IT software which is necessary to its business operations.
- c) Maintenance fee regarding business intelligence application is charged at actual amounts. The agreement is for unlimited period of time, unless either of the parties terminates the agreement by written notice. Regarding the benefit from this service agreement, the Company receives maintenance services for the application software.
- d) Virtual private networking service fee is EUR 27,000 and EUR 22,000 for the year 2012 and 2011, respectively. The agreement is for unlimited period of time, unless either of the parties terminates the agreement by written notice. Benefit from this service is data transfer security among group of SHV companies.
- e) Software and business intelligence application support fee is EUR 68,927. The agreement is valid for 1 year ended 31 December 2012. The agreement is automatically renewed for 1 year, unless either of the parties terminates the agreement by written notice. Regarding the benefit from this service agreement, the Company obtains a support for software and business intelligence application.

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the years ended 31 December 2012 and 2011

9 Related party transactions (Cont'd)

The following material transactions were carried out with its related parties:

9.1) Sales of goods, service income and other income

For the years ended 31 December	Consolidated		Company	
	2012	2011	2012	2011
	Million Baht	Million Baht	Million Baht	Million Baht
Sales of goods:				
Subsidiary	-	-	33.0	20.9
Service income and other income:				
Subsidiary	-	-	8.6	10.7

9.2) Purchases of goods, intangible assets and service expenses

For the years ended 31 December	Consolidated		Company	
	2012	2011	2012	2011
	Million Baht	Million Baht	Million Baht	Million Baht
Purchases of goods:				
Subsidiary	-	-	69.9	170.8
Purchases of intangible assets:				
Other related parties	1.9	0.8	1.7	0.8
Service expenses:				
Subsidiary	-	-	0.3	-
Other related parties	174.3	163.1	174.3	163.1
Total	174.3	163.1	174.6	163.1

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the years ended 31 December 2012 and 2011

9 Related party transactions (Cont'd)

The following material transactions were carried out with related parties: (Cont'd)

9.3) Outstanding balances arising from purchases of goods

	Consolidated		Company	
	2012	2011	2012	2011
	Million Baht	Million Baht	Million Baht	Million Baht
Trade accounts payable to a related party				
Subsidiary	-	-	8.2	25.3

9.4) Advances and short-term loans to a related party

	Consolidated		Company	
	2012	2011	2012	2011
	Million Baht	Million Baht	Million Baht	Million Baht
Advances to				
Subsidiary	-	-	5.8	1.6
Short-term loans to a related party				
Subsidiary	-	-	-	135.0
Total advances and short-term loans to a related party	-	-	5.8	136.6
Movements of short-term loans to a subsidiary are as follows:				
Opening balance	-	-	135.0	135.0
Increase during the year	-	-	-	35.0
Repayments during the year	-	-	(135.0)	(35.0)
Closing balance	-	-	-	135.0

As at 31 December 2011, short-term loans to a subsidiary were Baht 135.0 million promissory notes which was due within 22 October 2012. The interest rate charged was referenced to the borrowing loan's interest rate of the Company from financial institutions plus management charge. However, a subsidiary repaid full amounts in March 2012.

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the years ended 31 December 2012 and 2011

9 Related party transactions (Cont'd)

The following material transactions were carried out with its related parties: (Cont'd)

9.5) Advances from related parties

	Consolidated		Company	
	2012	2011	2012	2011
	Million Baht	Million Baht	Million Baht	Million Baht
Advances from related parties				
Other related parties	88.2	80.9	88.1	80.9

9.6) Management benefit expenses

	Consolidated		Company	
	2012	2011	2012	2011
	Million Baht	Million Baht	Million Baht	Million Baht
Short-term benefits	154.0	153.8	154.0	153.8
Other long-term benefits	-	20.0	-	20.0
Post-employment benefits	6.5	2.7	6.5	2.7
Total	160.5	176.5	160.5	176.5

10 Inventories, net

	Consolidated		Company	
	2012	2011	2012	2011
	Baht	Baht	Baht	Baht
Finished goods	7,386,913,471	7,457,300,251	7,221,165,818	7,230,021,706
Goods-in-transit	76,965,363	23,087,730	-	-
	7,463,878,834	7,480,387,981	7,221,165,818	7,230,021,706
<u>Less</u> allowance for obsolete and shrinkage inventories	(188,197,048)	(268,110,974)	(172,831,983)	(256,180,622)
allowance for inventory cost in excess of net realisable value	(173,912)	(147,637)	-	-
Inventories, net	7,275,507,874	7,212,129,370	7,048,333,835	6,973,841,084

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the years ended 31 December 2012 and 2011

11 Other current assets, net

	Consolidated		Company	
	2012	2011	2012	2011
	Baht	Baht	Baht	Baht
Accrued income	320,421,932	223,873,835	320,421,932	223,873,835
Other receivables	49,312,493	35,445,560	47,014,905	35,133,272
Others	77,879,013	83,596,029	76,692,555	81,653,218
Total	447,613,438	342,915,424	444,129,392	340,660,325
<u>Less</u> allowance for doubtful accounts of other receivables	(11,826,516)	(8,796,787)	(11,826,516)	(8,796,787)
Other current assets, net	435,786,922	334,118,637	432,302,876	331,863,538

12 Investments in subsidiaries

Company										
									Investment value under cost method	
					Paid-up share capital		% Ownership		31 December	31 December
Subsidiaries	Business	Incorporated in	Relationship	Currency	2012	2011	2012	2011	2012	2011
					('000)	('000)	(%)	(%)	(Baht'000)	(Baht'000)
Siam Food Services Limited	Importing and trading of food products from international and domestic source and providing services such as freight, delivery, rental and storage	Thailand	Being shareholder and management participation	Baht	45,000	45,000	99.99	99.99	269,765	269,765
Vina Siam Food Company Limited	Trading and distribution, and import and export food products	Vietnam	Being shareholder and management participation	USD	300	-	100.00	-	9,210	-
									278,975	269,765

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the years ended 31 December 2012 and 2011

12 Investments in subsidiaries (Cont'd)

Movements of investments in subsidiaries are as follows:

	Consolidated		Company	
	2012	2011	2012	2011
	Baht	Baht	Baht	Baht
As at 1 January	-	-	269,764,379	269,764,379
Additions of investments	-	-	9,210,000	-
As at 31 December	-	-	278,974,379	269,764,379

Investment in a subsidiary - Vina Siam Food Company Limited

The Company's Board of Directors has passed a resolution to expand the Company's investment into Vietnam and to apply for an investment license to establish a subsidiary under the name "Vina Siam Food Company Limited". The Company has 100% shareholding in this subsidiary with an investment amount of USD 1 million. This subsidiary operates in trading and distribution, and import and export of food products. On 15 October 2012, the subsidiary was granted a license from Ministry of Planning and Investment of Vietnam to operate a business in Vietnam. On 16 November 2012, the Company paid up share capital of USD 0.3 million or equivalent to Baht 9.2 million.

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the years ended 31 December 2012 and 2011

13 Property, plant and equipment, net

	Consolidated						
	Building &						Total
	Leasehold	building	Equipments &		Construction		
	Land improvement	improvement	computer	Vehicle	in progress		
	Baht	Baht	Baht	Baht	Baht	Baht	Baht
As at 31 December 2010							
Cost	5,683,338,876	18,316,223	7,440,989,743	7,429,632,602	64,299,801	9,859,565	20,646,436,810
Less accumulated							
depreciation	-	(1,953,730)	(3,277,442,705)	(4,899,789,748)	(29,123,391)	-	(8,208,309,574)
allowance for loss							
from write-off							
fixed assets	-	-	(20,000,000)	(11,750,000)	-	-	(31,750,000)
Net book value	5,683,338,876	16,362,493	4,143,547,038	2,518,092,854	35,176,410	9,859,565	12,406,377,236
For the year ended 31 December 2011							
Opening net book value	5,683,338,876	16,362,493	4,143,547,038	2,518,092,854	35,176,410	9,859,565	12,406,377,236
Additions	1,456,575,623	10,920,293	290,482,278	740,304,333	2,253,647	917,849,217	3,418,385,391
Transfer in (out)	267,778	58,850	353,705,368	199,764,067	-	(553,796,063)	-
Write-off, net	-	-	(147,293)	(6,288,684)	-	-	(6,435,977)
Disposals, net	-	-	(3,335,348)	(11,467,941)	(3)	-	(14,803,292)
Depreciation charge							
(Note 24)	-	(716,775)	(228,960,870)	(717,665,453)	(10,949,357)	-	(958,292,455)
Allowance for loss							
from write-off							
fixed assets	-	-	(14,188,923)	(7,038,000)	-	-	(21,226,923)
Closing net book value	7,140,182,277	26,624,861	4,541,102,250	2,715,701,176	26,480,697	373,912,719	14,824,003,980
As at 31 December 2011							
Cost	7,140,182,277	29,295,366	8,069,809,603	8,167,945,910	63,139,581	373,912,719	23,844,285,456
Less accumulated							
depreciation	-	(2,670,505)	(3,494,518,430)	(5,433,456,734)	(36,658,884)	-	(8,967,304,553)
allowance for loss							
from write-off							
fixed assets	-	-	(34,188,923)	(18,788,000)	-	-	(52,976,923)
Net book value	7,140,182,277	26,624,861	4,541,102,250	2,715,701,176	26,480,697	373,912,719	14,824,003,980

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the years ended 31 December 2012 and 2011

13 Property, plant and equipment, net (Cont'd)

	Consolidated						
	Building &						
	Leasehold	building	Equipments &		Construction		
	Land improvement	improvement	computer		Vehicle	in progress	Total
	Baht	Baht	Baht	Baht	Baht	Baht	Baht
For the year ended 31 December 2012							
Opening net book value	7,140,182,277	26,624,861	4,541,102,250	2,715,701,176	26,480,697	373,912,719	14,824,003,980
Additions	836,884,211	11,727,096	82,478,006	598,770,283	688,613	1,318,336,036	2,848,884,245
Reclassification	(2,696,514)	4,072,354	(3,038,904)	3,038,904	-	(60,990)	1,314,850
Transfer in (out)	12,128,400	-	731,037,880	669,534,946	953,000	(1,413,654,226)	-
Write-off, net	-	-	(19,514,066)	(5,103,946)	-	-	(24,618,012)
Disposals, net	-	-	(16,626,253)	(12,119,236)	-	-	(28,745,489)
Depreciation charge (Note 24)	-	(1,327,153)	(263,816,496)	(856,477,692)	(11,387,988)	-	(1,133,009,329)
(Allowance) reversal for loss from write-off fixed assets	-	-	(5,718,186)	17,038,000	-	-	11,319,814
Closing net book value	7,986,498,374	41,097,158	5,045,904,231	3,130,382,435	16,734,322	278,533,539	16,499,150,059
As at 31 December 2012							
Cost	7,986,498,374	45,094,816	8,775,933,903	8,958,375,152	64,781,195	278,533,539	26,109,216,979
Less accumulated depreciation	-	(3,997,658)	(3,690,122,563)	(5,826,242,717)	(48,046,873)	-	(9,568,409,811)
allowance for loss from write-off fixed assets	-	-	(39,907,109)	(1,750,000)	-	-	(41,657,109)
Net book value	7,986,498,374	41,097,158	5,045,904,231	3,130,382,435	16,734,322	278,533,539	16,499,150,059

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the years ended 31 December 2012 and 2011

13 Property, plant and equipment, net (Cont'd)

	Company						
	Building &						Total
	Leasehold	building	Equipments &	Construction			
	Land improvement	improvement	computer	Vehicle	in progress		
Baht	Baht	Baht	Baht	Baht	Baht	Baht	
As at 31 December 2010							
Cost	5,683,338,876	18,316,223	7,416,414,052	7,399,708,577	53,032,143	9,859,565	20,580,669,436
Less accumulated depreciation	-	(1,953,730)	(3,257,827,663)	(4,878,866,808)	(24,263,047)	-	(8,162,911,248)
allowance for loss from write-off fixed assets	-	-	(20,000,000)	(11,750,000)	-	-	(31,750,000)
Net book value	5,683,338,876	16,362,493	4,138,586,389	2,509,091,769	28,769,096	9,859,565	12,386,008,188
For the year ended 31 December 2011							
Opening net book value	5,683,338,876	16,362,493	4,138,586,389	2,509,091,769	28,769,096	9,859,565	12,386,008,188
Additions	1,456,575,623	10,920,293	289,563,647	736,579,757	2,253,647	917,802,807	3,413,695,774
Transfer in (out)	267,778	58,850	353,658,958	199,764,067	-	(553,749,653)	-
Write-off, net	-	-	(147,293)	(6,288,684)	-	-	(6,435,977)
Disposals, net	-	-	(3,335,348)	(11,467,876)	(1)	-	(14,803,225)
Depreciation charge (Note 24)	-	(716,775)	(225,889,892)	(713,377,434)	(9,344,870)	-	(949,328,971)
Allowance for loss from write-off fixed assets	-	-	(14,188,923)	(7,038,000)	-	-	(21,226,923)
Closing net book value	7,140,182,277	26,624,861	4,538,247,538	2,707,263,599	21,677,872	373,912,719	14,807,908,866
As at 31 December 2011							
Cost	7,140,182,277	29,295,366	8,044,268,872	8,136,344,978	52,358,790	373,912,719	23,776,363,002
Less accumulated depreciation	-	(2,670,505)	(3,471,832,411)	(5,410,293,379)	(30,680,918)	-	(8,915,477,213)
allowance for loss from write-off fixed assets	-	-	(34,188,923)	(18,788,000)	-	-	(52,976,923)
Net book value	7,140,182,277	26,624,861	4,538,247,538	2,707,263,599	21,677,872	373,912,719	14,807,908,866

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the years ended 31 December 2012 and 2011

13 Property, plant and equipment, net (Cont'd)

	Company						
	Building &						Total
	Leasehold	building	Equipments &		Construction		
	Land improvement	improvement	computer	Vehicle	in progress		
Baht	Baht	Baht	Baht	Baht	Baht	Baht	
For the year ended 31 December 2012							
Opening net book value	7,140,182,277	26,624,861	4,538,247,538	2,707,263,599	21,677,872	373,912,719	14,807,908,866
Additions	836,884,211	11,727,096	82,478,005	594,929,847	-	1,314,774,673	2,840,793,832
Reclassification	(2,696,514)	4,072,354	(3,038,904)	3,038,904	-	(60,990)	1,314,850
Transfer in (out)	12,128,400	-	730,995,619	666,968,845	-	(1,410,092,864)	-
Write-off, net	-	-	(19,514,066)	(4,969,743)	-	-	(24,483,809)
Disposals, net	-	-	(16,626,253)	(12,112,205)	-	-	(28,738,458)
Depreciation charge (Note 24)	-	(1,327,153)	(261,989,525)	(851,892,854)	(9,800,028)	-	(1,125,009,560)
(Allowance) reversal for loss from write-off fixed assets	-	-	(5,718,186)	17,038,000	-	-	11,319,814
Closing net book value	7,986,498,374	41,097,158	5,044,834,228	3,120,264,393	11,877,844	278,533,538	16,483,105,535
As at 31 December 2012							
Cost	7,986,498,374	45,094,816	8,750,350,911	8,920,608,508	52,358,790	278,533,538	26,033,444,937
Less accumulated depreciation	-	(3,997,658)	(3,665,609,574)	(5,798,594,115)	(40,480,946)	-	(9,508,682,293)
allowance for loss from write-off fixed assets	-	-	(39,907,109)	(1,750,000)	-	-	(41,657,109)
Net book value	7,986,498,374	41,097,158	5,044,834,228	3,120,264,393	11,877,844	278,533,538	16,483,105,535

As at 31 December 2012, certain plant and equipment items have been fully depreciated but are still in use. The original cost before deducting accumulated depreciation of those assets amounted to Baht 3,029 million (2011 : Baht 3,183 million) in the consolidated financial statements, and Baht 2,985 million (2011 : Baht 3,158 million) in the company financial statements.

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the years ended 31 December 2012 and 2011

13 Property, plant and equipment, net (Cont'd)

As at 31 December 2012 and 2011, "Additions" shown above includes leased assets where the Company is a lessee under a finance lease recognition as following details:

	Consolidated / Company	
	2012	2011
	Baht	Baht
Leased assets under a finance lease recognition	193,632,219	192,831,106
<u>Less</u> accumulated depreciation	(78,870,036)	(54,994,811)
Net book value	<u>114,762,183</u>	<u>137,836,295</u>

14 Investment property, net

Investment property is land, net of the allowance for impairment loss as follows:

	Consolidated		Company	
	2012	2011	2012	2011
	Baht	Baht	Baht	Baht
As at 1 January				
Cost	308,572,549	308,572,549	135,500,000	135,500,000
<u>Less</u> allowance for impairment loss	(189,372,549)	(173,072,549)	(16,300,000)	-
Net book value	<u>119,200,000</u>	<u>135,500,000</u>	<u>119,200,000</u>	<u>135,500,000</u>
Transactions during the year				
Opening net book value	119,200,000	135,500,000	119,200,000	135,500,000
Disposals, net	(6,333,991)	-	(6,333,991)	-
Allowance for impairment loss	-	(16,300,000)	-	(16,300,000)
Closing net book value	<u>112,866,009</u>	<u>119,200,000</u>	<u>112,866,009</u>	<u>119,200,000</u>
As at 31 December				
Cost	292,175,772	308,572,549	128,299,867	135,500,000
<u>Less</u> allowance for impairment loss	(179,309,763)	(189,372,549)	(15,433,858)	(16,300,000)
Net book value	<u>112,866,009</u>	<u>119,200,000</u>	<u>112,866,009</u>	<u>119,200,000</u>

As at 31 December 2012, the fair value of an investment property was Baht 123.1 million (2011 : Baht 119.2 million).

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the years ended 31 December 2012 and 2011

15 Leasehold right, net

	Consolidated / Company
	Baht
As at 31 December 2010	
Cost	830,186,827
<u>Less</u> accumulated amortisation	(297,371,697)
Net book value	532,815,130
<u>Less</u> current portion of leasehold right	(30,104,241)
Leasehold right, net	502,710,889
Transactions during the year ended 31 December 2011	
Opening net book value	532,815,130
Additions	85,344,681
Amortisation (Note 24)	(31,336,399)
Closing net book value	586,823,412
As at 31 December 2011	
Cost	915,531,508
<u>Less</u> accumulated amortisation	(328,708,096)
Net book value	586,823,412
<u>Less</u> current portion of leasehold right	(31,423,179)
Leasehold right, net	555,400,233
Transactions during the year ended 31 December 2012	
Opening net book value	586,823,412
Additions	10,000,000
Reclassification	(1,314,850)
Amortisation (Note 24)	(33,160,955)
Closing net book value	562,347,607
As at 31 December 2012	
Cost	924,216,658
<u>Less</u> accumulated amortisation	(361,869,051)
Net book value	562,347,607
<u>Less</u> current portion of leasehold right	(32,915,508)
Leasehold right, net	529,432,099

16 Goodwill, net

	Consolidated	
	2012	2011
	Baht	Baht
Cost	196,922,838	196,922,838
<u>Less</u> accumulated amortisation	(29,538,426)	(29,538,426)
Net book value	167,384,412	167,384,412

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the years ended 31 December 2012 and 2011

17 Other intangible assets, net

	Consolidated		
	Computer software	Computer software under installation	Total
	Baht	Baht	Baht
As at 31 December 2010			
Cost	136,310,591	7,244,212	143,554,803
<u>Less</u> accumulated amortisation	(98,538,265)	-	(98,538,265)
Net book value	<u>37,772,326</u>	<u>7,244,212</u>	<u>45,016,538</u>
Transactions during the year ended 31 December 2011			
Opening net book value	37,772,326	7,244,212	45,016,538
Additions	18,307,327	20,480,549	38,787,876
Transfer in (out)	19,461,651	(19,461,651)	-
Write-off, net	(5,967,570)	-	(5,967,570)
Amortisation (Note 24)	(22,179,605)	-	(22,179,605)
Closing net book value	<u>47,394,129</u>	<u>8,263,110</u>	<u>55,657,239</u>
As at 31 December 2011			
Cost	165,615,646	8,263,110	173,878,756
<u>Less</u> accumulated amortisation	(118,221,517)	-	(118,221,517)
Net book value	<u>47,394,129</u>	<u>8,263,110</u>	<u>55,657,239</u>
Transactions during the year ended 31 December 2012			
Opening net book value	47,394,129	8,263,110	55,657,239
Additions	17,694,984	22,428,233	40,123,217
Transfer in (out)	19,044,434	(19,044,434)	-
Amortisation (Note 24)	(26,251,780)	-	(26,251,780)
Closing net book value	<u>57,881,767</u>	<u>11,646,909</u>	<u>69,528,676</u>
As at 31 December 2012			
Cost	202,311,000	11,646,909	213,957,909
<u>Less</u> accumulated amortisation	(144,429,233)	-	(144,429,233)
Net book value	<u>57,881,767</u>	<u>11,646,909</u>	<u>69,528,676</u>

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the years ended 31 December 2012 and 2011

17 Other intangible assets, net (Cont'd)

	Company		
	Computer software	Computer software under installation	Total
	Baht	Baht	Baht
As at 31 December 2010			
Cost	114,798,169	5,625,290	120,423,459
<u>Less</u> accumulated amortisation	(90,907,139)	-	(90,907,139)
Net book value	<u>23,891,030</u>	<u>5,625,290</u>	<u>29,516,320</u>
Transactions during the year ended 31 December 2011			
Opening net book value	23,891,030	5,625,290	29,516,320
Additions	18,173,173	20,211,204	38,384,377
Transfer in (out)	17,842,729	(17,842,729)	-
Write-off, net	(5,967,570)	-	(5,967,570)
Amortisation (Note 24)	<u>(18,522,256)</u>	<u>-</u>	<u>(18,522,256)</u>
Closing net book value	<u>35,417,106</u>	<u>7,993,765</u>	<u>43,410,871</u>
As at 31 December 2011			
Cost	142,350,154	7,993,765	150,343,919
<u>Less</u> accumulated amortisation	(106,933,048)	-	(106,933,048)
Net book value	<u>35,417,106</u>	<u>7,993,765</u>	<u>43,410,871</u>
Transactions during the year ended 31 December 2012			
Opening net book value	35,417,106	7,993,765	43,410,871
Additions	16,985,330	22,384,332	39,369,662
Transfer in (out)	18,731,188	(18,731,188)	-
Amortisation (Note 24)	<u>(22,504,608)</u>	<u>-</u>	<u>(22,504,608)</u>
Closing net book value	<u>48,629,016</u>	<u>11,646,909</u>	<u>60,275,925</u>
As at 31 December 2012			
Cost	178,066,672	11,646,909	189,713,581
<u>Less</u> accumulated amortisation	(129,437,656)	-	(129,437,656)
Net book value	<u>48,629,016</u>	<u>11,646,909</u>	<u>60,275,925</u>

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the years ended 31 December 2012 and 2011

17 Other intangible assets, net (Cont'd)

As at 31 December 2012, certain intangible asset items have been fully amortised but are still in use. The original cost before deducting accumulated amortisation of those assets are amounted to Baht 103 million (2011 : Baht 85 million) in the consolidated financial statements, and Baht 98 million (2011 : Baht 80 million) in the company financial statements.

18 Short-term loans from financial institutions

	Consolidated		Company	
	2012	2011	2012	2011
	Baht	Baht	Baht	Baht
Promissory notes	2,070,000,000	2,050,000,000	2,000,000,000	2,000,000,000
Trust receipts	29,786,585	2,043,835	-	-
	<u>2,099,786,585</u>	<u>2,052,043,835</u>	<u>2,000,000,000</u>	<u>2,000,000,000</u>

As at 31 December 2012, promissory notes represent promissory notes issued to banks denominated in Thai Baht. The short-term loans bear a fixed interest rates of 2.78% - 3.77% per annum (2011 : 2.78% - 3.75% per annum) and due within October 2013.

As at 31 December 2011, trust receipts are contracted with domestic banks to convert purchases in foreign currency to be short-term loans in Baht. The trust receipts bear interest at the rates of 3.30% - 3.33% per annum (2011 : 3.72% per annum).

19 Liabilities under finance lease, net

As at 31 December 2012 and 2011, the Company has recognised equipment under finance lease. The future minimum lease payments, to which the Company is committed, are as follows:

	Consolidated / Company	
	2012	2011
	Baht	Baht
Not later than 1 year	34,525,984	35,061,230
Later than 1 year but not later than 5 years	97,358,138	109,043,227
Later than 5 years	<u>32,924,217</u>	<u>54,873,696</u>
	164,808,339	198,978,153
<u>Less</u> future finance charges on finance lease	<u>(36,910,709)</u>	<u>(49,306,056)</u>
Net present value - liabilities under finance lease	<u>127,897,630</u>	<u>149,672,097</u>
Liabilities under finance lease		
- current	23,988,714	22,521,959
- non-current	<u>103,908,916</u>	<u>127,150,138</u>
	<u>127,897,630</u>	<u>149,672,097</u>

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the years ended 31 December 2012 and 2011

20 Provision for employee benefits

	Consolidated		Company	
	2012	2011	2012	2011
	Baht	Baht	Baht	Baht
Statements of financial position				
- Defined benefit plans	268,238,395	206,637,892	262,001,851	201,773,401
- Other long-term employee benefits	20,374,631	20,355,549	20,000,000	20,000,000
	<u>288,613,026</u>	<u>226,993,441</u>	<u>282,001,851</u>	<u>221,773,401</u>
Income statements				
- Defined benefit plans	68,920,056	22,234,831	67,528,003	19,945,244
- Other long-term employee benefits	104,082	20,013,077	-	20,000,000
	<u>69,024,138</u>	<u>42,247,908</u>	<u>67,528,003</u>	<u>39,945,244</u>

The movements of the employee benefits obligation in the statement of financial position are as follows:-

	Consolidated		Company	
	2012	2011	2012	2011
	Baht	Baht	Baht	Baht
Beginning balance	226,993,441	194,444,441	221,773,401	191,507,065
Current service cost	18,287,734	28,531,825	17,331,193	28,014,034
Interest cost	7,011,192	7,352,162	6,832,450	7,208,865
Actuarial losses	43,725,212	6,363,921	43,364,360	4,722,345
Benefit paid	(7,404,553)	(9,698,908)	(7,299,553)	(9,678,908)
Ending balance	<u>288,613,026</u>	<u>226,993,441</u>	<u>282,001,851</u>	<u>221,773,401</u>

The amounts of the employee benefits obligation have been recognised in the income statement under selling and administrative expenses as follows:

	Consolidated		Company	
	2012	2011	2012	2011
	Baht	Baht	Baht	Baht
Current service cost	18,287,734	28,531,825	17,331,193	28,014,034
Interest cost	7,011,192	7,352,162	6,832,450	7,208,865
Actuarial losses	43,725,212	6,363,921	43,364,360	4,722,345
Total	<u>69,024,138</u>	<u>42,247,908</u>	<u>67,528,003</u>	<u>39,945,244</u>

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the years ended 31 December 2012 and 2011

20 Provision for employee benefits (Cont'd)

Provision for employee benefits are determined by the principal actuarial assumptions as follows:

	Consolidated		Company	
	2012	2011	2012	2011
	%	%	%	%
Discount rate	3.8	3.5	3.8	3.5
Future salary increase	4.0	4.0	4.0	4.0

21 Contingencies and commitments

As at 31 December 2012 and 2011, the Company and its subsidiaries have contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities will arise. In the ordinary course of business, the Company and its subsidiaries have provided guarantees to third parties as follows:

Bank guarantees

As at 31 December 2012 and 2011, banks have provided guarantees on behalf of the Company and its subsidiaries, primarily in respect of electricity, rental and service agreement and sales of goods as follows:

	Consolidated		Company	
	2012	2011	2012	2011
	Baht	Baht	Baht	Baht
Bank guarantees	117,019,782	109,418,716	114,260,382	108,415,316

Operating lease agreements

The future minimum payments under operating lease agreements as at 31 December are as follows:

	Consolidated		Company	
	2012	2011	2012	2011
	Baht	Baht	Baht	Baht
Not later than 1 year	226,256,140	200,064,760	216,390,229	190,788,810
Later than 1 year and not later than 5 years	789,329,392	724,897,055	769,390,520	723,241,790
Later than 5 years	1,258,858,117	1,440,223,516	1,258,858,117	1,440,223,516
	<u>2,274,443,649</u>	<u>2,365,185,331</u>	<u>2,244,638,866</u>	<u>2,354,254,116</u>

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the years ended 31 December 2012 and 2011

21 Contingencies and commitments (Cont'd)

Capital commitments

Capital expenditure contracted for at the statement of financial position date but not recognised in the financial statements is as follows:

	Consolidated		Company	
	2012	2011	2012	2011
	Baht	Baht	Baht	Baht
Property, plant and equipment	1,279,588,301	734,983,138	1,279,588,301	734,983,138
Computer software	22,051,492	12,227,674	22,051,492	12,227,674

The consolidated and company capital commitments as at 31 December 2012 amounting to Baht 1,301.6 million are mainly related to the purchase of land, fixed assets and intangible assets.

22 Share capital and premium on share capital

As at 31 December 2012 and 2011, the total authorised number of ordinary shares is 240,000,000 shares with a par value of Baht 10 per share. All issued shares are fully paid-up.

	Number of shares	Ordinary shares Baht	Premium on share capital Baht	Total Baht
At 31 December 2010	240,000,000	2,400,000,000	3,290,152,068	5,690,152,068
Issue of shares	-	-	-	-
At 31 December 2011	240,000,000	2,400,000,000	3,290,152,068	5,690,152,068
Issue of shares	-	-	-	-
At 31 December 2012	240,000,000	2,400,000,000	3,290,152,068	5,690,152,068

23 Legal reserve

	Consolidated		Company	
	2012	2011	2012	2011
	Baht	Baht	Baht	Baht
Opening balance	240,000,000	240,000,000	240,000,000	240,000,000
Appropriation during the year	-	-	-	-
Closing balance	240,000,000	240,000,000	240,000,000	240,000,000

Under the Public Companies Act, the Company is required to set aside as a statutory reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the registered capital. The legal reserve is non-distributable as dividends.

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the years ended 31 December 2012 and 2011

24 Expenses by nature

The following expenditure items, classified by nature, have been charged in arriving at profit before finance costs and income tax:

	Notes	Consolidated		Company	
		2012	2011	2012	2011
		Baht	Baht	Baht	Baht
Employee costs		2,778,121,789	2,170,269,970	2,706,757,727	2,102,274,212
Depreciation on property, plant and equipment	13	1,133,009,329	958,292,455	1,125,009,560	949,328,971
Establishment expenses		1,172,153,460	931,270,797	1,158,902,188	919,198,782
Sales promotion expenses		623,820,512	539,219,053	613,769,219	530,353,510
Royalty expenses		180,623,291	172,233,851	180,623,291	172,233,851
Repair and maintenance expenses		166,488,530	159,696,689	162,906,901	157,409,583
Computer expenses		81,528,458	80,178,942	79,269,577	78,498,678
Land rental expenses		58,480,353	53,810,174	58,480,353	53,810,174
Amortisation of leasehold right	15	33,160,955	31,336,399	33,160,955	31,336,399
Amortisation of other intangible assets	17	26,251,780	22,179,605	22,504,608	18,522,256

25 Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year, that is 240,000,000 shares in the year 2012 (2011: 240,000,000 shares). There are no dilutive instruments in issue.

	Consolidated		Company	
	2012	2011	2012	2011
Net profit (Baht)	3,555,915,659	2,604,436,938	3,520,931,816	2,578,126,305
Weighted average number of ordinary shares (Shares)	240,000,000	240,000,000	240,000,000	240,000,000
Basic earnings per share (Baht)	14.82	10.85	14.67	10.74

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the years ended 31 December 2012 and 2011

26 Dividends

A 2012 interim dividend from current net profit after tax for the nine-month period ended on 30 September 2012 of Baht 1.75 per share amounting to a total of Baht 420 million was approved at the Board of Directors' meeting on 5 November 2012 and fully paid in the fourth quarter of 2012.

A 2012 interim dividend from current net profit after tax for the six-month period ended on 30 June 2012 of Baht 3.50 per share amounting to a total of Baht 840 million was approved at the Board of Directors' meeting on 9 August 2012 and fully paid in the third quarter of 2012.

A dividend in respect of 2011 of Baht 5.50 per share amounting to a total of Baht 1,320 million was approved at the annual shareholders' meeting on 27 April 2012 and fully paid in the second quarter of 2012.

A 2011 interim dividend from current net profit after tax for the nine-month period ended on 30 September 2011 of Baht 1.75 per share amounting to a total of Baht 420 million was approved at the Board of Directors' meeting on 9 November 2011 and fully paid in the fourth quarter of 2011.

A 2011 interim dividend from current net profit after tax for the six-month period ended on 30 June 2011 of Baht 3.25 per share amounting to a total of Baht 780 million was approved at the Board of Directors' meeting on 10 August 2011 and fully paid in the third quarter of 2011.

A dividend in respect of 2010 of Baht 3.75 per share amounting to a total of Baht 900 million was approved at the annual shareholders' meeting on 20 April 2011 and fully paid in the second quarter of 2011.

27 Management benefit expenses

Management benefit expenses represent remuneration paid to the Company's directors in accordance with Section 90 of the Public Limited Company Act, and was approved by the shareholders in the Annual General Meeting. In addition, these expenses also include salaries and related benefits payable to the management who are defined under the Notification of the Capital Market Supervisory Board as the managers or persons with managerial authority who are among the top four ranked individuals in the Company after the manager, all other persons who occupy a position equivalent to a top four ranking and also included persons with managerial authority in accounting or finance department which is equivalent or upper to department manager.

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the years ended 31 December 2012 and 2011

28 Other operating expenses in relation to floods

From the devastating flood which widely affected many provinces in the north and the central region of Thailand, including Bangkok and surrounding provinces, during the fourth quarter of 2011, the Group has been affected from this flood as follows:

	Consolidated	Company
	2011	2011
	Baht	Baht
Loss from write-off/allowance for damaged inventories	111,049,500	111,049,500
Distribution centre expenses	50,209,330	50,209,330
Allowance for loss from write-off fixed assets/repair and maintenance of damaged fixed assets	24,799,389	24,799,389
Flood prevention-related expenses	19,972,204	19,972,204
Other expenses	32,039,310	31,000,000
Total	<u>238,069,733</u>	<u>237,030,423</u>

During the second quarter of 2012, the Company received a partial compensation relating to the flood from the insurance companies of Baht 20 million. The Company recorded this amount as other income in the income statements for the year ended 31 December 2012.

As at 31 December 2012, assessment of claim request from the insurance companies has not been finalized.

29 Subsequent events

The Board of Directors' meeting of the Company on 27 February 2013 has unanimously resolved to propose to the Annual General Shareholders' Meeting of the Company for approval of Siam Makro Public Company Limited to declare the final dividend payment for the year 2012 at the rate of Baht 7.25 per share. Such declaration of final dividend payment must be approved by the shareholders' meeting.

MAKRO / MAKRO FOODSERVICE / SIAM FROZEN / SIAM FOOD SERVICES / VINA SIAM FOOD LOCATIONS

MAKRO CASH & CARRY

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Pakkred, Nonthaburi 11120
Tel : 0-2574-0670 Fax : 0-2574-6045

3. Makro Srinakarin Branch

422 Moo 5, Srinakarin Rd., Samrongnua,
A.Mueang Samutprakan, Samutprakan 10270
Tel : 0-2383-4104 Fax : 0-2383-4441

4. Makro Bangbon Branch

210, Kanchanaphisek Rd., Bangbon,
Bangbon, Bangkok 10150
Tel : 0-2416-8080-90 Fax : 0-2416-5974

5. Makro Chonburi Branch

55/3 Moo 2, Sukhumvit Rd., T.Samed,
A.Mueang Chonburi, Chonburi 20000
Tel : (038) 279-201 Fax : (038) 279-200

6. Makro Chiang Mai Branch

152 Moo 6, T.Nong-Pa-Krung,
A.Mueang Chiang Mai, Chiang Mai 50000
Tel : (053) 116-200-10 Fax : (053) 116-217

7. Makro Nakhon Ratchasima Branch

523 Mittraphap-Nongkai Rd., T.Naimueang,
A.Mueang Nakhon Ratchasima, Nakhon Ratchasima 30000
Tel : (044) 230-477-90 Fax : (044) 230-471

8. Makro Rangsit Branch

189 Phaholyothin Rd., T.Prachathipat,
A.Thanyaburi, Pathumthani 12130
Tel : 0-2992-1011-21 Fax : 0-2992-2213

9. Makro Hat Yai Branch

345 Moo 5, T.Kho-Hong,
A.Hat Yai, Songkhla 90110
Tel : (074) 428-320-37 Fax : (074) 210-969

10. Makro Udon Thani Branch

207/3 Moo 14, T.Makkhang, A.Mueang Udon Thani,
Udon Thani 41000
Tel : (042) 322-922 Fax : (042) 322-944

11. Makro Phitsanulok Branch

1199 Boromtriokkanart 2 Rd., T.Naimueang,
A.Mueang Phitsanulok, Phitsanulok 65000
Tel : (055) 218-765 Fax : (055) 218-764

12. Makro Khon Kaen Branch

195 Moo 12, Mittraphap Rd., T.Mueang Kao,
A.Mueang Khon Kaen, Khon Kaen 40000
Tel : (043) 325-050 Fax : (043) 325-065

13. Makro Surat Thani Branch

216 Moo 4, Chonkasem Rd., T.Makamtey,
A.Mueang Surat Thani, Surat Thani 84000
Tel : (077) 219-877 Fax : (077) 219-866

14. Makro Ubon Ratchathani Branch

333 Moo 15, T.Khamyai,
A.Mueang Ubon Ratchathani, Ubon Ratchathani 34000
Tel : (045) 281-670-80 Fax : (045) 281-688

15. Makro Rayong Branch

8/2 Moo 3, T.Tubma,
A.Mueang Rayong, Rayong 21000
Tel : (038) 875-290-300 Fax : (038) 875-301

16. Makro Nakhon Sawan Branch

67/15 Moo 6, T.Nakhon Sawan East,
A.Mueang Nakhon Sawan, Nakhon Sawan 60000
Tel : (056) 325-200-9 Fax : (056) 325-210

17. Makro Charan Sanitwong Branch

521, 521/27 Charan Sanitwong Rd.,
Bangkhunsri, Bangkoknoi, Bangkok 10700
Tel : 0-2864-5714-32 Fax : 0-2864-5713

MAKRO / MAKRO FOODSERVICE / SIAM FROZEN / SIAM FOOD SERVICES / VINA SIAM FOOD LOCATIONS

18. Makro Sathorn Branch

1 Narathiwasratchanakarin Rd.,
Thungwatdon, Sathorn, Bangkok 10120
Tel : 0-2676-0676 Fax : 0-2676-1676

19. Makro Nakhon Pathom Branch

86 Moo 13, T.Prongmadua,
A.Mueang Nakhon Pathom, Nakhon Pathom 73000
Tel : (034) 200-711-23 Fax : (034) 200-729

20. Makro Surin Branch

4/3 Lakmueang Rd., T.Naimueang,
A.Mueang Surin, Surin 32000
Tel : (044) 531-759-66 Fax : (044) 531-777

21. Makro Samsen Branch

935/11 Samsem Rd., Thanon Nakhonchaisi,
Dusit, Bangkok 10300
Tel : 0-2241-8400-8 Fax : 0-2241-8409

22. Makro Nakhon Si Thammarat Branch

93/7 Moo 2, Karom Rd., T.Posadet, A.Mueang
Nakhon Si Thammarat, Nakhon Si Thammarat 80000
Tel : (075) 316-680-90 Fax : (075) 316-698

23. Makro Chiang Rai Branch

12 Moo 17, T.Bandoo,
A.Mueang Chiang Rai, Chiang Rai 57100
Tel : (053) 703-688 Fax : (053) 703-679

24. Makro Sakon Nakhon Branch

459 Moo 3, Bankoksomhong Rd., T.Thatchoengchum,
A.Mueang Sakon Nakhon, Sakon Nakhon 47000
Tel : (042) 731-078-97 Fax : (042) 731-076-7

25. Makro Suphan Buri Branch

290/2 Moo 4, T.Sanam-Chai,
A.Mueang Suphan Buri, Suphan Buri 72000
Tel : (035) 547-250-65 Fax : (035) 547-271

26. Makro Chanthaburi Branch

21/11 Moo 11, T.Plubpla,
A.Mueang Chanthaburi, Chanthaburi 22000
Tel : (039) 355-240-54 Fax : (039) 355-257

27. Makro Phuket Branch

77 Moo 5, T.Vichit,
A.Mueang Phuket, Phuket 83000
Tel : (076) 249-791-800 Fax : (076) 249-801

28. Makro Roi Et Branch

32/1 Taewapiban Rd., T.Naimueang,
A.Mueang Roi Et, Roi Et 45000
Tel : (043) 525-680-90 Fax : (043) 525-692-3

29. Makro Trang Branch

89 Moo 2, T.Khok-Lo,
A.Mueang Trang, Trang 92000
Tel : (075) 228-050-60 Fax : (075) 228-061

30. Makro Sakaeo Branch

1000 Suwannasorn Rd., T.Sa Kao,
A.Mueang Sa Kao, Sa Kao 27000
Tel : (037) 220-801-18 Fax : (037) 220-822-3

31. Makro Ko Samui Branch

115/52 Moo 6, T.Bo Phut,
A.Ko Samui, Surat Thani 84320
Tel : (077) 960-140-60 Fax : (077) 960-161-2

32. Makro Buri Ram Branch

151 Moo 7, T.Isan,
A.Mueang Buri Ram, Buri Ram 31000
Tel : (044) 690-300-28 Fax : (044) 690-329

33. Makro Sisaket Branch

112 Moo 6 T.Po,
A.Mueang Sisaket, Sisaket 33000
Tel : (045) 613-838 Fax : (045) 617-648

34. Makro Lamphun Branch

204 Moo 4, T.Banklang,
A.Mueang Lamphun, Lamphun 51000
Tel : (053) 581-285 Fax : (053) 581-333-4

35. Makro Krabi Branch

119 Moo 1, T.Saitai, A.Mueang Krabi,
Krabi 81000
Tel : (075) 700-100 Fax : (075) 700-122

36. Makro Phetchaburi Branch

103 Moo 1, T.Huasaphan,
A.Mueang Phetchaburi, Phetchaburi 76000
Tel : (032) 771-616 Fax : (032) 771-612-3

37. Makro Chaiyaphum Branch

999 Moo 1, T.Bungkhal,
A.Mueang Chaiyaphum, Chaiyaphum 36000
Tel : (044) 818-288 Fax : (044) 818-292

MAKRO / MAKRO FOODSERVICE / SIAM FROZEN / SIAM FOOD SERVICES / VINA SIAM FOOD LOCATIONS

38. Makro Saraburi Branch

66/3 Moo 2, T.Talingchan,
A.Mueang Saraburi, Saraburi 18000
Tel : (036) 731-100 Fax : (036) 731-111

39. Makro Pran Buri Branch

567 Moo 3, T.Wangpong,
A.Pran Buri, Prachuap Khiri Khan 77120
Tel : (032) 630-100 Fax : (032) 630-000-1

40. Makro Chachoengsao Branch

21/4 Moo 5, T.Wangtakhean,
A.Mueang Chachoengsao, Chachoengsao 24000
Tel : (038) 511-518 Fax : (038) 515-174

41. Makro Chiang Mai 2 Branch

191 Moo 7, T.Maehia,
A.Mueang Chiang Mai, Chiang Mai 50100
Tel : (053) 447-799 Fax : (053) 447-804-5

42. Makro Ram Inthra Branch

904 Ram Inthra Rd., Kannayao,
Kannayao, Bangkok 10230
Tel : 0-2540-7171 Fax : 0-2540-7756

43. Makro Chumphon Branch

199 Moo 5, T.Wangpai,
A.Mueang Chumphon, Chumphon 86000
Tel : (077) 658-700 Fax : (077) 658-706-7

44. Makro Pattaya Branch

22/24 Moo 11, T.Nong Prue,
A.Bang Lamung, Chonburi 20150
Tel : (038) 053-400 Fax : (038) 053-427

45. Makro Kamphangphet Branch

889 Ratchadamnoen 1 Rd., T.Naimueang,
A.Mueang Kamphangphet, Kamphangphet 62000
Tel : (055) 717-777 Fax : (055) 717-912

46. Makro Kanchanaburi Branch

102 Moo 2, T.Tha Lor,
A.Tha Muang, Kanchanaburi 71000
Tel : (034) 699-609 Fax : (034) 699-629

47. Makro Lop Buri Branch

227 Moo 5, T.Tha Sala,
A.Mueang Lop Buri, Lop Buri 15000
Tel : (036) 784-884 Fax : (036) 784-908-9

48. Makro Nong Khai Branch

232 Moo 12, T.Pho Chai,
A. Mueang Nong Khai, Nong Khai 43000
Tel : (042) 990-818 Fax : (042) 990-553

49. Makro Ratchaburi Branch

249 Moo 11, T.Jadeehak,
A.Mueang Ratchaburi, Ratchaburi 70000
Tel : (032) 332-249 Fax : (032) 325-349

50. Makro Mae Rim Branch

212 Moo 4, T.Mae Sa,
A.Mae Rim, Chiang Mai 50180
Tel : (053) 298-212 Fax : (053) 298-928

51. Makro Ayutthaya Branch

222 Moo 2, T.Kan Ham, A.Uthai,
Phra Nakhon Siayutthaya 13210
Tel : (035) 706-406 Fax : (035) 706-404

52. Makro Lampang Branch

110/3 Highway Lampang-Ngao Rd., T.Phra Bat,
A.Mueang Lampang, Lampang 52000
Tel : (054) 230-111 Fax : (054) 231-767

53. Makro Khlong Luang Branch

39 Moo 7, T.Khlong Song, A.Khlong Luang,
Pathum Thani 12120
Tel : 0-2529-3636 Fax : 0-2529-3949

54. Makro Loei Branch

118 Moo 11, T.Na An,
A.Mueang Loei, Loei 42000
Tel : (042) 844-655 Fax : (042) 844-666

55. Makro Phetchabun Branch

300 Moo 10, T.Chon Phrai, A.Mueang Phetchabun,
Phetchabun 67000
Tel : (056) 719-219 Fax : (056) 719-229

56. Makro Bang Phli Branch

79 Moo 1, T.Racha Thewa, A. Bang Phli,
Samut Prakan 10540
Tel : 0-2316-4200 Fax : 0-2316-4222

57. Makro Mukdahan Branch

4/9 Chayangkun Kor Rd., T. Mukdahan,
A. Mueang Mukdahan, Mukdahan 49000
Tel : (042) 661-199 Fax : (042) 661-198

MAKRO / MAKRO FOODSERVICE / SIAM FROZEN / SIAM FOOD SERVICES / VINA SIAM FOOD LOCATIONS

MAKRO FOODSERVICE

1. Makro Hua Hin Branch

58/164 Soi Moobaan Bor Fai, T.Hua Hin,
A.Hua Hin, Prachuap Khiri Khan 77110
Tel : (032) 522-255 Fax : (032) 522-235

2. Makro Patong Branch

140/35 Nanai Rd., T.Patong, A.Krathu,
Phuket 83150
Tel : (076) 512-380 Fax : (076) 512-300

SIAM FROZEN

1. Siam Frozen, Talad Mueang Mai Branch

1 Soi 3, Mueang Samut Rd., T.Chang Moi,
A.Mueang Chiang Mai, Chiang Mai 50300
Tel : (053) 235-536 Fax : (053) 235-537

2. Siam Frozen, Udon Thani Branch

64, 66 Surakarn Rd., T.Makkhaeng,
A.Mueang Udon Thani, Udon Thani 41000
Tel : (042) 241-822 Fax : (042) 241-826

3. Siam Frozen, Thung Song Branch

169/1 Nikon Bamrung Rd., T.Pak Phraek, A.Thung Song,
Nakhon Si Thammarat 80110
Tel : (075) 423-833 Fax : (075) 423-256

4. Siam Frozen, Talad Yamo Branch

551/140-141 Mittraphap Rd., T.Naimueang,
A.Mueang Nakhon Ratchasima, Nakhon Ratchasima 30000
Tel : (044) 256-339-40 Fax : (044) 256-341

5. Siam Frozen, Si Racha Branch

198/14-15 Choem Chomphon Rd.,
T. Si Racha, A.Si Racha, Chonburi 20110
Tel : (038) 314-148-9 Fax : (038) 314-150

SIAM FOOD SERVICES

1. Siam Food Services Limited, Head Office

2439 Old Paknam Railway Rd., Prakhanong,
Klongtoey, Bangkok 10110
Tel : 0-2620-6000 Fax : 0-2620-6001

2. Siam Food Services, Ko Samui Branch

115/52 Moo 6, T.Bo Phut, A.Ko Samui,
Surat Thani 84320
Tel : (077) 960-420-2 Fax : (077) 960-423

3. Siam Food Services, Pattaya Branch

22/24 Moo 11, T.Nong Prue,
A.Bang Lamung, Chonburi 20150
Tel : (038) 053-430-2 Fax : (038) 053-433

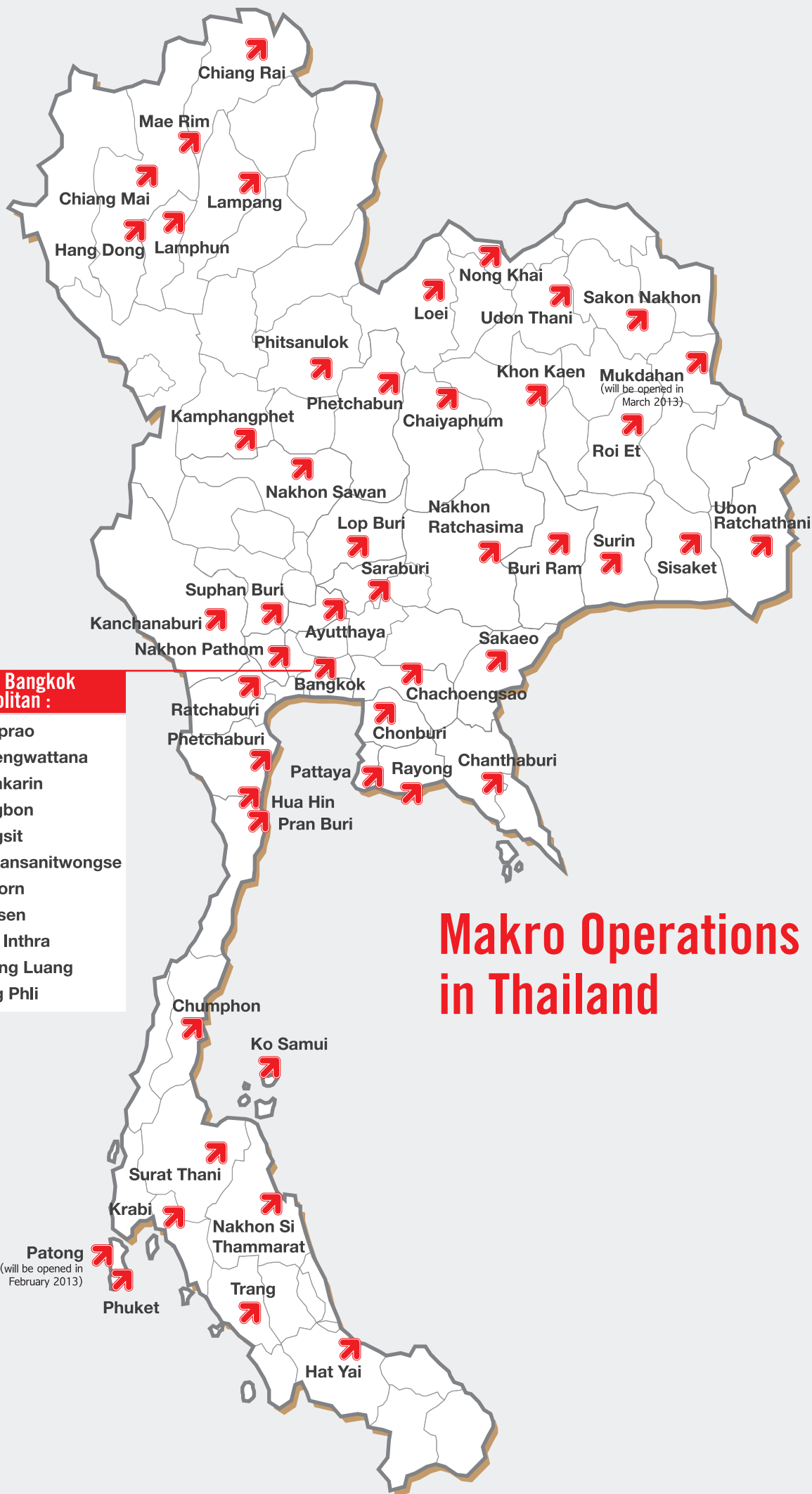
4. Siam Food Services, Phuket Branch

77 Moo 5, T.Vichit, A.Mueang Phuket,
Phuket 83000
Tel : (076) 612-892 Fax : (076) 612-893

Vina Siam Food

Vina Siam Food Company Limited

56 Pham Ngoc Thach Street,
Ward 6, District 3, Ho Chi Minh City, Vietnam
Tel : (848) 7309-1188 Fax : (848) 3820-1886



Greater Bangkok Metropolitan :

- Lardprao
- Chaengwattana
- Srinakarin
- Bangbon
- Rangsit
- Charansanitwongse
- Sathorn
- Samsen
- Ram Inthra
- Khlong Luang
- Bang Phli

Makro Operations in Thailand



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