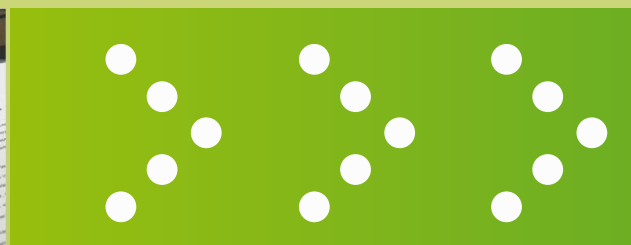




บริษัท ฮอท พอต จำกัด (มหาชน)
HOT POT GROUP
 HOT POT PUBLIC COMPANY LIMITED

2012

รายงานประจำปี 2555 บริษัท ฮอท พอต จำกัด (มหาชน)
 Annual Report HOT POT PLC



www.hotpot.co.th



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Message from Chairman and Chief Executive Officer

Dear shareholders.

In 2012, it was great changes for the Hot Pot Public Company Limited since it was conversed from company limited into public company limited, as well as approved from the Securities and Exchange Commission, the Stock Exchange of Thailand, and MAI to offer its common stocks to be listed in MAI on September 18, 2013. Such changes stepped forward to its success; however, these would not occur without the support of the stakeholders including shareholders who have patronized the Company since its establishment, financial institutions providing financial supports for its operation, employees at all levels working extremely and cooperatively on significant tasks, and what never overlooking is the Company's customers who coming to various stores under "HOTPOT" and "DAIDOMON" spreading across the country.

With the changes mentioned above, the meaningful events occurred in 2012 as following summaries:

1. The Company received income from sales and services amounting to Baht 1,872.80 million with net profit amounting to Baht 26.06 million. The number of customers were totally 7,146,006 persons, which increasing from the year 2011 having income at the amount of Baht 1,456.77 million and 6,346,383 customers.

2. At the end of 2012, the Company had totally 117 "Hot Pot" branches and 21 "DAIDOMON" branches, totally increase of 13 stores.

3. During 2011- 2012, the Company considered and decided to add grilled food restaurant, after originally launched Suki Shabu restaurants only, by acquisition of "DAIDOMON" brand. Therefore, its customers have more alternative to consume both Suki Shabu and grilled food.

4. The Company has responded the government's policy for the minimum wage Baht 300 per day since it was implemented. At present, daily worker receiving the minimum wage shall get not less than minimum wage in compliance with the government's policy.

5. The Company have improved and developed its operation systems to continually increase its efficiency and effectiveness on operations such as improving branch management systems, supporting operation systems, developing employees serving customers to have the same standard for every branch, improving computer systems to enhance efficiency in the store administration, developing the internal control of the organization, building the image of the branches to be modern, charming and clean, healthy, maintaining treatment standards of food safety, maintain the food safety standard starting

from the selection of raw materials, cooking, food design, transportation to branches in compliance with GMP and HACCP standard, etc.

The changes in 2012 were only the step of starting; the mission of the Company and its management proceeding continuously forward is the creation of stability and sustainable growth on revenue, increasing the number of branches, risk management on finance and investment, administrative costs, management and human resources development, improving and sourcing new innovation to producing new products and services in order that the customers have choices and impression in its services on the branches. This will affect to shareholders, financial institutions, and stakeholders supporting the company consistently.

Finally, on behalf of the Board of Directors, the management and employees, the Company is grateful to all customers who have leant constant support to the Company and use our services on the branches, as well as, the shareholders, financial institutions steadily contributed its operation. The Company certifies that we will consistently develop our products / service efficiently to meet their expectation and reliance.



.....
Chairman of the Board of Directors.
(Mr.Metta Charuchinda)



.....
Chief Executive Officer.
(MrSompon Roekwibunsi).

Report of the Chairman of the Audit Committee

Dear shareholders.

The Audit Committee conducted its the role and responsibilities assigned by the Board of Directors to oversee the operations of the Company in order to ensure that the management has worked as integrity, responsibility, and complied with the Company's policy toward the shareholders.

In 2012, the Audit Committee had four meetings, one time together with the auditor without the representative of the Company attending, and three meeting with the management, the auditor, and internal auditors. The main activities were as follows.

1. Review quarterly and annually the financial statements prior proposing to the meeting of the Board of Directors. The Audit Committee was summarized from the auditor on its accuracy of the financial statements, the adequacy on disclosure of information, the adjustment of accounting which significantly affected to the financial statements to ensure that the preparation of financial statements is in accordance with the requirements of the law and general accepted accounting principles, accurate, reliable, including disclosing the information of the financial statements adequately and in time.

2. To consider the assessment of internal control systems, the Audit Committee considered the report of the audit in 2012 which the internal auditor reported the result of the internal control system on the title of internal control system in procurement department, the policies of risk management in various fields, the audit of sales report and branch management, computer and information systems for management. The Audit Committee found that the Company's internal control system is adequate and appropriate, however, some systems had vulnerable which the management takes the observations of the internal auditor to consider and improve, and remedy such weakness to decrease or none in the future, particularly the sales report and the branch management, the preventive criteria on risk management, and the computer and information systems management, in order to organize its management to be more efficient and stability continually.

3. The Audit Committee considered to select and propose to appoint the auditor and its remuneration for the year 2013 to the Board of Directors for presenting on the annual general shareholders' meeting in 2013 for their approval. The Audit Committee had considered on its performance, independence and appropriate compensation. As a result, It is proposed to appoint Mr. Poj Assawasantichai, certified public accountant no. 4891, or Mr. Thanawutti Piboonsawad, certified public accountant no. 6699 or Miss Sulalit Ardsawang,

certified public accountant no. 6838, or other auditor son behalf of Dharmniti Auditng Co., Ltd. approved by SEC to be the Company's auditor in 2013.

4. The Auditing Committee acted roles and responsibilities completely in compliance with the law and regulations of the Securities and Exchange Commission, and the Stock Exchange of Thailand.

The Audit Committee certified that the Company's operation on the fiscal years during 1 January –31 December 2012 had accurate, complete, and reliable of the financial statements under the audit in accordance with generally accepted accounting principles, laws, regulations and requirements related to the Company's operation, including adequate and transparently disclosure information to the regulatory agencies and the stakeholders for their further use.



.....
Chairman of the Audit Committee.
(Mr. Metta Charuchinda)

Executive Summary

The Hot Pot Public Company Limited (or "the Company" or "Hot Pot") was registered on January 28, 2004 namely Hot Pot Co., Ltd. with initial capital registration of Baht 16 million to operate Suki Shabu restaurant under the management of Miss Sakuna Baicharoen, the major shareholder and the Executive, who found the Company since 1995. It started from Suki Shabu or A La Carte restaurants (do by order), and the first branch was named "Coca Fresh Suki" at East Shopping Complex in Chachengsao province.

In 2001, the Company had changed its restaurant's brand from "Fresh Coca Suki" to "Hot Pot Suki Shabu Restaurant". In 2004, it changed the operation systems by established Hot Pot Co., Ltd. to be the center of administration and all stores management. Late in 2005, the Company competed the market of the Suki restaurant in big department stores by opening an international buffet restaurant focusing on Suki Shabu mainly. The first shop was opened in Central Plaza Rama 2 branch, on the pattern of "Hot Pot Inter buffet". This first shop was successfully and received well responses from the customers. Therefore, the Company decided to expand its business in the "Buffet (All You Can Eat) and gradually changed the store model from Suki Shabu or A La carte to be buffet.

In 2006, Aureos South- East Asia Fund and Private Funds of the Government Housing Bank managed by ING Funds (Thailand) Co., Ltd. (it is presently changed its fund name to the Private Funds of Government Saving Bank by Wan Asset Management Co., Ltd.) had agreed to join venture with the Company to provide financial supports to the Company.

The Company was registered as a public company on July 6, 2011 on the name of Hot Pot Public Company Limited, whose head office was located at 66/77 Moo 8, Ramintra Road, Tharang, Bangkok, Bangkok 10230 (it was changed the location from 66/77 to be 350 by the order of district office on August 15, 2012). It also has total 90 branches registered with the registered capital of Baht 101,500,000, paid-up capital of Baht 86,153,840 divided to 344,615,360 ordinary shares at par value of Baht 0.25. After offered its stocks to sale to increase its capital, the Company has total paid-up capital of Baht 101,500,000.

In addition, on September 6, 2011, the Board of Directors' meeting no. 2/2011, it was resolutions to have the Company invest in Daidomon Group PCL. ("Daidomon"), by the operational acquisition of the Daidomon, purchasing the rental right from Thanachart Bank PCL. ("Thanachart Bank"), and approving the investing capital for renovation shops bought from Daidomon. Such investments were objectively to expand to Japanese style barbeque

restaurants from particularly the international buffet Shabu Suki restaurant. These transactions were approved by the extraordinary shareholders' meeting no. 4/2011 on October 18, 2011. The Company expanded its business into the grilled and Japanese Shabu by invested and got the right on the operation acquisitions of Daidomon related on the restaurant business on December 15, 2011.

The Securities and Exchange Commission had approved the Company to offer its shares to sell to the public on March 27, 2012, as well as, the Exchange Commission, on March 29, 2012, considered and agreed that its common shares were qualified in accordance with the requirements of article of the common shares or preferred shares as registered securities, except the qualification of share distribution to minor shareholders.

The Company sold its common shares to the public at the total of 61,384,640 shares (equivalent to 15.12% of the paid-up capital after the offer on sale of shares to the public at this time), at the par value per share of Baht0.25, with IPO price of Baht 2.80. The Company aimed to take such money from this offering the shares(Net of expenses) approximately Baht 163.36 million to expand and renovate the branches in the quarter 4/2012 - quarter 2/2013 at the total of Baht 110.00 million, to repay a loan of Baht 30 million, and to be as working capital of Baht 23.36 million.

In addition, the former shareholders as Aureos South- East Asia Fund offered to sell common shares of the company totally 40,600,260 shares, or 10.00% of the paid-up capital after the sale of shares to the public.

The company has organized to takes all common shares to be listed on the Alternative Investment Market completed on September 18, 2012.

The company operates an international buffet restaurant focused on Suki Shabu mainly under the theme "All You Can Eat" by classifying into 2 categories: international Buffet Restaurants under the brand "Hot Pot" which focusing on Suki Shabu food, and Japanese grilled and Shabu buffet restaurants branded "Daidomon". The company has total 138 branches, as of December 31, 2012, which consisted of Hot Pot for 117 branches (excluding franchise stores), and Daidomon for 21 branches spreading out both Bangkok with its perimeters and the upcountry covering all regions of the country, which divided into 61 branches in Bangkok and perimeter and 77 branches in the upcountry. Almost all things served on a buffet bar, there are only 2 branches of Hot Pot in Surin province and Bureerum province, which serve as Shabu Suki or A La carte.

General Information

Company:	Hot Pot Public Company Limited
Nature of Business:	International Buffet Restaurants and Suki and Shabu under "Hot Pot" brand and Japanese style Barbeque and Shabu buffet restaurant under "Daidomon" brand
Office Location:	Head Office is located on 350 Ramintra Road, Tha Raeng, Bangkhen, Bangkok 10230
Registration number:	0107554000160.
Registered capital:	406,000,000 ordinary shares at par value of Baht 0.25, total in amount of Baht 101,500,000
Paid-up capital:	406,000,000 ordinary shares at par value of Baht 0.25 total in amount of Baht 101,500,000
Accounting period:	January 1 to December 31
Home Page:	http://www.hotpot.co.th .
Telephone:	0-2943-8448.
Facsimile:	0-2943-8458.
Investor Relations:	Ms. Kanyawee Cheun-achariya. 02-9438448 ext.1114 Ckanyawee@hotmail.co.th.

References

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Telephone (66-2) 587-8080
Facsimile (66-2) 585-9204.
Website: <http://www.dharmniti.co.th>.

Registrar of Securities: Thailand Securities Depository Co., Ltd.
62 The Stock Exchange of Thailand Building,
Rachadapisek Road, Klongtuey, Bangkok 10110
Telephone (66-2) 229 2800
Facsimile: (66-2) 359 1259-62

Nature of Business

Background and key changes

The Hot Pot (public) Co., Ltd. (or "company" or "Hot Pot") was incorporated on January 28, 2004 on the name of Hot Pot Co., Ltd. with initial capital of Baht 16 million to operate Suki Shabu restaurant under the management of Miss Sakuna Baicharoen, the major shareholder and the Executive, who initiate and manage the Company since 1995. It started from Suki Shabu or A La Carte restaurants (do by order), and the first branch was named "Coca Fresh Suki" at East Shopping Complex in Chachengsao province. Its target group is family under the store size approximately 300 square meters, which is favorite and only a restaurant on that area. Later, the company expanded its branch in the upcountry such as Saraburi, Surin, Buriram, Kamphaengphet, and Pitsanulok, etc. The management of such branches was initially by establishing the offices to control its branch on each area.

In 2001, the company changed its brand from "Fresh Coca Suki" to "Hot Pot Suki Shabu Restaurant".

In 2004, it changed to new operation style by set up Hot Pot Co., Ltd. to be the center of administration work for all branches. In October 2004, the Company increased its registered capital to Baht 40 million, then its total registered capital was amount to Baht 56 million in order to transfer all other assets of the various branches from the former company to be Company's assets.

In 2005, the company improved its market strategy by competing into Suki restaurant into large department store by the opening of international buffet mainly focusing on Suki Shabu at Central Plaza Rama 2 branch which is the first branch in May 2005. The "Hot Pot International Buffet" served Suki Shabu and other international dishes more than 100 items. At that time, no any other competitors operated this kind of restaurant. As a result, it got a great successful and increased sale volume for the Company. The consumers increasing to accepted and acknowledged of the Hot Pot brand a lot. With this successful beginning on its start of present the brand in large department stores, it was the key changes to improve its significant strategy on the concept that the delicious food and good services are not adequate. The Company had to adding more "value on consuming" to the customers. The Company decided to expand its business into the "Buffet" under campaign "All You Can Eat" by stepping adjusted almost of the A la carte restaurants to be buffet ones. At present, there are only 2 restaurants remaining on A La Carte style to serve customers: those are in Surin and Bureerum. With modifying the international buffet restaurants which are different from other competitors, as well as commitment to improve food quality and services, restaurant design, and a variety of food continuously, the Company received good response from customers. As a current result, (at December 31, 2012), the Company has total 138 branches.

in 2006, Aureos South- East Asia Fund ("Aureos Fund") and the Private Funds of the Government Housing Bank managed by ING Funds (Thailand) Co., Ltd. (since June 17, 2011 onward, this fund it changed to be the Private Fund of Government Saving Bank managed by Wan Mutual Fund") ("Private Funds by Government Saving Bank") agreed to join venture with the Company by investing in preference share of Baht 860,000, funding loan in the form of issued Secured Redeemable Note at the amount of Baht 78,940,000, and issued Secured Promissory Note of Baht 72,200,000 to the Company in order to use in working capital for expanding its operation and branches. As a result, the Company had to increase its registered capital to addition Baht 860,000 within December 28, 2006 by issuing 86,000 preference shares at par value of Baht 10 to offer to sell of 57,333 shares to Aureos South- East Asia Fund and 28,667 shares to the Private Funds by Government Housing Bank. These were collecting preference shares with receive 35% of dividend

payment after deducting interest expenses according to the duration of the notes to be redeemed. Shareholders of preferred shares are entitled to one vote, totally 35 votes.

In February 2007, the Company invested on constructing factory of a total space 13-0-96 rai located at 11/1 Bungkamploy sub-district, Lumlukka district, Pratumthani province to be the center kitchen of food processing for all branches.

On April 20, 2010, Aureos Fund and the Private Funds of the Government Housing Bank managed by ING Funds (Thailand) Co., Ltd. Exercise bills redeemable to common shares. Under the terms of Investment Agreement by the Company to repay the loan in accordance with the redemption of bills to Aureos Fund and the Private Funds of the Government Housing Bank managed by ING Funds (Thailand) Co., Ltd was amount 78,940,000 Baht and increasing capital 29,293,840 Baht by issuance of 2,929,384 new common shares at Baht 10 per par for offering to Aureos Fund and the Private Funds of the Government Housing Bank managed by ING Funds (Thailand) Co., Ltd. for the price 26.95 per share. The company has registered an increase of 56,860,000 baht to 86,153,840 baht. Aureos Fund and the Private Funds of the Government Housing Bank managed by ING Funds (Thailand) Co., Ltd convert the preferred shares into common shares in fully amount. On November 4 and 5 July 2011, the company has reduced and increased, respectively. By a decrease in the preferred share total number of shares of 860,000 baht and 860,000 baht of registered capital in the amount equal to the decrease in such shares. By the issuance of 86,000 new ordinary shares at par value of Baht 10 per share to be offered to the shareholders holding 86,000 shares with a lower capital stock in the offering price equal to the par value. The Company has no preferred stock remaining.

On July 6, 2011, the Company was converted from a limited company to be public company with reducing the par value from Baht 10 per share to Baht 0.25 per share and increased Baht 15,346,160 to its registered capital from the a registered capital of 86,153,840 Baht to Baht 101,500,000 by issuing new common shares of 61,384,640 shares at par value of Baht 0.25.

On December 15, 2011, the Company bought and transferred rights on the restaurant business of Daidomon Group PCL. ("Daidomon"²), which is the buffet grilled Japanese style restaurant, including the transfer of assets involved in all operations and other assets, such as food and sauce formula, customer bases, members, business partners as well as all employees of the Daidomon, its trademarks, reputations on operating the restaurant business and food such as Daidomon Umami Yasuki and Mitake³ to continuously operate and manage under the Company.

The Company was listed on the MAI on September 18, 2011 by issuance of 61,384,640 new common shares at Baht 0.25 per par for offering the sale of shares to the public for its IPO.

¹Shabu is the type of how to eat by bring up the pot on the center of the table and cooking and eating.

²Daidomon was changed its name to We Retail PCL on November 24, 2011.





³ The Company gradually opened Daidomon restaurant under the brand of UnamiYasuki and Mitake as appropriately. At present, no UnamiYasuki and Mitake brand is used for the Company's branches.

Business Overview

The Hot Pot Public Company Limited operates international buffet restaurants by focusing on Suki Shabu mainly under the theme "All You Can Eat" by classifying operation to be 2 categories: international buffet restaurants under the brand "Hot Pot" particularly in Shabu Suki yaki dishes, and Japanese style on grilled and Shabu buffet restaurants under branded "Daidomon".

As at 31 December 2012, the Company had total 138 branches which consist of 117 Hot Pot stores (excluding franchise¹ branch of Hot Pot buffet valued), and 21 of Daidomon, almost all the restaurant served on the buffet bar. Only 2 of Hot Pot restaurants in Surin and Buriram are operated on serving A La Carte.

At present, the Company classifies all restaurants into the six brands as following.

Restaurant	Brand	concept
1) Hot Pot International Buffet		international buffet Suki Shabu and international variety of more than 100 items, including desserts, ice cream and drinks at Baht 329 per person (including drinks), and limited time to eat one and a half hour.
2) Hot Pot Buffet Value		Shabu Suki international buffet and a variety of styles including desserts, ice cream by focusing on cheap price at Baht 289per person (excluding drinks) and no limited time on eating.
3) Hot Pot Prestige		International Shabu Suki and variety of dishes, and European style, which emphasizing on an elegant, high-end market position better than other brands, at the price of Baht 409per person (including drinks) and no limited time on eating.
4) Hot Pot Suki Shabu		A La Carte of Suki Shabu style restaurant (the order available on the menu), roast duck and the delicious sauce "Suit Det" in the style of traditional Hot Pot prior its changes almost all buffet style restaurants.

Restaurant	Brand	concept
5) Hot Pot Ramen buffet		Japanese Ramen style serving on a buffet bar at Baht 289 per person (not including drinks) and unlimited time to eat.
6) Daidomon		Japanese Shabu and grilled buffet restaurant with other additional dishes to choose, except grilled food at the price of Baht 259-329 per person, depending on each restaurant/renovation on each store. At present, most stores are some minor renovated and the selling price of Baht 289 per person (not including drinks) and a limited time at one and a half hour. The new design of Daidomon or major renovated branch is set the price at Baht 329 per person (including drinks) and a time limit of one and a half hour.

In addition, the Company has transfer the right (franchise) in using Hot Pot Buffet value to one entrepreneur of the restaurants located in the Forum Mall at Chonburi province since the year 2006 to present, this party is other person not related with the Company. The Company is responsible for managing this franchise store including operation, marketing, purchasing, production, transportation, human resources, and accounting, etc. At present, the Company gets revenue from the franchise from the monthly administration fee of 2% from the net sales of each franchise, and the revenue from the sale of goods to the franchisee which including fresh food, dry food, supplies and other equipment which used in each store.

As at December 31, 2012, all 138 branches (Hot Pot and Daidomon) were open overall Bangkok, its perimeters and other provinces (excluding franchise). It can be divided into 61 branches in Bangkok and nearby area, the Central of Thailand for 4 branches, 23 Branches at the North, 11 branches at the East, 23 branches at the Northeast, 7 branches at the West, and 9 branches at the South. All branches are situated on long term rental / lease area (leasehold) within the department store, modern trades, and shopping malls which meet the needs or comfort to reach the target customers of each brand by the planning on branding each store differently to be appropriate with each area or each department its restaurants located, which have various customers in order to cover all levels of customers.

The Company's target is mostly the youth, students, working people, and families whose lifestyles are fast, freedom, and preferring to take a meal by groups, as well as focusing on value of food. The customers are freely to choose the food on the bar by their own serve, and have variety of food selected at reasonable prices. The pricing strategy is different for each type of restaurants or brands. The price buffet in several levels, including Baht 259 per person and Baht 289 per person (not including drinks), and Baht 329 and Baht 409 per person (including drinks) (such buffet price is net price including VAT). The penalty fee at rate of Baht 50 per person is charged in case that a customer take more food than his/her demand in order to create good culture of consumption and cost-effective use of resources, as well as reducing unnecessary cost to the Company. The penalty fee for having food over the time limited is charged at Baht 20 per person for every 10 minutes over a given time period.

The Company has a factory or central kitchen located in Lumlukka district, Pratumthani province on space 13-0-96 rai, which passed and certified in food quality test such as GMP (Good Manufacturing Practice) standards from the Office of Public Health in Prathumthani province, and HACCP (Hazard Analysis And Critical Control Point) from Moody International (Thailand) Ltd. The factory organizes on procurement of food and raw materials, including sauces which are key element of Shabu and Suki, and producing a precooked food such as meat balls, stuffed squid, seasonings pork, etc in order to supply the various stores. The quality of food, raw materials, including taste and sources is controlled to the same standard in every branch. The Company has logistic systems of raw materials and food from the factory or central kitchen to stores across the country by its own transportation to maintain quality, freshness, time, and cost of operation effectively. The factory or a central kitchen is also the storage store of preserving fresh and dry raw materials, precooked foods, ingredient, kitchen equipment and utensils in a restaurant, etc. The preparation and backup such items are planned to meet the needs of each branch.

Business Goal

The Company aims to maintain its leading position in the buffet, international Suki and Shabu restaurant, and enters into grilled style restaurant for expanding the customer bases and new targets, as well as creating new alternative for the customers and general consumers. Under the current situation, the Company has planned to expand its branches annually approximately 20-25 branches covering to nationwide, both in Bangkok and its perimeters, and the upcountry having high proper purchase. The Company maintains on the concept of to be a leader of the buffet restaurant located in shopping malls or modern trades with the concept of buffet style meals served on the food bar. Moreover, the Company is still seeking opportunities to expand its business to neighboring countries.

Risk Factors

Risks of sourcing area for lease

Choosing the right location is one of the key factors of success or the growth of the restaurant business. The Company has distribution channels in food outlets located in department stores, modern trades, and shopping malls both in Bangkok, perimeters, and the upcountry areas which is a community and the place of shopping center. There is variety of restaurants which consumers can easily access and select as their demand. The ability to finding area for the new expansion and keeping the same potential location by renewal the contract after the expiry is an important factor of the Company's operation. The Company aims to expand its branches every year in order to support consumer behavior in buffet market which is likely to grow steadily. Therefore, if the Company is unable to find the appropriate space for the opening of a new restaurant, or unable to renew the rental contract, which normally signing for 3 years rental contract and renewing every 3 years, it affects the operation and plans to increase sales to the future growth of the Company.

In addition, with the success of the various stores and conducting on the agreement with the renter, the Company got the renewed contract in all areas. There are just some areas where the Company does not renew the contract after assess that it is worthless for continuously operation. Meantime, the Company has never experienced of renewal lease or rental agreement that affect the Company in any way.

Risks of deterioration of raw materials and food.

The quality and freshness of ingredients are dramatic effect on the quality of the food. The Company focuses on all kinds of raw materials used in manufacturing or cooking including serving on the bar. The majority of the materials which more than 90% are fresh food, such as meat, eggs, seafood, vegetables and fruits, etc., which is purchased by the factory daily to deliver to various stores, as well as being the ingredients of the food or the Company's products such as Suki sauces, Daidomon sauces, seasoned pig, shrimp dumplings and meatballs, etc. prior delivery to the restaurants and serving on the food bar. These materials have a short life and become degrade easily. If the Company is unable to control, manage, purchase, and storage effectively; the waste will become easily and be impact to the cost of the Company.

However, the Company recognizes the importance of the freshness and quality of ingredients, and foods which bring to serve customers in the restaurant. Meantime, the focus of cost management in the ingredient is also important. The Company therefore has set the procurement plans on purchasing raw materials and productions to meet the daily demand of the customers. The control of the materials is to be daily stored properly by classification

of materials in each warehouse according to the characteristics of materials. There are chill room, and freezer to preserve the freshness and keeping the origination of materials to remain intact, as well as, controlling the quality of raw materials and products of the branches in order to make administrative costs efficient and reduce unnecessary losses.

Risk due to fluctuations in raw material cost

Most of the Company's raw materials are agricultural products such as meat, fruits, vegetables and whole grains, etc. These materials have fluctuation in price and quantity sensitively based on the fluctuations of season, variability of weather conditions, natural disasters, disease outbreaks of plants and animals, as well as the demand of these materials delivering to the market and its demand in the specific time, etc. These external factors are beyond company's control and impact on the procurement of raw materials at certain times, including raw material cost and the Company's operations.

The Company emphasizes its importance on the efficiency in cost control and reduces any potential impacts caused on the price fluctuations in raw materials. The purchasing department cooperates and builds good relationships with producer and distributors, as well as, tracking market trends and prices at different times, or the seasons closely, including follow up the potential to affect both directly and indirectly to the materials in order to assess the potential risk of shortages, or price fluctuations of raw materials, and prepare to cope with the shortage situation which such risk may occur quickly. Therefore, the purchases in advance or in large quantities of raw materials are planned and delivery time is agreed upon in order to get the discount, as well as to ensure that the Company will have no shortage of material.

In addition, because of the number of food served in the stores and its circulating the items regularly in order to comply with market conditions at different times, this can reduce the impact of the shortage of raw materials, or the volatility of raw material prices in certain time periods. The Company has not experienced on shortage of raw materials, or increases in raw material price that effected its operations significantly. The Company will not suddenly increase the price of food when raw material prices increased because almost all raw is agricultural products, which are made up of almost every day. The Company will consider to increase the price of food once the prices of raw material are likely in the direction of increasing significantly. The Company shall have the burden of cost increases that affect the performance of the Company; however, it must be considered relative to the market or competitors in order to effect on sales and the customer of the Company.

Risks of increasing the minimum wage

On September 20, 2011, the Cabinet had agreed in principles to adjust the minimum salary for a graduate degree at Baht 15,000 and the adjustment of the minimum wage to be Baht 300 per day effective from January 1, 2012 onwards. However, the Central Wage Committee and those involved will be considered in detail, the time frame, and conditions of the next rise.

On November 22, 2011 of the cabinet meeting has approved the minimum wage increase in year 2012 average annual wage increase of 40 percent today. And effective on 1 April 2012 Has seven provinces has priority to receive 300 Baht for minimum wage is Phuket, Bangkok, Samutprakarn, Samutsakhon, NakhonPathom , Nonthaburi, PathumThani

The increase of salary and minimum wage complied with the government policy effect to the Company's expenses especially the branches in Bangkok and its vicinity. However, the Company had adjusted the minimum wage to be Baht 300 per day for regular daily employee working in Bangkok restaurants since September 2011 (the minimum wage that the Company previously paid to employee was nearly Baht 300 per day). The increased minimum wage had affected the cost of the Company but it had policy to cope with this situation by increasing the effectiveness of administration, lowering turnover rates of employees, improving its operation efficiency to compensate the higher costs. This is the company's focus and execution throughout in order to maintain the profitability of the Company consistently. Moreover, since restaurant business is not controlled by any government department, if the Company considers that the increased of such cost effects the restaurant business in general, including its competitors. The Company may consider increasing the price of food accordingly to compensate for the increased cost.

Risks of economic situation and competition

The Changes in economic conditions are affecting to consumer behavior. During the recession or possibility to decline in economy, it effects to the consumer's purchasing power. The consumers are aware of anxiety and uncertainty of future revenue, so they will save money and cut the daily expenses for saving money to the future use. Many businesses sectors are affected by this situation, especially international food restaurants and upscale restaurants which charge at the expensive price. The consumers will reduce the frequency of eating out or choose the cheaper restaurants by focusing on the value which that restaurant is provided. This behavior will affect to the income of the restaurant business. However, from the Company's experience for 18 years, the Company has passed through the economy crisis for many times. So, the Company has prepared to handle with crisis that

may occur any time. The Company has always planned and adjusted business strategies to cope with situations, such as close the stores which getting loss and forecast that no opportunity to gain profit. The Company also studies and adjusts, cut some expenses, transactions which are not so necessary. The Company believes that building a strong brand policy will help the Company to survive and grow amid the economic slowdown. The food quality is maintained in order to serve customer the value dish even facing with the crisis; however once the economy gets better, the more customer will come back to its restaurants.

Since the competition in food business is quite high. There are new player entering into this market by set up the Japanese restaurants which are famous and growing rapidly. Some competitors have set up same style of restaurant as the company does. However, the Company still keeps the policy of competition on the food quality, variety of food, and modifies menus to meet the needs of consumers' requirement, advertising and marketing activities. Moreover, the Company also has several brands to support the purchasing power of consumers.

Risks of opening a new store.

The increasing the number of food outlets is one way to create growth for the Company. The Company has set a goal to open new branches each year contributed to the market conditions, needs and purchasing power of consumers. In the meantime, the Company has closed some branches which do not provide the profit or cannot reach the sale target. For Investing in the new store, it requires budget approximately Baht 6-7 million per branch, which including investments in the building space, decoration, cookware and accessories, rental insurance, etc. The budget is dependent on location, size, and decoration.

The Company has risks in operation the new store, if the sale volume cannot reach the target or the return rate is not meet the expectation which will effect to the Company's overall performance. In this case the Company has to close that store and write off assets such as renovation cost, decoration cost.

The Company is aware for the risks on investment of opening new branches. Therefore it is need to be carefully consideration in various aspects, including an analysis of the various factors which impact to the investment, for example, economy situation, location, density in that area and purchasing power. The selection of store type or brand of restaurant has to match with prospective customers' life style in each area. The Company considers the worth from investment under the acceptable risk level. The preparation of the financial resources, management and controlling system, staffing, product and raw material to meet the demand including marketing and promotion plan in order to increase sales for the store and

expanding customer base to the company are planned. Beside this, the Company has to monitor and follow-up the result of each branch every month to understand the problems and resolve such issues on time.

Financial risks

The Company has risks from a lot of loans which bought to investment from the planned expansion in 2012, such as the opening of new stores, improving the existing stores, rental fees for the leasehold of Daidomon restaurant for Thanachart Bank and Krung Thai Bank at total amount of Baht 290 million. The financial resource was funded from the financial institutions, working capital within the Company, and cash from offering on sale of shares to the public.

Most of capital funding was come from loans from the financial institutions. Recently, the Company has gotten approved loans of 2 commercial banks totaling Baht 315 million which can be allocated such loan for expanding and improving Hot Pot original store for Baht 165 million, and investing on Diadomon of Baht150 million. In the future, if the Company plans to withdraw this loan, the Company's liability will be increased and caused to higher in interest expenses.

On December 31, 2012, the Company had total liabilities of Baht 450.75 million, shareholders' equity of Baht 382.09 million. The debt to equity ratio was 1.18 times, or 1.13 times, in case of calculated based on the loan contract for expansion of Hot Pot branches. Also, the loans from financial institutions have conditions that company has to conduct by maintaining the debt to equity ratio not to exceed 1.5 times(as defined on the loan contract, it determines liability is meant the total liability was deduct cash borrowed from the Directors or shareholders. While the equity refers to the all shareholders' equity including the cash borrowed from the Directors or shareholders). The debt to equity ratio for investment on Daidomon must not exceed 2.0 times (debt to equity ratio calculated by total liabilities divided by total shareholders' equity).

However, such cash on investment, repayment leasehold of branches from Thanachart Bank and Krung Thai Bank, as well as, renovating branches bought from Daidomon, gradually repay and invest on renovation as proper and flexible. The Company will not withdraw all loans at one time. The loan withdrawn shall be gradually repaid monthly, which results to the balance loan decreasingly. Moreover, the shareholders' equity shall be increasingly from the net profit on each period. The cash from offering the sale of shares to the public on the

first time is supported the Company to retain the debt to equity not over the rate as mentioned above.

Moreover, the Company has increased in interest expenses. The Company considers this risk and plans to manage the budget, not to violate the loan contract, especially repayment the principal and interest on time, and maintain the debt equity ratio as per contract condition.

Risks of dependent on only the management

Since Mr. Sompon Roekwibunsi, Chief Executive Officer, and Ms. Sakuna Baicharoen, Deputy President, are the Directors and main shareholders of the Company. They are co-founder, has high experiences in this business, and extremely significant operate the Company, which make the Company be strong reputation, reliable financial position, and operations continuously growing. They also build the Hot Pot brand to be known and acceptance in the market. If the Company losses these persons, it may affect to the administration and performance of the Company in the future.

However, the Company is aware on risks of dependent on only the management and formulates the system on working less dependently on the management by distributing duties, responsibilities, decentralizing the power of management to the other managements based on skills, knowledge, experience and the competence of each individual as appropriate. Moreover, the Company has policy to support and develop of knowledge, skills, and leadership skills to management and staff continuously, as well as policy on recruitment and dates having knowledge and capabilities to work with the Company according with its expansion plans to create sustainable growth.

Capital Structure and The Management

Capital Structure

Securities of the Company

Common Share

As at December 31, 2012, the Company has registered capital at Baht 101,500,000 and paid-up capital Baht 101,500,000 with 406,000,000 ordinary shares with a par value of Baht 0.25

Shareholders Structure: top 10 shareholders on the closing its registered book as of October 16, 2012

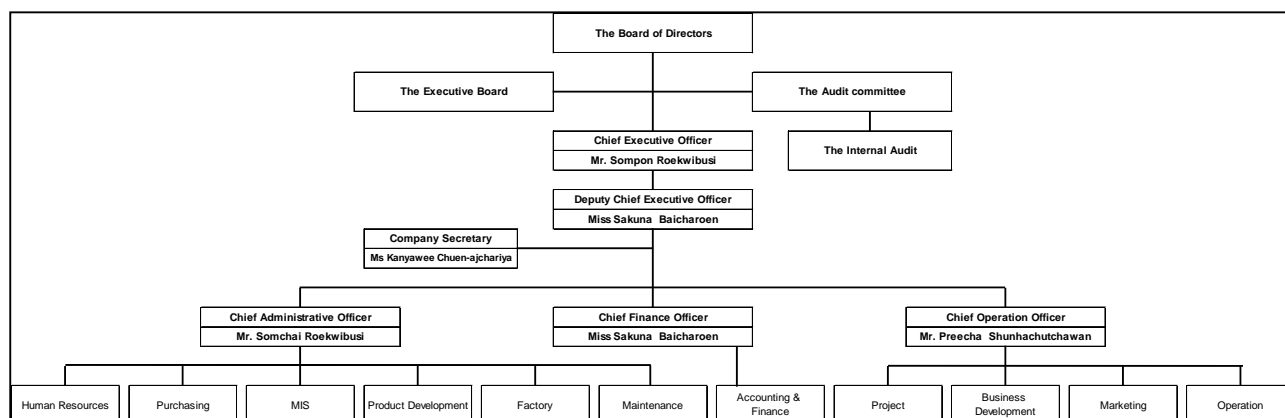
Name	Closing the registered book as of October 16, 2012.	
	Number of shares	%
1. The Group of Mr. Sompol Roekwibunsi	216,062,000	53.22
- Mr. Sompol Roekwibunsi	110,782,000	27.29
- Ms. Sakuna Baicharoen	104,468,000	25.73
- Mr. Prayod Baicharoen	406,000	0.10
- Ms. Kwanruen Baicharoen	406,000	0.10
2. Aureos South- East Asia Fund ^{1/}	13,843,400 ^{2/}	3.41
3. Mr. Worapoj Yayasuwankul	10,269,100	2.53
4. Mr. Wachara Keawsawang	10,000,000	2.46
5. The Private Fund of Government Saving Bank managed by Wan Mutual Fund") ("Private Funds by Government Saving Bank") ^{1/}	6,921,700 ^{2/}	1.70
6. Mr. Weerawat Chutichetpong	5,954,800	1.47
7. Mr. Boonchai Sripradyaanan	4,804,300	1.18
8. Mr. Preecha Chunhachatchawan	4,480,000	1.10
9. Mr. Amornwat Tirakrittaporn	4,200,000	1.03
10. Mr. Suttivichien Mekhanuwat	3,915,300	0.96
11. minor shareholders	125,549,400	30.92
Total	406,000,000	100.00

Note: ^{1/} Aureos South- East Asia Fund is a fund established under the laws of Mauritius and investment in Southeast Asia, including Thailand. The Private Funds by Government Saving Bank is the private fund in compliance with the Securities and Exchange Commission Act (In the past, ING Funds (Thailand) Co., Ltd. was the fund manager. Later, it was changed to Wan Asset Management Co., Ltd. on June 17, 2011 onward) and has agreed to participate in the equity investment on December 18, 2006 by invest in bill redeemable, promissory note and preferred shares which issued by the Company (see details in section 2, item of 5.3.2 of other contracts). The investment is subject to the agreement of both parties in order to invest in on parallel that is Aureos South- East Asia Fund and The Private Funds by Government Saving Bank to jointly invest on the Company as agreed proportion. The distribution of such investment shall be on agreement between of both parties any time.

Dividend Policy

The Company has dividend policy to pay to shareholders at the rate at least 40% of the net profit after corporate income tax and reserve complied with law defined. However, such dividends are subject to change dependent on the investment plans, liquidity, necessary and other appropriations in the future. The resolution on dividend payment approved by the Board of Directors is proposed to the shareholders for approval on the shareholders' meeting, except interim dividend which the Board of Directors has right to approval. The Board of Directors has to report such dividend payment to the shareholders in next meeting.

Management Structure



The Company's management structure is consisted of the Board of Directors, the Audit Committee, and the Executive Board. The Board of Directors, sub-committees, and management of the Company are qualified in compliance with the Public Limited Companies Act B.E. 2535, Section 68, and the Notification of the Capital Market Supervisory Board concerned. The management structure of the Company composes of the following committees.

The Board of Directors

The Board of Director consists of 8 members as of December 31, 2012

No.	Name	Position
1.	Mr. Metta Charuchinda	Chairman, Chairman of the Audit Committee and Independent Directors
2.	Mr. Sompon Roekwibunsi	Director
3.	Ms. Sakuna Baicharoen	Director
4.	Mr. Preecha Shunhachatchawan	Director
5.	Mr. Srisant Chitvaranund	Director
6.	Mr. Teerawut Pangviroongrug	Director
7.	Mr. Supakrit Mekpanuwat	Audit Committee and Independent Director
8.	Mr. Amornsakdi Ketcharoon	Audit Committee and Independent Directors

Ms. Kanyawee Cheun-ajchariya is the secretary of the Board

The Audit committee

At December 31, 2012, the Audit committee consists of 3 members as following:

No.	Name	Position
1.	Mr. Metta Charuchinda	Chairman of the Audit Committee
2.	Mr. Supakrit Mekpanuwat	Audit committee
3.	Mr. Amornsakdi Ketcharoon	Audit committee

Mr. Supakrit Mekpanuwat and Mr. Amornsakdi Ketcharoon has knowledge and competent to review the reliability of the financial statements.

The Executive Committee

As of December 31, 2012, there are 3 of Executive committee as following:

No.	Name	Position
1.	Mr. Sompon Roekwibunsi	Chairman of the Executive Board
2.	Ms. Sakuna Baicharoen	Executive Director
3.	Mr. Preecha Shunhachatchawan	Executive Director

The Management

At December 31, 2012, there are 4 of management as follows:

No.	Name	Position
1.	Mr. Sompon Roekwibunsi	Chief Executive Officer
2.	Ms. Sakuna Baicharoen	Deputy Chief Executive Officer
3.	Mr. Preecha Shunhachatchawan	Chief Operation Officer
4.	Mr. Somchai Roekwibunsi	Chief Administration Officer

Internal Control.

The Audit Committees consists of independent directors to review the adequacy of internal control systems of the Company, including monitoring the operation to conduct with the laws, regulations and other related policies. They consistently review and monitor the performance of the internal auditors and the Company's independent auditor, and report the internal controlling systems the Board of Director for determination. Such the Audit Committee has been appointed to comply with the regulations of the Securities and Exchange Commission (SEC) in order to have good corporate governance, including an assessment on the adequacy of the Company's internal control systems conducted on the assessment by SEC and the Stock Exchange of Thailand.

In 2012, the Audit Committee had 4 meeting with the external auditors, internal auditors and external audit office to comments on the financial statements audited, or reviewed by the Company. The Audit Committee pay more important on improvement of the Company's internal control systems to be adequate and appropriate ongoing.

The Audit Committee has approved and executed the subject of reviewing of implementing on the internal control systems on the audit plans in year 2012 as appropriately. From their follow-up, the Audit Committee found that its operation was still complied with internal control systems. There is only slightly vulnerable and instructed to be follow up by the internal auditor and the external audit offices.

The company hired SPC Audit Co., Ltd., the external auditor, to auditor the Company. SPC Audit Co., Ltd., not being the Company's auditors, advises and evaluates the Company's internal control systems, monitors the risk management system and corporate governance. It was found that the corporate governance of the Company is conducted as sufficient, meet the objectives. The internal auditors have independent, adequate resources and budget for their operations both audit action and review the operation accordance with the laws and regulations and the financial controller. The report of the audit and performance was present to the Audit Committee for consideration every time.

From the evaluation of abovementioned internal control systems, the Audit Committee certified that the Company conducted on the guidance defined by the Securities and Exchange Commission and set to the evaluated system form fairly appropriately and effectively. In addition, the Board of Directors considered the Company had adequate internal control systems relating to the transactions with major shareholders, directors, executives or related persons.

The Audit Committee certified that the internal control of Hot Pot Public Company Limited is adequate to ensure that Company's assets are protected and well treated. The transactions are properly recorded, as well as the resources are used effectively.

Connected Transactions

The summary of the connect transactions between the Company and persons who may have a conflict of interest in the year 2012.

The Company has the connected transactions with individuals and entities which may have a conflict, as summarized following:

Person having a conflict of interest	Relationship
1. Ms. Sakuna Baicharoen	- Being the Director, Vice President, and major shareholders of the Company holding 25.73% (on closing the registered book on October 16, 2012) of the total issued shares sold.
2. Mr. Sompon Roekwibunsi	- Being the Director, Chief Executive Officer, and major shareholders of the Company holding 27.29% (on closing the registered book on October 16, 2012) of the total issued shares sold.
3. Mr. Somchai Roekwibunsi	- Being Administration Manager and the Company's shareholders of the Company holding 0.10% (on closing the registered book on October 16, 2012) of the total issued shares sold.
4. Mr. Somboon Roekwibunsi	- Being the Company's shareholders holding 0.10% (on closing the registered book on October 16, 2012) of the total issued shares sold.
5. Aureos South- East Asia Fund ("Aueros Fund")	- Being the major shareholders of the Company holding 3.41% (on closing the registered book on October 16, 2012) of the total issued shares sold..
6. The Private Funds of Government Saving Bank managing by Wan Asset Management Co., Ltd. ("the Private Funds by G overnment Saving Bank")	- Being the major shareholders of the Company holding 1.70% (on closing the registered book on October 16, 2012) of the total issued shares sold..

Person who may have conflicts of interest	relationship	Type of transaction	Amount (Baht)	the need and appropriateness of the connected transaction
			Year 2012	
1. Aueros Fund	Major shareholders of the Company	<p>Loans: The Company funded loan from Aureos South- East Asia Fund to be the working capital and branch expansion.</p> <p>- Secured Promissory Note, at the amount of Baht 48,133,333 for 4 years at 6.75% of interest per annum, with interest payable quarterly and due to repayment within 2011</p> <p>Beginning Balance</p> <p>Addition load during the year</p> <p>Repayment during the year</p> <p>Ending Balance</p> <p>Interest Expenses</p>	<p>18,112,448</p> <p>-</p> <p>-18,112,448</p> <p>-</p> <p>882,984</p>	<p>Secured Promissory Note: The Company has been granted to repay the loan within the year 2011, from its origin due to repay within April 2001. Since the Company still needed to use invest on branch expansion according with branch expansion plan in 2011.</p> <p>Company will take some money from offering the sale of shares to the public this time to repay the remaining amount of the Promissory note within 1 working day from the date of registration of the Company's additional paid-up capital after offering the sale of new issued shares.</p>
2. the Private Funds by Government Saving Bank	Major Shareholders of the Company	<p>Secured Promissory Note at the amount of Baht 24,066,667 for 4 years at 6.75% interest per annum, with interest payable quarterly and due to repayment within 2011</p> <p>Beginning Balance</p> <p>Addition load during the year</p> <p>Repayment during the year</p>	<p>-</p> <p>9,058,496</p> <p>-</p> <p>-9,058,496</p>	

Person who may have conflicts of interest	relationship	Type of transaction	Amount (Baht)	the need and appropriateness of the connected transaction
			Year 2012	
		Ending Balance	-	
		Interest Expenses	441,602	
3. Mr. Sompon Roekwibunsi	The Directors and major shareholders of the Company	<u>Guarantee</u> : . Mr. Sompon Roekwibunsi brought his shares held of 51,692,304 shares at par value of Baht 0.25 per share for a total of Baht 12,923,076 pledged as collateral to Thanachart Bank PCL. In accordance with the loan agreement to secure temporary the long-term leasehold of 8 branches of Daidomon which the Company purchased to expand the business. After transferring such leasehold to Thanachart Bank PCL., the Company shall	12,923,076	To pledged the Company's shares for security as complied with the conditions set forth on the loan contract. The Company did not pay any compensation for this guarantee. Such action, the Audit Committee considered that such connected transaction is reasonable and beneficial to the company.

Management's Discussion and Analysis of Financial

Analysis of Operation Result

Revenues

In 2010-2012, the Company's revenue from the sales of goods continuously increased at the amount of Baht 1,130.32 million, Baht1,456.77 million, and Baht 1,872.80 million, respectively, or 31.12%, 28.88%, and 28.56% respectively for 2010-2012. Its compound annual growth rate was average 30% per year. The increasing of revenues from the sales of goods was mostly resulted of the revenues of branch expansion; the second one was from recognition of revenue from each branch of Daidomon brand restaurant which the Company invested on December 15, 2011 as well as the buffet price adjustment to 8-22%.

With considering the proceeds from the sales of each type or brand of Hot Pot in 2010-2012, Hot Pot Buffet Value brand was able to create highest revenue from sales of goods. Its revenue was Baht 607.15 million, Baht 812.64 million, and Baht 874.32 million, or 54%, 56%, and 47% respective of the total revenue in 2010-2012. The second one was followed by Hot Pot Inter Buffet brand with its revenue of Baht 402.89 million, Baht 540.77 million, and Baht 720.82 million or 35%, 37%, and 38% respective of the total revenue in 2010-2012. They resulted of the increase of branches to serve more the customers' behaviors on each area. Such increasing of branches had customers come to its restaurants increasing and made the Company gained revenue from such brand increasingly and continually, including the more acceptance of the customers largely.

Type of Revenue	2010		2011		2012	
	Baht (million)	%	Baht (million)	%	Baht (million)	%
1. Revenue from sales of goods						
(A) The Company' branch						
1) Hot Pot Inter buffet	402.89	35.64	540.77	37.12	720.82	38.49
2) Hot Port Buffet Value	607.15	53.71	812.64	55.78	874.32	46.69
3) Hot Pot Prestige	63.42	5.61	39.59	2.72	34.11	1.82
4) Hot Pot Shabu Suki	44.05	3.9	38.31	2.63	35.6	1.9
5) Hot Pot Remen Buffet	8.76	0.78	11.24	0.77	10.76	0.57
6) Daidomon	-	-	10.36**	0.71	194.16	10.37
Total	1,126.27	99.64	1,452.90	99.73	1869.78	99.84
(B) Franchise	4.05	0.36	3.87	0.27	3.03	0.16
Total Revenue from sales of goods	1,130.32	100	1,456.77	100	1,872.80	100
2. Income from administration of Franchise fees*	0.19		0.22		0.15	

Remarks: * Income from administrative of franchise fees was recorded on the other incomes in the Company's financial statements.

** In 2011, the Company recognized revenues from the sales of Daidomon restaurants since December 15, 2011 onward.

In 2012, the other incomes of the Company was amount of Baht 35.35 million increasing from the previous year, which its amount of Baht 27.63 million. It resulted of the increase of incomes from compensation on flood damages, income from sales promotion, incomes of penalty fees of food waste and over time limited, and incomes from sales of membership.

Cost of sales of goods

In 2010-2012, the cost of sales of goods was Baht 510.26 million, Baht 661.42 million, and Baht 824.12 million, increase of 29.62%, and 24.60% in 2011-2012 respectively. The increase of the cost of sales was mostly affected of the increasing of sales on such period. The cost of sale was the proportion of revenues from sales of goods equally to 45.14%, 45.40%, and 44.00% in 2010-2012, respectively. Its margin equaled to 54.86%, 54.60%, and 56.00% in 2010-2012, respective. Such margin increased in 2011-2012 were resulted of the controlling the cost of raw material purchase as well as the food management effectively.

Sales and Administrative Expenses

The Company's sales and administrative expenses on the year 2010-2012 were totally Baht 570.54 million 746.65 million, and 1,039.81 million, or 30.87%, and 39.26% during 2010-2012 respective. The increase of sales and administrative expenses mostly caused of the expansion of revenue for sales on such period.

The sales and administrative expenses were mostly composed of the rental charges of branches. It was the rental and services paid to Landlord or owner of the areas that branches located in the department stores, modern trades, shopping centers. The following ones were employee expenses, amortization and depreciation, and utilities expenses. In addition, the Company still had the sales expenses such as market, repairs and maintenances, property tax, tag and license, bank charges, office equipment, etc.

In 2012, the employee expenses were so high due to the annual salary adjustment and restructure of the salary base, and increase of hiring more employees to support the Company's expansion. The minor expenses were amortization and depreciation, which high adjusted caused by the new branch expansion and renovation of the brand of branches needed the more investment, as well as investing on fix assets increasingly.

Profit

Net profit (loss) of the Company in 2010-2012 were Baht 33.56 million, Baht 47.62 million, and Baht 23.33 million, or increase of 41.89% or (51.01)% in 2010-2012 respectively. The net profit (loss) ratio equaled to 2.94%, 3.21%, and 1.22%. In 2012, the Company had net profit decreased compared with the net profit on the same period of the previous year equaled to 1.99%. It resulted of the high increment of the cost of sales and administrative expenses compared to the expansion of revenue from sales. The obvious evidences were the adjustment of the labor wage according to the government's policy, the impact of accounting standards on long term lease agreement, cost on sale of branches off into the cost of sales and administrative expenses. However, the Company is able to maintain a good profit.

Analysis of Financial Status

Assets

The Company's total assets at the end of the year 2010-2012, were Baht 388.41 million, Baht 698.15 million, and Baht 832.84 million respective. It increased of 79.75% and 19.29% in 2011-2012 respectively. The key assets of the Company are consisted of land, plant and equipment. The minor ones are leasehold, guarantee and others, inventories since the year of 2011 onward. The Leasehold is the high value assets, as the second in land plant and equipment, which increasingly from buying Daidomon leasehold from Thanachart Bank and Krung Thai Bank and the acquisition of the operation assets of Daidomon on December 15, 2011.

Liabilities

The Company's total liabilities at the end of the year 2010-2012, were Baht 304.00 million, Baht 488.19 million, and Baht 450.75 million respective. It increased (decrease) of 60.59%, and (7.67)% in 2011 and 2012 respectively as of December 31, 2012. The reasons were the decrease of account payable, account payable-leasehold from financial institutions, and asset purchased payable. While the loan from financial institutions still high increased; other payable, being mostly account payables, also increased.

Shareholders' equity

The shareholders' equity of the Company at the end of the year 2010-2012 were Baht 84.40 million, Baht 209.96 million, and Baht 382.09 million respectively as of December 31, 2012. The shareholders' equity increased to the amount of Baht 172.13 million, or 81.98% compared with the year 2011. The key reasons were the increase of registered capital and the premium of the common shares from the sale of shares to the public.

Factors and Key Influence to the Operation and Financial Status in the Future

The changes on the economic

The changes on the economic is the directly impact to the Company's income. If economic growth is slowing down, it will affect the overall consumption of customers. The number of customers using the services in a branch of the Company declined, as well as the decrease of sales of each branch, and the Company's revenue.

In addition, the success of investment on new stores is dependent on the economic. At present, the investment on opening new branch has to spend approximately Baht 6-7 million, including investment in the building space, designs, cookware and accessories, guarantee on the lease agreement, etc. If the growth of the economy and the purchase power of consumers are declined or as expected, it may affect the financial position and its operational results.

The fluctuation of raw material price

Most of the raw materials are agricultural products such as meat, fruits, vegetables, and whole grains, etc. The amount and price is seasonal fluctuations, variability of weather conditions, natural disasters, disease outbreaks of plants and animals, as well as the amount of output to the market. These are external factors are beyond the Company's control, and also impact on the supply of raw materials at certain times. They also affect the cost of raw materials and the operation results of the Company.

The Company needs to carefully consider on the rising cost of food ingredients, which impossible acts immediately when the price is rising increasingly, because all raw agricultural products are fluctuated almost every day. However, the Company will consider raising its price of food in case that the prices of raw materials are potentially to increase in the same direction of the price of overall ones significantly increased. In addition, it will compare with the market or competitors' price in order to affect its sales volume or overall customer bases. Therefore, the Company may sometimes take the burdens on high cost as inevitably, which probably affects its performance.

Providing space for branches

The selection of right location is one of the factors to success on the growth of operating the restaurant. The ability to proving space for new branch expansion and keeping the same rental space located on potential area to renew the rental contract when expiry are the significant factors on business operation. The Company aims to expand its branch every year to serve the market and behavior on consumption of buffet food which tendency increasing. If the Company is unable to find the target location to open new branch or not renew the expired rental agreement, it affects its operations and sale increase plan to the future of the Company.

However, with the theme of its restaurant, this is different from the others. By presenting international buffet served on the bar restaurant, taste, quality, variety of dishes on reasonable price, these make the Company's restaurant get tremendously good response from the customers and create well reputation as the leader restaurant. Along with a variety of brands activating the medium and high class customers, the Company therefore enables to open its branches in the various classes of department stores increasing. It is not limited to open its branches especially on specific level of department stores, which essentially support the Company to find space to open its branches easily. Moreover, the Company has strictly complied with the terms of the rental contract and always improved its branches to compete with other entrepreneurs; it enables to renew the rental contract with the space owner continually.

The Audit Fee

In 2010-2012, the Company paid the audit fee to the auditor for its audit at the amount of Baht 750,000, Baht 1,145,798, and Baht 1,140,000 respective. There was no other fee paid to the auditor.

REPORT OF THE AUDITOR

To The Shareholders and Board of Directors of

Hot Pot Public Company Limited

I have audited the accompanying financial statements of Hot Pot Public Company Limited, which comprise the statement of financial position as at December 31, 2012, and the statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the 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 the 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.

*****/2

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Hot Pot Public Company Limited as at December 31 2012, and the results of its operations and the changes in its shareholders' equity and its cash flows for the year then ended in accordance with the Financial Reporting Standards.

Emphasis of Matter

I draw attention to the notes to the financial statements no. 25. In presenting the financial statements for the year 2012, the Company has restated the financial statements in 2011 in accordance with the requirements of the Financial Reporting Standards no. 3 (revised 2009): Business Combination which is regarding the restaurant business acquisition from Daidomon. The standard requires to measure the fair value of identifiable assets acquired and liabilities assumed from the business acquisition not over 1 year from the acquisition date if the initial accounting record for a business combination is not completed within the period of the business combination and there is additional information concerning the facts and existing circumstances as at the acquisition date which the Company has acquired the business on December 15, 2011. The restatement above has continuing effect on the financial statements for the year 2012 in the same issue. The management can now record the list of identifiable assets and liabilities that have been acquired from the business acquisition at the fair value. It has also recorded the trademarks as identifiable assets and measured the fair value by an independent appraiser, who calculates the fair value and obtains the necessary evidence to record the fair value of identifiable assets and liabilities from such business acquisition. Therefore, the comparative information of the year 2011 presented herewith is correctly adjusted and it has been correctly adjusted to the financial statements for the year 2012 in the same issue.

Accordingly, my expression of unqualified opinion on the financial statements is not related to the issue for which I draw your attention to above.



(Miss Chantra Wongsri-Udomporn)

Certified Public Accountant

Registration No. 4996

Dharmniti Auditing Company Limited

Bangkok, Thailand February 27, 2013 and March 21, 2013 for the notes to the financial statements no. 3.8 3.20, 8, 10, 11 and no. 25.

HOT POT PUBLIC COMPANY LIMITED

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2012 AND 2011

<u>ASSETS</u>			
		Baht	
	Note	2012	2011
			(Restated)
CURRENT ASSETS			
Cash and cash equivalents	5	27,012,020	17,883,604
Trade accounts receivable	6	2,733,439	1,821,983
Other accounts receivable		8,855,707	7,965,418
Inventories	7	41,453,277	41,040,674
Other current assets	8	33,127,620	31,996,682
TOTAL CURRENT ASSETS		113,182,063	100,708,361
NON-CURRENT ASSETS			
Property, plant and equipment	9	504,430,464	385,431,137
Leasehold rights	10	94,877,214	110,225,902
Intangible assets	11	8,339,313	9,965,061
Refundable deposits and others	23	112,006,529	91,816,822
TOTAL NON-CURRENT ASSETS		719,653,520	597,438,922
TOTAL ASSETS		832,835,583	698,147,283

Notes to financial statements form an integral part of these statements

HOT POT PUBLIC COMPANY LIMITED

STATEMENTS OF FINANCIAL POSITION (CONT.)

AS AT DECEMBER 31, 2012 AND 2011

LIABILITIES AND SHAREHOLDERS' EQUITY

		Baht	
	Note	2012	2011
			(Restated)
CURRENT LIABILITIES			
Bank overdrafts from financial institution	12	27,358,156	5,749,636
Trade accounts payable		128,629,516	183,645,143
Other accounts payable		56,746,667	50,618,367
Account payable - purchase of assets from Daidomon	25	-	33,740,104
Account payable - leasehold from financial institution	25	19,656,354	77,817,112
Asset purchased payable		10,042,254	14,111,535
Current portion of liability under hire-purchase contracts	13	7,922,979	2,639,665
Current portion of long-term loans from related parties	4,14	-	27,170,984
Current portion of long-term loan from financial institutions	15	60,591,011	37,500,000
Accrued corporate income tax		-	2,264,610
Account payable - the Revenue Department		4,198,416	5,184,596
Other current liabilities		5,668,574	5,195,488
TOTAL CURRENT LIABILITIES		320,813,927	445,637,240
NON-CURRENT LIABILITIES			
Liability under hire-purchase contracts	13	14,298,978	5,839,076
Long-term loan from financial institution	15	100,483,931	26,384,550
Employee benefit obligations	16	3,174,940	1,756,543
Assets retirement obligation		11,974,673	8,569,153
TOTAL NON-CURRENT LIABILITIES		129,932,522	42,549,322
TOTAL LIABILITIES		450,746,449	488,186,562

Notes to financial statements form an integral part of these statements

HOT POT PUBLIC COMPANY LIMITED
STATEMENTS OF FINANCIAL POSITION (CONT.)
AS AT DECEMBER 31, 2012 AND 2011

LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)

		Baht	
	Note	2012	2011
			(Restated)
SHAREHOLDERS' EQUITY			
Share capital			
Authorized share capital			
406,000,000 ordinary shares of Baht 0.25 each	17	101,500,000	101,500,000
Issued and paid-up share capital			
406,000,000 ordinary shares of Baht 0.25 each	17	101,500,000	
344,615,360 ordinary shares of Baht 0.25 each	17		86,153,840
Share premium	17	199,343,291	49,646,160
Retained earnings			
Appropriated			
Legal reserve	19	4,927,199	-
Un-appropriated		76,318,644	74,160,721
Other components of equity		-	-
TOTAL SHAREHOLDERS' EQUITY		382,089,134	209,960,721
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		832,835,583	698,147,283

Notes to financial statements form an integral part of these statements

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

		Baht	
	Note	2012	2011
			(Restated)
Revenues			
Revenues from the sales of goods		1,872,804,224	1,456,773,855
Gain on bargain purchase	25	-	7,678,683
Other income		35,346,419	19,948,604
Total revenues		1,908,150,643	1,484,401,142
Expenses			
Cost of sales of goods		824,121,357	661,417,991
Selling expenses		900,367,862	658,949,132
Administrative expenses		125,394,576	74,104,972
Directors and management benefit expenses	4	14,046,140	13,592,091
Loss from branches closing and renovation	9	3,610,436	2,197,066
Finance costs	4	9,879,512	7,403,862
Total expenses		1,877,419,883	1,417,665,114
Profit before income tax		30,730,760	66,736,028
Income tax	21	7,405,638	19,111,928
Profit for the year		23,325,122	47,624,100
Other comprehensive income		-	-
Total comprehensive income for the year		23,325,122	47,624,100
Basic earnings per share	22		
Profit for the year (Baht per share)		0.06	0.16

Notes to financial statements form an integral part of these statements

HOT POT PUBLIC COMPANY LIMITED

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	Note	Baht					
		Issued and paid-up share capital		Share premium	Retained earnings		Other components of equity
		Common shares	Preferred shares		Legal reserve	Unappropriated	
Balance as at January 1, 2011		56,000,000	860,000	-	-	26,536,621	-
Increase of share capital	17	29,293,840	-	-	-	-	-
Surplus of common stocks	17	-	-	49,646,160	-	-	-
Conversion of preference shares to capital shares	17, 18	860,000	(860,000)	-	-	-	-
Total comprehensive income for the year 2011		-	-	-	-	47,624,100	-
(restated)		-	-	-	-	-	-
Ending balance, as at December 31, 2011		86,153,840	-	49,646,160	-	74,160,721	-
Beginning balance, as at January 1, 2012							
as previously reported		86,153,840	-	49,646,160	-	66,428,101	-
Adjustment							
The cumulative effect of gain on bargain purchase	25	-	-	-	-	7,678,683	-
The cumulative effect of amortization on leasehold		-	-	-	-	53,937	-

Balance as at January 1, 2012 - after adjusted		<u>86,153,840</u>	-	<u>49,646,160</u>	-	<u>74,160,721</u>	-	<u>209,960,721</u>
Increase of share capital	17	15,346,160	-	-	-	-	-	15,346,160
Surplus of common stocks	17	-	-	149,697,131	-	-	-	149,697,131
Legal reserve	19	-	-	-	4,927,199	(4,927,199)	-	-
Dividend	19	-	-	-	-	(16,240,000)	-	(16,240,000)
Total comprehensive income for the year 2012		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,325,122</u>	<u>-</u>	<u>23,325,122</u>
Ending balance, as at December 31, 2012		<u>101,500,000</u>	<u>-</u>	<u>199,343,291</u>	<u>4,927,199</u>	<u>76,318,644</u>	<u>-</u>	<u>382,089,134</u>

Notes to financial statements form an integral part of these statements

HOT POT PUBLIC COMPANY LIMITED

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	Baht	
	2012	2011 (Restated)
Cash flows from operating activities		
Profit for the year	23,325,122	47,624,100
Adjustment to reconcile profit to net cash provided by (used in) operating activities :-		
Bad Debt	13,339	-
Allowance for doubtful account (reversal)	(188,795)	(90,000)
Depreciation and amortization	132,511,866	87,639,564
Loss from branches closing and renovation	3,610,436	2,197,066
(Gain) loss on sale of fixed assets	2,366,435	(293,453)
Gain on bargain purchase	-	(7,678,683)
Interest incomes	(198,959)	(145,687)
Employee benefit	1,724,547	751,100
Cost of asset dismantlement	46,140	28,348
Interest expenses	9,833,372	7,403,862
Income tax	7,405,638	19,111,928
Profit from before changes in operating assets and liabilities	180,449,141	156,548,145
(Increase) decrease in operating assets		
Trade accounts receivable	(736,000)	(1,451,462)
Inventories	(412,603)	(10,921,894)
Other accounts receivable and other current assets	914,685	(4,387,148)
Increase (decrease) in operating liabilities		
Trade accounts payable	(55,015,627)	96,782,250
Other accounts payable	6,253,300	14,628,314
Other current liabilities	(513,094)	4,353,590
Cash received from operating	130,939,802	255,551,795
Interest incomes received	198,959	145,687
Employee benefit paid	(306,150)	-
Income tax paid	(12,193,096)	(25,825,125)
Net cash flows provided by operating activities	118,639,515	229,872,357

Notes to financial statements form an integral part of these statements

HOT POT PUBLIC COMPANY LIMITED

STATEMENTS OF CASH FLOWS (CONT.)

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	Baht	
	2012	2011
		(Restated)
Cash flows from investing activities		
Cash paid for purchase the assets of Daidomon	(33,740,104)	(12,037,500)
Cash paid for purchase of plant and equipment	(220,563,030)	(185,816,633)
Cash received for sales of equipment	2,286,231	532,244
Cash paid for leasehold right	(2,578,783)	(9,224,732)
Cash received for sale of leasehold rights	2,336,449	-
Cash paid for intangible assets	(1,703,796)	(3,954,571)
Cash paid for refundable deposits and others	(20,399,707)	(25,966,391)
Increase (decrease) in account payable-leasehold from financial installation	4,890,024	-
Cash paid to account payable-leasehold from financial institution	(60,852,737)	-
Cash paid to accounts asset purchased payable	(4,069,281)	-
Net cash used in investing activities	(334,394,734)	(236,467,583)
Cash flows from financing activities		
Increase (decrease) in bank overdrafts from financial institutions	21,608,520	3,893,722
Cash paid to liability under financial lease contracts	-	(324,239)
Cash paid to liability under hire-purchase contracts	(5,301,148)	(1,795,238)
Cash paid to long-term loan from related persons	-	(4,750,000)
Cash paid to long-term loan from related parties	(27,170,984)	(83,940,000)
Cash received for long-term loan from financial institutions	136,037,352	79,869,549
Cash paid to long-term loan from financial institutions	(38,846,960)	(60,951,820)
Cash received from issued ordinary shares	165,043,291	78,940,000
Dividend	(16,240,000)	-
Cash paid to interest expenses	(10,246,436)	(7,166,025)
Net cash provided by financing activities	224,883,635	3,775,949
Net increase (decrease) in cash and cash equivalents	9,128,416	(2,819,277)
Cash and cash equivalents at beginning of year	17,883,604	20,702,881
Cash and cash equivalents at end of year	27,012,020	17,883,604

Notes to financial statements form an integral part of these statements

STATEMENTS OF CASH FLOWS (CONT.)

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	Baht	
	2012	2011
Additional disclosures of cash flows information :		
The Company acquired fixed assets by means of		
Liabilities under hire-purchase contracts	19,044,364	5,979,594
Investment in Daidomon business - unpaid	-	33,740,104
Investment in leasehold - unpaid	-	77,817,112

HOT POT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND 2011

1. GENERAL INFORMATION

(a) Legal status and address

The Company was registered to be a limited company on January 28, 2004.

According to the 3rd extraordinary shareholders' meetings held on July 6, 2011, the shareholders unanimously approved to change the Company's status to be public company limited for trading their shares on the Market for Alternation Investment (MAI). On July 6, 2011, the Company has registered the above resolution with the partner registrar.

As at March 27, 2012, refer to SEC Jor Thor 395/2555 about the permission to sell newly issued shares to the public, the SEC allows the Company to sell newly issued shares to the public in accordance with the Company submission the application as at February 14, 2012. The first securities trading are scheduled on September 18, 2012.

The addresses of its registered office and factory are as follows:

Headquarter : 350 Ramintra Road, Tha-rang District, Bangkhen, Bangkok 10230, Thailand.

Factory : 11/1 Moo 3, Liab Klong 7 Road, Bueng Kham Phroi, Lamlukka, Pathumthani 12150

(b) Nature of the Company's operations

The principal activity of the Company is to operate a restaurant business which comprises both a la carte and buffet menus. The main menu features Sukiyaki, Japanese food and Japanese grilled food. In addition, the Company also distributes and produces finished foods and beverage to serve within its restaurant business.

HOT POT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND 2011

As at December 31, 2012 and 2011, the Company has 138 and 125 branches nationwide, respectively.

	Branches	
	2012	2011
Number of branches		
Beginning balance	125	78
Opened branches	24	48
Closed branches	(11)	(1)
Ending balance	138	125

As at December 21, 2012, the Company has opened new 10 branches on progress which have not been completed.

(c) Employees

As at December 31, 2012 and 2011, the Company has employees of 3,573 and 3,042, respectively.

The Company has the staff cost for the years ended December 31, 2012 and 2011, amount of Baht 366.69 million and Baht 257.23 million, respectively. The staff cost is consisted of salary, bonus, welfare, social security, compensation fund and provident fund, etc.

2. BASIS OF THE FINANCIAL STATEMENTS PREPARATION

2.1 Basis for the preparation of financial statements

The financial statements have been prepared in accordance with the accounting standards prescribed by Thai Accounts Act enunciated under the Accounting Profession Act B.E. 2547 by complying with the financial reporting standards for Publicly Accountable Entities. The presentation of the financial statements has been made in compliance with the Notification

HOT POT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2012 AND 2011

of the Department of Business Development, the Ministry of Commerce, re : the financial statements presentation for public limited company, issued under the Accounting Act B.E. 2543.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

The financial statements in Thai language are the official statutory financial statement of the Company. The financial statements in English language have been translated from such financial statement in Thai language for the convenience of readers.

2.2 New accounting standards issued during the period and not effective

On March 15, 2012, the Federation of Accounting Professions (FAP) has issued the financial reporting standard TFRS 8: Operating Segments, (replaced the Accounting Standard No. 14 : the Financial Information by Segment) which is effective for fiscal year beginning on or after January 1, 2012

The management of the Company is evaluating the impact on the financial statements when this financial reporting standard is initially applied

3. SUMMARY SIGNIFICANT ACCOUNTING POLICIES

3.1 Revenues

Revenue excludes value added taxes and other out - put tax. Sales is recognized in the amount after deduction of trade discounts.

Revenue is recognized in the statement of comprehensive income when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognized, if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods.

Food and beverage and other service income are recognized when services and goods have been provided or transferred.

Revenue from sale material to franchise restaurant is recognized when delivered of goods to client.

Franchise income is recognized in the statement of comprehensive income over the agreement period.

HOT POT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2012 AND 2011

Subsidized income is recognized in the statement of comprehensive income on the accrual basis according to the agreed content stated in the contract or over the agreement period.

Interest income is recognized as revenue for the period should be in the comprehensive income statement on an accrual basis.

3.2 Expenses

Payments made under operating leases are recognized in the statement of comprehensive income on a straight line basis over the term of the lease. Lease incentives received are recognized in the statement of comprehensive income as an integral part of the total lease payments made.

Interest expenses and similar costs are charged to the statement of comprehensive income for the period in which they are incurred, except to the extent that they are capitalized as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale. The interest component of finance lease payments is recognized in the statement of comprehensive income using the effective interest rate method.

3.3 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, cash at bank, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

3.4 Trade accounts receivable

Trade accounts receivable are stated at their invoice value less allowance for doubtful accounts (if any). Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experiences and analysis of the debtor aging. Bad debts are written off when incurred.

3.5 Inventories

Raw materials, supplies and finished goods are stated at the lower of cost and net realizable value.

HOT POT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2012 AND 2011

Cost is calculated using the first-in first-out (FIFO) and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of overheads based on normal operating capacity.

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

3.6 Property Plant and Equipment

Land is stated at cost without depreciation. Building, leasehold building improvements and equipment are stated at cost after deducted accumulated depreciation and allowance on impairment (if any).

Cost is recognized at the start when the assets are acquired including other direct costs that relate primarily to the provision of assets into their ready and intended to use state.

Depreciation is calculated by the straight-line method over the estimated useful lives of the assets as follows :-

Leasehold building improvements	New	Old
	Upon the period of lease contracts	Upon the period of lease contracts
Factory building	10 - 30 years	20 years
Other structure	10 years	10 years
Furniture, fixtures and office equipment	5 years	5 years
Vehicles	5 years	5 years
Operating equipment	5 years	5 years

Construction in progress are not depreciated.

Operating equipment consisted of kitchen equipment and equipment using for operation service of each branch.

**HOT POT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)**

DECEMBER 31, 2012 AND 2011

Gain or loss from disposal of property, plant and equipment is recognized as other income or other expense in the statement of comprehensive income when the assets are sold.

Cost of asset dismantlement, removal and restoration which are the Company's obligation, have to be included as asset costs.

The depreciation charge has to be determined separately for each significant part of an asset.

The company reviews the residual value and useful life of an asset on consistency basis.

3.7 Leasehold rights

Leasehold rights is stated at cost less accumulated amortization and impairment losses.

Amortization is charged to the statement of comprehensive income on a straight-line basis over the term of the lease.

3.8 Intangible Assets

Software licenses, which has limited life, is stated at cost less accumulated amortization and impairment losses (if any).

Trademark is a recognizable name or special symbol that identifies products or services of the sellers and an individual identity which cannot be imitated. The Company has the trademark on Japanese style grilled or broiled service with unlimited useful life showing the fair value as at the acquisition date for zero Baht (0).

Amortization is charged to the statement of comprehensive income on a straight-line basis from the date that intangible assets are available for use over the estimated useful lives of the assets, unless such lives are indefinite. Intangible assets with an indefinite useful

**HOT POT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)**

DECEMBER 31, 2012 AND 2011

life are not amortized but are systematically tested for impairment at each the statement of financial position date. The estimated useful lives are as follows:

Software licenses	5 and 10 years
Trademark	Unlimited useful life trademark

3.9 Impairment of assets

The carrying amounts of assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and when indicators of impairment are identified.

An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognized in the statement of comprehensive income unless it reverses a previous revaluation credited to equity, in which case it is charged to equity. When a decline in the fair value of an available-for-sale financial asset has been recognized directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognized directly in equity is recognized in the statement of comprehensive income even though the financial asset has not been derecognized. The amount of the cumulative loss that is recognized in the statement of income is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognized in the statement of comprehensive income.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. However, an impairment loss in respect of goodwill is not reversed.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

**HOT POT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)**

DECEMBER 31, 2012 AND 2011

3.10 Trade and other accounts payable

Trade and other accounts payable are stated at cost.

3.11 Provisions

A provision is recognized in the statement of financial position when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

3.12 Employee Benefits

Short-term employment benefits

The Company recognizes salary, wage, bonus and contributions to social security fund, compensation fund and provident fund as expenses when incurred.

Post-employment benefits (Defined contribution plans)

The Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognized as expenses when incurred.

Post-employment benefits (Defined benefit plans)

The Company has obligations in respect of the severance payments that it must pay to the employees upon retirement under the labor law and other employee benefit plans. The Company treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is calculated based on the actuarial principles by a qualified independent actuary using the projected unit credit method. Such estimates are made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate, mortality rate, and inflation rate.

Actuarial gains and losses for post-employment benefits of the employees are recognized immediately in profit or loss.

HOT POT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2012 AND 2011

The Company has opted to record the entire amount of this liability as an adjustment to retained earnings as at January 1, 2011, in accordance with the transitional provisions of TAS 19

3.13 Income tax

The Company records income tax expense, if any, based on the amount currently payable under the Revenue Code at the income tax rates (year 2012 : 23%, year 2011 : 30%) of net profit before income tax, after adding back certain expenses which are non-deductible for income tax computation purposes, and less certain transactions which are exemption or allowable from income tax.

3.14 Basic earnings per share

Basic earnings per share is calculated by dividing the net profit for the year by the weighted average number of common shares or equivalent common shares outstanding during the year.

3.15 Using of accounting estimates

The preparation of financial statements in conformity with TAS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

**HOT POT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)**

DECEMBER 31, 2012 AND 2011

3.16 Related parties

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.

3.17 Financial lease

Leases of assets that substantially transfer to the Company all the rewards and risks of ownership of assets and that the Company intends to exercise the option of the leases to purchase the assets at the expiration of the lease term, are accounted for as finance leases.

At the inception of a finance lease, the cost of the asset is recorded together with the obligation, excluding the interest element, to pay future rentals. Finance charges are charged to the current period operations by the effective rate of interest.

3.18 Operating lease

Lease of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under an operating lease are recognized as expense on a straight-line basis over the lease term.

3.19 Financial instruments

Details of significant accounting policies and methods adopted, including criteria for recognition of revenues and expenses relating to financial assets and financial liabilities are disclosed in note 20.

**HOT POT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)**

DECEMBER 31, 2012 AND 2011

3.20 Goodwill

As for the cost of acquiring an investment that is higher than the fair value of net assets, the difference is goodwill. Goodwill is tested for impairment every year and stated at cost deducted allowance for accumulated impairment. The allowance for impairment of goodwill that is realized will not be reversed.

As for the cost of acquiring an investment (assets deducted from liabilities = net assets) that is lower than the fair value of the share of net assets, the difference is gain on bargain purchase. Gain on bargain purchase will be recognized immediately in the statement of comprehensive income.

4. RELATED PARTY TRANSACTIONS

A portion of the Company's assets, liabilities, revenues, costs and expenses arose from transactions with related parties.

Types of relationship of related parties are as follows : (closing register dated on September 26, 2012)

Name of Company / individual	Type of business	Type of relationship
Aureos South-East Asia Fund, L.L.C.	Fund for investments	Shareholder
GSB Private Fund by		
One Asset Management Limited	Fund for investments	Shareholder
Ms. Sakuna Baicharoen	-	Shareholder and director
Mr. Sompon Roekwibunsi	-	Shareholder and director
Mr. Preecha Shunhachtchawan	-	Shareholder and director
Ms. Somchai Roekwibunsi	-	Shareholder
Ms. Somboon Roekwibunsi	-	Shareholder

HOT POT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2012 AND 2011

Transactions for the year ended December 31, 2012 and 2011 with related parties are summarized as follows:

	Pricing Policy	Baht	
		2012	2011
Interest expense			
Aureos South-East Asia Fund, L.L.C.	6-6.75% per annum	882,984	2,198,125
GSB Private Fund by One Asset Management Limited	6-6.75% per annum	441,602	1,094,831
		<u>1,324,586</u>	<u>3,292,956</u>

The outstanding balances with related parties as at December 31, 2012 and 2011 are as follows:

	Baht	
	2012	2011
Long-term loans from		
Aureos South-East Asia Fund, L.L.C.	-	18,112,488
GSB Private Fund by One Asset Management Limited	-	9,058,496
	<u>-*</u>	<u>27,170,984</u>

* See note 14.

HOT POT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2012 AND 2011

Directors and management benefit expenses

Directors and management benefit expenses represent the benefits paid to the directors and the Company's management such as salaries and related benefit including the benefit paid by other means. The directors and the Company's management are the persons who are defined under the Securities and Exchange Act such as managing director or the managements who have the top position at the management level from the four lists following by the manager level.

	Baht	
	2012	2011
Shot-term employee benefits	14,347,700	13,353,859
Post-employment benefits	(301,560)	238,232
	14,046,140	13,592,091
	14,046,140	13,592,091

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of :

	Baht	
	2012	2011
Cash in hand	2,351,000	2,003,400
Cash at Banks- current accounts	3,025,223	8,176,648
- savings accounts	21,635,797	7,703,556
Total	27,012,020	17,883,604
	27,012,020	17,883,604

Savings accounts earned interest rates at 0.625 - 1.40% per annum (In 2011 : 0.50 - 1.25%).

HOT POT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2012 AND 2011

6. TRADE ACCOUNTS RECEIVABLE

Trade accounts receivable consisted of :

	Baht	
	2012	2011
Trade accounts receivable	3,521,843	2,799,182
<u>Less</u> Allowance for doubtful accounts	(788,404)	(977,199)
Trade accounts receivable, net	2,733,439	1,821,983

Transactions with allowance for doubtful accounts - accounts receivable are as follows :-

	Baht	
	2012	2011
Beginning balance	977,199	1,067,199
Addition	-	-
Bad debt	-	-
Reversal	(188,795)	(90,000)
Ending balance	788,404	977,199

The Company's management has contemplated about provision of allowance for doubtful accounts and believed that it is adequate for covering collection losses.

HOT POT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2012 AND 2011

Trade accounts receivable as at December 31, 2012 and 2011 classified by ages of account receivable consisted of :

	Baht	
	2012	2011
Not yet due	2,509,793	1,541,435
Over due :		
1 day to 30 days	202,702	280,548
31 day to 90 days	12,363	-
91 day to 365 days	8,581	-
Over 365 days	788,404	977,199
Total	3,521,843	2,799,182
<u>Less</u> Allowance for doubtful accounts	(788,404)	(977,199)
Trade accounts receivable, net	2,733,439	1,821,983

7. INVENTORIES

Inventories as at December 31, 2012 and 2011 are finished sauce, meat ball, fresh-dried food, fresh vegetable, seasoning, beverage powder and other which consisted of :

	Baht	
	2012	2011
Raw materials	2,785,603	2,632,218
Finished goods - Trading	27,591,833	28,161,648
- Manufacturing	11,075,841	10,246,808
Total	41,453,277	41,040,674

HOT POT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2012 AND 2011

	<i>Baht</i>	
	2012	2011
Cost of inventory recognized as administrative expense		
for the year	377,189	312,225
Decline in value of inventory recognized as cost of		
goods sold for the year	834,892	1,344,380

8. OTHER CURRENT ASSETS

Other current assets consisted of :

	<i>Baht</i>	
	2012	2011
Advance for banner and prepaid expense	2,175,210	3,286,009
Undue input vat	3,223,738	7,421,814
Other supplies	18,150,711	16,096,175
Materials used in construction	4,137,285	3,485,008
Income tax waiting for return	2,522,848	-
Other current assets	2,917,828	1,707,676
Total	33,127,620	31,996,682

HOT POT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2012 AND 2011

9. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consisted of :

	Baht				
		Transactions during the year			
	Balance Dec. 31, 2011	Additions	Disposal/ write-off	Transfer in/(out)	Balance Dec. 31, 2012
<u>Cost</u>					
Land	31,564,525	-	-	-	31,564,525
Factory building and other structure	57,354,407	1,710,705	-	(245,115)	58,819,997
Leasehold building improvemen	328,074,062	136,891,156	(9,394,811)	(162,191,469)	293,378,938
Furniture, fixtures and office equipment	28,727,703	9,013,334	(662,550)	16,417,716	53,496,203
Operating equipment	207,023,875	88,008,700	(11,255,788)	143,896,603	427,673,390
Vehicles	33,760,116	7,671,486	(3,054,609)	1,566,921	39,943,914
Work in progress	9,908,722	239,063,534	-	(237,781,259)	11,190,997
Total	696,413,410	482,358,915	(24,367,758)	(238,336,603)	916,067,964
<u>Accumulated depreciation</u>					
Factory building and other structure	(9,729,892)	(2,867,840)	-	4,042,898	(8,554,834)
Leasehold building improvemen	(146,814,185)	(43,461,682)	3,585,672	100,411,385	(86,278,810)
Furniture, fixtures and office equipment	(15,093,370)	(7,171,885)	251,184	(13,937,067)	(35,951,138)
Operating equipment	(120,943,258)	(59,067,786)	8,038,149	(88,176,861)	(260,149,756)
Vehicles	(18,401,568)	(4,861,190)	3,048,285	(488,489)	(20,702,962)
Total	(310,982,273)	(117,430,383)	14,923,290	1,851,866	(411,637,500)
Property, plant and equipment, net	385,431,137				504,430,464

HOT POT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2012 AND 2011

	Baht				
	Balance	Transactions during the year			Balance
	Dec. 31, 2010	Additions	Disposal/ write-off	Transfer in/(out)	Dec. 31, 2011
<u>Cost</u>					
Land	31,564,525	-	-	-	31,564,525
Factory building and other structure	51,769,461	5,584,946	-	-	57,354,407
Leasehold building improvement	205,013,727	131,747,173	(8,686,838)	-	328,074,062
Furniture, fixtures and office equipment	18,998,143		(221,828)	-	28,727,703
		9,951,388			
Operating equipment	157,096,488	52,647,096	(2,719,709)	-	207,023,875
Vehicles	24,439,757	9,320,359	-	-	33,760,116
Work in progress	141,089	211,453,694	(177,966)	(201,508,095)	9,908,722
Total	489,023,190	420,704,656	(11,806,341)	(201,508,095)	696,413,410
<u>Accumulated depreciation</u>					
Factory building and other structure			-	-	
	(7,484,299)	(2,245,593)			(9,729,892)
Leasehold building improvement		(48,094,206)		-	(146,814,185)
	(105,629,809)		6,909,830		
Furniture, fixtures and office equipment	(11,495,359)	(3,764,326)		-	(15,093,370)
			166,315		
Operating equipment	(95,143,444)	(27,969,991)		-	(120,943,258)
			2,170,177		
Vehicles	(14,467,727)	(3,933,841)	-	-	(18,401,568)
Total				-	
	(234,220,638)	(86,007,957)	9,246,322		(310,982,273)
Property, plant and equipment, net	254,802,552				385,431,137

HOT POT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2012 AND 2011

	Baht	
	2012	2011
Depreciation for the year - manufacturing cost	6,393,514	5,142,391
- selling and administrative expenses	111,036,869	80,865,566
Total	117,430,383	86,007,957
Profit (loss) from branches closing and renovation	(3,287,938) *	(2,197,066)
Gain (loss) on sale of fix assets	(2,281,540)	293,453

* Total loss on amortization of leasehold right Baht 28,365 (see note 10).

As at December 31, 2012 and 2011, the Company had leasehold building improvement, furniture, fixtures and office equipment, operating equipment and vehicles, which were fully depreciated but still in use with the cost price of Baht 190.10 million and Baht 92.22 million, respectively.

As at December 31, 2012 and 2011, the Company had land, factory building and other construction in the cost price of Baht 90.38 million and Baht 88.91 million, respectively, were used to guarantee the long-term loans from a local financial institution (see note 12 and 15).

As at December 31, 2012, the Company entered into asset insurance for branches, factory building, other structure, furniture and fixtures, office equipment and computers, inventories, machinery and control parts, internal systems, cold storage and vehicles. The beneficiary of these insured assets is the financial institution to secure for the loan, but the beneficiary of vehicles under hire-purchase agreements is the leasing company.

As at December 31, 2012 and 2011, the Company had vehicles, furniture, fixtures and office equipment and operating equipment under hire-purchase agreements with the net book value amounting to approximately Baht 49.64 million and Baht 12.49 million, respectively.

During the year 2012, the Company had significant investments in fixed assets totaling Baht 243.29 million as follows :

1. The Company had the building renovation and construction inside the factory during the year in the cost price of Baht 1.71 million.
2. According to the board meeting, the board had approved to open 24 new branches and modify the shop model for 7 branches. Therefore, the Company had investments in

HOT POT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2012 AND 2011

leasehold building improvement and operating equipment in the total cost price of Baht 224.90 million.

3. The Company had an increase in the purchase office equipment in the cost price of Baht 9.01 million.
4. The Company had an increase in the purchase vehicles in the cost price of Baht 7.67 million.

During the year 2011, the Company had significant investments in fixed assets totaling Baht 219.16 million as follows :

1. According to the board meeting, the board had approved to open 24 new branches and modify the shop model for 1 branches. The Company acquired 25 branches of Daidomon restaurants (As at December 31, 2011, the company had closed down 1 branch because of the operating loss). (see note 25). Therefore, the Company had investments in leasehold building improvement and operating equipment in the cost price totaling Baht 184.40 million.
2. The company had the building renovation and construction inside the factory during the year in the cost price of Baht 5.58 million.
3. The Company had an increase in the purchase of furniture fixtures and office equipment in the cost price of Baht 9.95 million.
4. The Company entered into hire-purchase agreement for 11 vehicles in the cost price of Baht 9.32 million, totaling value of hire-purchase at Baht 7.16 million.
5. The Company had more investment in work in progress to prepare for the opening of 1 new branches and for shop modification in the cost price totaling Baht 9.91 million.

During the year 2012, the Company had significant write-off for the fixed assets as follows :-

1. According to the management board meeting, the board had approved to close branches because income did not meet the set target and unused the warehouse branch at Ekamai. Therefore, the Company had closed these 11 branches in the total cost price of Baht 9.13 million, with the book value of Baht 5.84 million. The loss from branch closing is Baht 3.29 million.
2. The Company has written off and sold fixed assets because of unused with cost of Baht 12.21 million and with book value of Baht 4.67 million. The Company had loss on disposal and amortization of fixed asset totaling Baht 2.61 million.
3. The Company sold 6 vans because of unused with cost of Baht 3.03 million with book value of Baht 0.01 million. The Company had gained on sale of fixed asset totaling Baht 0.33 million.

HOT POT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2012 AND 2011

During the year 2011, the Company had significant write-off for the fixed assets in the total cost price of Baht 11.81 million as follows :-

1. According to the board meeting, the board had approved to temporarily close 2 branches due to the close down for renovation of the department store. Therefore, the Company had closed these 2 branches in the total cost price of Baht 5.86 million with the book value of Baht 1.19 million. The loss from branch closing is Baht 1.19 million.
2. The Company had written off the fixed assets of the 3 branches that were flooded in the total cost price of Baht 4.60 million with the book value of Baht 0.94 million.
3. The Company sold the operating equipment in the cost price of Baht 1.11 million.
4. The Company sold its office furniture in the cost price of Baht 0.24 million.

Changes in Estimated Useful life

Since January 1, 2010, the Company has changed the useful life of the factory building in order to comply with the useful life of the new assessment of fixed assets according to the estimate of the independent appraiser. The effects of change to the Company's financial statements for the years ended December 31, 2012 and 2011 are to decrease depreciation by Baht 1.21 million and Baht 1.21 million, increase net profit by Baht 1.21 million and Baht 1.21 million and increase profit per share by Baht 0.0033 per share and Baht 0.0039 per share, respectively.

10. LEASEHOLD RIGHTS

Leasehold rights are leaseholds in the rental of restaurant branches that are amortized over the term of the contract as follows :

HOT POT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2012 AND 2011

Baht

	Balance	Transactions during the year		Balance
	Dec. 31, 2011	Addition	Disposal /	Dec. 31,
	(Restated)		Write-off	2012
<u>Cost</u>				
Leasehold rights	112,776,714	2,578,783	(5,028,984)	110,326,513
<u>Less accumulated amortization</u>				
Leasehold rights	(2,550,812)	(13,042,219)	143,732	(15,449,299)
Leasehold rights, net	110,225,902			94,877,214

Baht

	Balance	Transactions during the year		Balance
	Dec. 31, 2010	Addition	Disposal /	Dec. 31, 2011
			Write-off	(Restated)
<u>Cost</u>				
Leasehold rights	1,928,253	110,848,461	-	112,776,714
<u>Less Accumulated amortization</u>				
Leasehold rights	(1,854,913)	(695,899)	-	(2,550,812)
Leasehold rights, net	73,340			110,225,902

HOT POT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2012 AND 2011

	Baht	
	2012	2011
		(Restated)
Amortization cost for the year - selling expenses	13,042,219	695,899
Loss on sale of leasehold right	84,896	-

During the year 2012, The Company has booked into the accounts for transfer fee of leasehold for 10 branches at cost price of Baht 2.58 million.

During the year 2011, the Company recorded the leasehold from the acquisition of Daidomon business by the fair value as at the acquisition date in the amount of Baht 110.85 million (including the leasehold transfer fee of Baht 3.91 million) (see Note 25).

During the year 2012, the Company has written off the important leasehold as follows:

- 1) The Company has written off the leasehold of Mitake branch, located at IT Square, due to disused for the net book value Baht 28,365 and the Company is recorded as the loss from branch termination
- 2) The Company has sold the leasehold of the Old Siam branch at cost price Baht 2.13 million at book value Baht 2.21 million and the Company has loss from disposal leasehold Baht 0.08 million.
- 3) As at December 31, 2012, Thanachart bank has adjusted and reduced the purchase price of the leasehold at the total amount of Baht 2.32 million due to delay transferring the leasehold right. It causes the Company to reduce the leasehold at the same amount.

HOT POT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2012 AND 2011

11. INTANGIBLE ASSET

Intangible asset consisted of :

	Baht			
	Balance	Transactions during the year		Balance
	Dec. 31, 2011	Addition	Disposal/ write-off	Dec. 31, 2012
	(Restated)			
<u>Cost</u>				
Trademark	0	-	-	0
Software licenses	12,644,065	2,172,396	(13,500)	15,358,334
Software in progress	468,600	1,703,796	-	-
Total	13,112,665	3,876,192	(13,500)	15,358,334
<u>Less Accumulated amortization</u>				
Software licenses	(3,147,604)	(2,039,264)	13,323	(7,019,021)
Total	(3,147,604)	(2,039,264)	13,323	(7,019,021)
Intangible asset, net	9,965,061			8,339,313

HOT POT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2012 AND 2011

	Baht			
	Balance	Transactions during the year		Balance
	Dec. 31, 2010	Addition	Disposal/ write-off	Transfer In (out)
				Dec. 31, 2011 (Restated)
<u>Cost</u>				
Trademark	-	0	-	-
Software licenses	6,760,537	6,588,028	(704,500)	-
Software in progress	3,102,057	3,954,570	(6,588,027)	-
Total	9,862,594	10,542,598	(7,292,527)	-
<u>Less Accumulated amortization</u>				
Software licenses	(2,915,951)	(935,708)	704,055	-
Total	(2,915,951)	(935,708)	704,055	-
Intangible asset, net	6,946,643			9,965,061

	Baht	
	2012	2011
Amortization cost for the year		
- manufacturing cost	78,722	100,630
- selling and administrative expenses	1,960,542	835,078
	2,039,264	935,708

During the year 2012, The Company had investment to install the Navision software, M-Focus software for restaurant business and other software with the total cost of Baht 2.17 million

**HOT POT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)**

DECEMBER 31, 2012 AND 2011

During the year 2012, The Company wrote off the restaurant software that is no longer used in operation in the total cost of Baht 13,500 and book value of Baht 177.

During the year 2011, the Company had significant investments in intangible assets totaling Baht 7.06 million as follows :

1. The Company had booked the trademark from the acquisition of Daidomon business as identifiable asset by the fair value for 4 brands at zero Baht (see note 25).
2. The Company had investment to install the Navision software and M-Focus software for restaurant business and other software with the total cost of Baht 6.59 million.
3. The Company had additional investment in Navision program under installation in the total cost price of Baht 0.47 million.

During the year 2011, the Company had amortized the intangible asset in the total cost of Baht 0.70 million as follows :

1. The Company wrote off the restaurant software that is no longer used in operation in the total cost of Baht 0.70 million and book value of Baht 0.70 million.

12. BANK OVERDRAFTS FROM FINANCIAL INSTITUTIONS

As at December 31, 2012 and 2011, the Company has credit facility of bank overdraft from financial institutions in totaling of Baht 25 million and Baht 10 million, respectively. Bank overdraft was secured by mortgaging the land and construction thereon of the company. (see note 9)

HOT POT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2012 AND 2011

13. LIABILITY UNDER HIRE-PURCHASE CONTRACT

Liability under hire-purchase contract consisted of :

		<i>Baht</i>	
		2012	2011
Liability under hire-purchase contract		26,009,258	9,898,918
<u>Less</u>	deferred interest	(2,234,117)	(995,176)
	deferred vat	(1,553,184)	(425,001)
		22,221,957	8,478,741
<u>Less</u>	current portion due within one year	(7,922,979)	(2,639,665)
Liability under hire-purchase contract, net		14,298,978	5,839,076

Baht

	As at December 31, 2012				As at December 31, 2011			
	Principal	Deferred interest	Deferred vat	Total	Principal	Deferred interest	Deferred vat	Total
1 - 5 years	14,298,978	955,052	979,390	16,233,420	5,839,076	504,403	285,302	6,628,781
Over 5 years	-	-	-	-	-	-	-	-
Total	14,298,978	955,052	979,390	16,233,420	5,839,076	504,403	285,302	6,628,781

In 2012, the Company entered into hire-purchase agreement with 3 Companies for purchasing 70 sets of computer, 140 sets of fingerprint scanner machine, 90 sets of dishwashing machines and 1 set of metal detector safe line model. Values of the contracts are Baht 1,950,396 Baht 1,098,811, Baht 13,221,966, and Baht 528,880, respectively. The Company also entered into the hire-purchase agreements with 3 Companies for purchasing 9 vehicles. Value of the contracts are Baht 742,608 Baht 742,608 Baht 742,608 Baht 558,384 Baht 464,832 Baht 464,832 Baht 747,600 Baht 747,600 and Baht 722,400, respectively. The hire-purchase payment is scheduled to

**HOT POT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)**

DECEMBER 31, 2012 AND 2011

be paid in monthly for 36 installments which are Baht 54,178, Baht 30,245 Baht 363,933 and Baht 14,557, per installment respectively. For the hire-purchase payment of vehicles is scheduled to be paid in monthly for 48 installments which are Baht 15,471, Baht 15,471, Baht 15,471 Baht 11,633 Baht 9,684 Baht 9,684 Baht 15,575, Baht 15,575 and Baht 15,050, respectively. The first installment is on March 31, 2012, April 20, 2012, May 31, 2012, November 30, 2012, January 31, 2013, September 1, 2012, September 1, 2012, October 1, 2012, November 30, 2012, and December 1, 2012, respectively.

In 2011, the Company entered into hire-purchase agreements with 6 Companies for purchasing 11 vehicles. Value of the contract are Baht 441,888, Baht 491,520, Baht 730,800, Baht 730,800, Bath 504,240 Bath 655,584, Baht 511,056, Baht 1,121,280, Baht 729,552, Baht 729,552 and Baht 511,056. The hire-purchase payment is scheduled to be paid in monthly for 48 installment which are Baht 9,206, Baht 10,240, Baht 15,225, Baht 15,225, Baht 10,505, Baht 13,658, Baht 10,647, Baht 23,360, Baht 15,199, Baht 15,199 and Baht 10,647, per installment, respectively. The first installment is on June 23, 2011, June 23, 2011, July 4, 2011, July 4, 2011, July 5, 2011 June 30, 2011, October 10, 2011, October 10, 2011, November 1, 2011, November 1, 2011 and December 1, 2011 for the last vehicle, respectively.

In 2010, the Company entered into hire-purchase agreements with 3 Companies for purchasing 4 vehicles. Value of the contracts are Baht 1,766,635, Baht 962,617, Baht 962,617 and Baht 621,000. The hire-purchase payment is scheduled to be paid in monthly for 48 installment which are Baht 36,000, Baht 18,669, Baht 18,669, and Baht 10,732, per installment, respectively. The first installment is on April 20, 2010, November 3, 2010, November 3, 2010 and January 10, 2011 for the last vehicle.

Under conditions on these agreements, the Company shall conform to any conditions and restrictions in such agreements. The ownership on the assets purchased under hire-purchase contracts will be transferred to the Company when the last installment has been paid.

HOT POT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2012 AND 2011

14. LONG-TERM LOAN AND ACCRUED INTEREST FROM RELATED PARTIES

Long-term loans from related parties and accrued interests have changed during the year as follows :-

	Baht			
	2012		2011	
	Principal	Accrued Interest	Principal	Accrued Interest
Long-term loan from Aureos South-East Asia Fund, L.L.C.				
Beginning balance as at 1 January	18,112,488	-	74,072,655	-
Addition during the year	-	882,984	-	2,198,125
Deduction during the year	(18,112,488)	(882,984)	(55,960,167)	(2,198,125)
Ending balance as at 31 December	-	-	18,112,488	-
Long-term loan from GSB Private Fund by One Asset Management Limited				
Beginning balance as at 1 January	9,058,496	-	37,038,329	-
Addition during the year	-	441,602	-	1,094,831
Deduction during the year	(9,058,496)	(441,602)	(27,979,833)	(1,094,831)
Ending balance as at 31 December	-	-	9,058,496	-
Total	-	-	27,170,984	-
(Less) Current portion due within one year	-	-	(27,170,984)	-
Long-term loan, net	-	-	-	-

Long-term loans from Aureos South-East Asia Fund, L.L.C. and GSB Private Fund by One Asset Management Limited are loans that are entered into contracts. In 2012 and 2011, the interests are charged at the rate of 6.00% per annum and 6.00-6.75% per annum, respectively.

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NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2012 AND 2011

On April 20, 2011, Aureos South-East Asia Fund L.L.C. and GSB Private Fund by One Asset Management Limited converted the Redeemable Notes in the amount of Baht 78,940,000 in accordance with the Investment Agreement. The execution of the conversion was done through debt repayment in the amount of Baht 78,940,000 to Aureos South-East Asia Fund L.L.C. and GSB Private Fund by One Asset Management Limited. This was followed by the Company's increase of authorized share capital of Baht 29,293,840 through the issue of 2,929,384 new ordinary shares at par value of Baht 10 per share. The newly issued shares were offered to Aureos South-East Asia Fund L.L.C. and GSB Private Fund by One Asset Management Limited at Baht 26.947645 per share. In such case, the Company had a surplus from the sale of new ordinary shares at Baht 16.947645 per share, totaling Baht 49,646,160. After the sale of shares, the authorized share capital of the Company increased from Baht 56,860,000 to Baht 86,153,840. (see note 17)

During the year 2012, the Company is able to repay the full amount of the interest under the conditions specified in the agreement. In addition, as at September 17, 2012 the Company has fully paid the balance of long-term loan of Baht 27,170,984, at once because the shares of the Company are listed successfully on September 17, 2012 and begin the first day trading on the Market for Alternation Investment (MAI) on September 18, 2012. (see note 29)

15. LONG-TERM LOANS FROM FINANCIAL INSTITUTION

Long-term loans from financial institution consisted of :

Loan	Year	Amount Baht	Interest rate (%)	Monthly repayment schedule	Baht	
					2012	2011
1.	2011	39,769,549	MLR - 1.50	Not less than Baht 1.88 million	6,019,549	26,644,550
2.	2011	75,000,000	MLR - 1.50	Not less than Baht 1.25 million	58,520,000	37,240,000
3.	2012	90,000,000	MLR - 1.25	Not less than Baht 1.00 million	34,496,000	-
4.	2012	30,000,000	MLR - 1.75	Not less than Baht 1.00 million	25,418,040	-
5.	2012	50,000,000	MLR - 1.75	Not less than Baht 1.65 million	36,621,353	-
Total		284,769,549			161,074,942	63,884,550
(Less) Current portion due within one year					(60,591,011)	(37,500,000)
Long-term loans from financial institution, net					100,483,931	26,384,550

**HOT POT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)**

DECEMBER 31, 2012 AND 2011

Long-term loans 1 and 2 for the year 2011

The Company had refinanced all types of credit facilities from the former local commercial bank to a new local commercial bank on April 27, 2011 due to lower financing cost and increase in provided loan. As at December 31, 2011, the credit facilities that the Company has with the new local commercial bank are long-term loan, overdraft and letter of guarantee. The details of long-term loans as follow:

Long-term loan 1, 2011

The Company had entered into a long-term loan agreement (refinance) in the amount of Baht 39,769,549, which had been withdrawn in the full limit amount with the interest rate at MLR-1.50%. The repayment condition was the principal repayment totaling Baht 1,875,000 with monthly interest by starting the first payment on the first month of the loan withdrawal. The Company had to repay all debts within the period of 2 years from the date of the loan withdrawal.

Long-term loan 2, 2011

In addition, the Company had entered into new long-term loan agreement in the amount of Baht 75,000,000 on June 29, 2011. As at December 31, 2012, the Company had withdrawn some part of the loan in the amount of Baht 72,270,000 with the interest rate at MLR-1.50%. As such, the Company had to repay the interest on a monthly basis in the first 6 months by starting the first payment on the first month of the loan withdrawal. After that the Company will repay the principal with the interest by repaying the principal in the first year at Baht 1,250,000 per month and at Baht 2,000,000 per month in the second year. The Company must repay the entire debt within 4 years from the date of the loan withdrawal.

Long-term loan 3, 2012

On April, 25, 2012, the Company entered into a loan agreement with a local financial institution at the amount of Baht 90,000,000. As at December 31, 2012, the Company had withdrawn some part of the loan in the amount of Baht 35,496,000 with the interest rate at MLR-1.25%. The Company had to repay only interest on a monthly basis in the first 7 months by starting the first payment on the first month of the loan withdrawal. Then the Company will repay the principal and interest by repaying at Baht 1,000,000 per month from period 1 to period 18, and at Baht 2,000,000 per month from period 19 to period 36. The Company will pay all debts within 5 years since the first month of loan.

**HOT POT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)**

DECEMBER 31, 2012 AND 2011

As at December 31, 2012, both long-term loans (loan 1, 2 and 3) had been secured by the mortgaging of lands, factory buildings and other construction of the Company. As such, the Company had to comply with other significant conditions as follows:

- 1) The Company had to maintain the debt to equity ratio in the rate not exceeding 1.5: 1. Debt means total debts deducted with the loans from directors or shareholders, and equity means total equity combined with the loans from directors or shareholders.
- 2) The Company had to maintain debt service coverage ratio in the rate not less than 1.2: 1.
- 3) The Company will not repay the remaining long-term loan to the Aureos South-East Asia Fund, L.L.C. and GSB private fund managed by One Asset Management Limited except that the Company will use the capital increase from the share offering in the stock exchange to repay such loan or the Company had received the approval from the bank.

Long-term loans 4, 5 and 6 in 2012

On January 27, 2012, the Company entered into a loan agreement with a local financial institution under the credit line not over Baht 150,000,000 to invest in the purchase of the assets of Daidomon Group Public Company Limited and to renovate the restaurant. The long-term loans are divided as follows:

Long-term loan 4, 2012

For the credit line of Baht 30,000,000 to purchase the operating assets from Daidomon Group Public Company Limited as at December 31, 2012, the Company had drawn down the partial loan amounting Baht 28,890,000 with interest rate at MLR-1.75%. For the payment condition of installments no.1-6, the Company shall only pay the monthly interest by starting the first payment from the date of first drawn down and after that the principal amount and interest shall be paid by installments. From installments no. 7-35, the principal and interest shall be paid at Baht 1,000,000 per month and the remaining shall be fully settled in installment no. 36 (final installment).

**HOT POT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)**

DECEMBER 31, 2012 AND 2011

Long-term loan 5, 2012

For the credit line of Baht 50,000,000 to acquire the leasehold of Daidomon restaurant from a financial institution as at December 31, 2012, the Company had drawn down the partial loan amounting Baht 36,621,353, with interest rate at MLR-1.75%. For the payment condition of installments no.1-6, the Company shall only pay the monthly interest by starting the first payment from the date of first drawn down and after that the principal amount and interest shall be paid by installments. From installments no. 7-35, the principal shall be paid at Baht 1,650,000 per month and the remaining shall be fully settled in installment no. 36 (final installment).

Long-term loan 6, 2012

For the credit line of Baht 70,000,000 for the renovation of the acquired 14 branches of Daidomon restaurants as at December 31, 2012, the Company still had not drawn out the loan with interest rate at MLR-1.75%. For the payment condition of installments no.1-6, the Company shall only pay the monthly interest by starting the first payment from the date of first drawn down and after that the principal amount and interest shall be paid by installments. From installments no. 7-35, the principal shall be paid at Baht 2,350,000 per month and the remaining shall be fully settled in installment no. 36 (final installment).

Long-term loans under the 3 credit lines above (loans 4, 5 and 6) are guaranteed by the transfer of leasehold in 8 branches of Daidomon restaurants which are 1. The Mall Bangkok 2. The Mall Ngamwongwan 3. The Mall Bangkok 4. Central Pinklao 5. Central Ramintra 6. Central Bangna 7. Future Park Rangsit 8. Seacon Bangkok (formerly, Future Park Bangkok) and 2 directors and the director has entered into the share-pledged agreement of Hot Pot (Public) Co.,Ltd. with 51,692,304 shares at Baht 0.25 par value which is held in private to additional guarantee of loans with a financial institution. of the company. In addition, the Company has to comply with the following conditions.

- 1) Maintain the debt to equity ratio not over 2.0:1.
- 2) Maintain the quick ratio not less than 1.2:1.

HOT POT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2012 AND 2011

16. EMPLOYEE BENEFIT OBLIGATIONS

The statements of financial position as at December 31, 2012 and 2011 are as follows :

	Baht	
	2012	2011
Beginning balance defined benefit obligations	1,756,543	1,005,443
Benefits paid by the plan	(306,150)	-
Current service costs and interest	1,724,547	751,100
Ending balance defined benefit obligations	3,174,940	1,756,543

The statements of comprehensive income for the year ended December 31, 2012 and 2011 are as follows :

	Baht	
	2012	2011
Current service costs		
Cost of sales	200,324	331,862
Selling expenses	1,109,755	6,122
Administrative expenses	635,873	143,515
Directors and management benefit expenses	(301,560)	238,232
Total	1,644,392	719,731
Interest on obligation	80,155	31,369
Total	1,724,547	751,100

HOT POT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2012 AND 2011

Principal actuarial assumptions at the reporting date for the year ended December 31, 2012 and 2011 are as follow :

	Percentage	
	2012	2011
Discount rate	3.0745	3.1199
Salary increase rate	4	4
Employee turnover rate	33 – 42	49
Mortality rate	-	-

17. SHARE CAPITAL

1) According to the Board of Directors Meeting No. 1/2011 on February 10, 2011 and Extraordinary General Meeting of shareholders No.1/2011 on February 28, 2011. The meeting are unanimously approved a resolution on these matters :

- A) The Company has been approved to make a deal with two loan creditors from the related entities (see note 14) concerning the conversion of debt into capital by determining the share value price at Baht 26.947645 per share and the amount of determined ordinary shares, in conversion of debt into capital, calculated from the amount of the debt of the remaining principal, only for the long - term part, as at December 31, 2010. The total amount of the conversion is in amount of Baht 78,940,000 that equal to 2,929,384 shares, which allocated to both lenders in proportion to the amount of the debt of the remaining principal on such date, which can be summarized as follows:

HOT POT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2012 AND 2011

	Remaining debt (Baht)	The number of shares allocated (share)	Proportional allocation of shares (%)
Loan payable - related parties			
Aureos South-East Asia Fund, L.L.C.	52,626,667	1,952,923	66.67
GSB Private Fund by One Asset Management Limited	26,313,333	976,461	33.33
Total	78,940,000	2,929,384	100.00

- B) It has the resolution to increase the Company's registered capital of ordinary share from Baht 56,000,000 (5,600,000 ordinary shares at par value of Baht 10 per share) to Baht 85,293,840 (8,529,384 ordinary shares at par value of Baht 10 per share). Therefore, the increased capital stock is Baht 29,293,840, which divided into 2,929,384 shares at par value of Baht 10 per share. The objective of this capital increase is to support the conversion of debt to capital as described above. In conversion of shares from determining converted share value at price of Baht 26.947645 per share, comparing with registered par value of shares at price of Baht 10 per share has made a premium on ordinary shares at Baht 16.947645 per share. The amount of the ordinary share is 2,929,384 shares, which is Baht 49,646,160. As such, the Company has registered this capital increase with a partner registrar on April 20, 2011 accordingly.

The increase of the capital mentioned above is the compliance with the right of shareholders of preference share, which agreed in various matters (see note 18) in the subject of "Preferred shareholders have the right to require the Company to increase capital by issuing new ordinary shares of 35 percent to the shareholders of preference share in order to convert the preference shares and promissory notes, which able to redeem, to the ordinary shares".

- 2) On 4 and 5 July 2011, the Company went through the reduction of share capital followed by the increase of share capital. The Extraordinary General Meeting of Shareholders No. 2/2011 dated 2nd June 2011 approved the decrease of preferred share capital of Baht 860,000 and the increase of ordinary share capital of Baht 860,000 by issuing 86,000 shares at the par value of Baht 10 per share which were then offered to Aureos South-East Asia Fund L.L.C. and GSB Private Fund by One Asset Management Limited at the

HOT POT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2012 AND 2011

par value. Aureos South-East Asia Fund L.L.C and GSB Private Fund by One Asset Management Limited converted 86,000 preferred shares at the par value of Baht 10 per share to 86,000 ordinary shares in compliance with the Investment Agreement. At present, no preferred shares remain outstanding and the authorized share capital remains unchanged at Baht 86,153,840. As such, the Company has registered this capital decrease and increase with a partner registrar on July 4 and 5, 2011 accordingly (see note 18).

- 3) On 6 July 2011, the Company officially registered itself as a public company as approved by the Extraordinary General Meeting of Shareholders No. 3/2011 dated 6th July 2011 and split its par value from Baht 10 per share to Baht 0.25 per share. The Company also increased its authorized share capital by Baht 15,346,160 or from Baht 86,153,840 to Baht 101,500,000 by issuing 61,384,640 new ordinary shares at the par value of Baht 0.25 per share in preparation for the Initial Public Offering. As such, the Company has registered the above resolution with a partner registrar on July 6, 2011 accordingly.
- 4) On September 7, 10-11, 2012, the Company had allocated the increasing share capital of 61,384,640 shares at the par value of Baht 0.25 each, totaling Baht 15,346,160, and sold to the public 61,384,640 shares at the offering price Baht 2.80 per share. The total amount of selling shares was Baht 171,876,992 and it has premium on share capital in amount of Baht 149,697,131 (Net from underwriting fee amount of Baht 6,833,701). In summary, the Company received the total amount from offering shares to the public for the first time and net of expenses at the amount of Baht 165,043,291. The Company has registered the changing paid-up capital of the recapitalization to the Ministry of Commerce on September 13, 2012.
- 5) As at December 31, 2012, the Company had registered the common stock as share capital in the amount of Baht 101,500,000 and value Baht 0.25 each, totaling 406,000,000 shares and consisting of the following :

HOT POT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2012 AND 2011

List	Number of shares	Value per share (Baht)	Baht
Ordinary share capital brought forward from the year 2010	224,000,000	0.25	56,000,000
February 10, 2011, convert debt to ordinary share capital	117,175,360	0.25	29,293,840
July 5, 2011, convert preference share to ordinary share	3,440,000	0.25	860,000
September 17, 2012, ordinary share for initial public offering (IPO) and paid-up	61,384,640	0.25	15,346,160
Registered capital as at December 31, 2012	406,000,000	0.25	101,500,000

18. PREFERRED SHARES

Preferred shares are cumulative and participate at 35% of the dividends of each announced dividend, less any interest under the term of the redeemable notes (RN). The holder of 1 preferred share shall be entitled to 35 voting rights. Voting rights of holders of preferred shares represent 35% of all of the Company's voting rights. In addition, after the 3rd year from the effective date (December 28, 2006) until the fifth year, the holders of preferred shares shall be entitled to exercise the option to require the Company to 1) repay the principal under the RN 2) increase its capital by 35% by issuing new common shares to holders of preferred shares to convert its preferred shares and the RN into common shares 3) reduce its share capital (by 1% pre-exercising of the RN equivalent to Baht 860,000) by reducing all preferred shares ; and 4) grant an interest free bridging loan to the holders of preferred shares in an amount equal to the proceeds that holders of preferred shares would receive from the Company for capital reduction. The loan repayment shall be offset against the payment of such proceeds from the capital reduction.

**HOT POT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)**

DECEMBER 31, 2012 AND 2011

Furthermore, the holders of preferred shares have option to require a shareholder to purchase the preferred shares at the price of Baht 1.7 million. All those options will be exercisable at any time from January 1, 2012 onwards. However, the holders of preferred shares did not exercise the option. Since, on July 4 and 5 2011, the Company has converted from 86,000 preference shares at the par value of Baht 10 per share at the total amount of Baht 860,000 to 86,000 common shares at the par value of Baht 10 per share at the total amount of Baht 860,000 (see note 17).

19. APPROPRIATED STATUTORY RESERVE

19.1 Legal reserve

Under the provision of the Public Limited Companies Act, the Company is required to set aside as statutory reserve at least 5% of its annual net income until the reserve reaches 10% of the authorized capital. The reserve is not available for dividend distribution.

19.2 Dividend

According to the Board of Directors Meeting no. 5/2012 on October 1, 2012, it has unanimously agreed for the Company to pay the dividend from profit for the 6 month period from January to June 2012 in the rate of Baht 0.04 per share, in the total amount of Baht 16.24 million.

20. FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity.

Risks relating to significant financial instruments held by the Company and its risk management policy are summarized as follows :

**HOT POT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)**

DECEMBER 31, 2012 AND 2011

Financial risk management for financial instruments

The Company manages its financial risk exposure on financial assets and financial liabilities in the normal business by its internal management and control system, and the Company does not hold or issue any derivative financial instruments

Credit risk

The Company has no credit risk because it does not have a policy for credit sales. However, the Company uses a standard cash sale only. The trade accounts receivable outstanding as at the end of the period are receivables under franchise contracts and department store food court that payments are paid normally.

Interest rate risk

The Company is exposed to interest rate risk that relates primarily to deposit at financial institution, Bank overdrafts, long-term loans from related companies and loans from financial institutions. Since most of the Company's financial assets and financial liabilities carry floating interest rates or have fixed interest rates, which are close to the market rates, the interest rate risk is low.

HOT POT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2012 AND 2011

As at December 2012 and 2011, the significant financial assets and financial liabilities classified by types of interest rates were as follows :

	Baht			
	As at December 31, 2012			
	Floating interest rate	Fixed interest rate	Interest - free	Total
<u>Financial assets</u>				
Cash and cash equivalents	27,012,020	-	-	27,012,020
Trade accounts receivable	-	-	2,733,439	2,733,439
Other accounts receivable	-	-	8,855,707	8,855,707
Refundable deposits and others	-	-	112,006,529	112,006,529
<u>Financial liabilities</u>				
Bank overdrafts from financial institution	27,358,156	-	-	27,358,156
Trade accounts payable	-	-	128,629,516	128,629,516
Other accounts payable	-	-	56,746,667	56,746,667
Account payable - leasehold from financial institution	-	-	19,656,354	19,656,354
Asset purchased payable	-	-	10,042,254	10,042,254
Liability under hire-purchase contract	-	22,221,957	-	22,221,957
Loan from financial institutions	-	161,074,942	-	161,074,942

HOT POT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2012 AND 2011

Baht

	As at December 31, 2011 (Restated)			
	Floating	Fixed	Interest	Total
	interest	interest rate	- free	
	rate			
<u>Financial assets</u>				
Cash and cash equivalents	17,883,604	-	-	17,883,604
Trade accounts receivable	-	-	1,821,983	1,821,983
Other accounts receivable	-	-	7,965,418	7,965,418
Refundable deposits and other	-	-	91,816,822	91,816,822
<u>Financial liabilities</u>				
Bank overdrafts from financial institution	5,749,636	-	-	5,749,636
Trade account payable	-	-	183,645,143	183,645,143
Other accounts payable	-	-	50,618,367	50,618,367
Account payable - purchase of assets from Daidomon	-	-	33,740,104	33,740,104
Account payable - leasehold from financial institution	-	-	77,817,112	77,817,112
Asset purchased payable	-	-	14,111,535	14,111,535
Liability under hire-purchase	-	8,478,741	-	8,478,741
Loan from relate parties	-	27,170,984	-	27,170,984
Loan from financial institutions	-	63,884,550	-	63,884,550

HOT POT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2012 AND 2011

Liquidity risk

Liquidity risk, or funding risk, is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell financial assets quickly at close to their fair values.

The Company's financial assets comprises of cash, deposits at financial institutions, accounts receivable and refundable deposits which are liquid and able to sell at close to their fair values when the Company wishes to raise fund.

Foreign currency risk

The Company has no exposure to foreign currency risk because its trade transactions and loans are not denominated in foreign currency. The main buying and selling transactions occur within the domestic country only. In addition, there is no assets and liabilities denominated in foreign currencies.

Fair value of financial instruments

Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction. Fair values are obtained from quoted market prices or discounted cash flow models.

The carrying values of financial assets and liabilities are approximate to their fair values except for liabilities under financial lease contract and long-term loans which their fair values cannot be calculated; accordingly, no disclosure is made.

21. CORPORATE INCOME TAX

Corporate income tax for the year 2011 is calculated by multiplying from tax profits by the rate of 30% of net profits. Corporate income tax is calculated by multiplying earnings represents net profit before income tax for the period, after adding back certain expenses which are non-deductible for income tax computation purposes, and less certain transactions which are exemption or allowable from income tax.

According to the Royal Decree 530 (B.E. 2554) dated December 14, 2011 issued under the Revenue Code, regarding the reduction of income tax rates, corporate income tax for the year

HOT POT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2012 AND 2011

2012 is calculated by multiplying from tax profits by the rate of 23% of net profits, and for the year 2013 - 2014, onwards by the rate of 20% of net profits.

22. BASIC EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the year by the weighted average number of ordinary shares in issue during the year.

	2012	2011
		(Restated)
Net profit for the period (Baht)	23,325,122	47,624,100
Weighted average number of ordinary shares (Shares)	362,393,425	307,228,223
Basic earnings per share (Baht per share)	0.06	0.16

23. COMMITMENT AND CONTINGENT LIABILITIES

As at December 31, 2012, the Company had lease and service agreements for office premise and branches for a period of 3 to 6 years. Under the agreements, the Company is committed to pay a monthly rental and service fee of Baht 11.55 million. In addition, the Company can renew the contract upon the end of the term. If the contract is not renewed, the Company has to demolish and restore the space back to the same condition before returning the rental space.

As at December 31, 2012 and 2011, the Company had the balance of refundable deposits from rental places and equipment and others in the total amount of Baht 112.01 million and 91.82 million, respectively. At the maturity date, the security money will be refunded to the Company after deducting the expenses as specified in the contract.

As at December 31, 2012 and 2011, the Company had the letter of guarantee issued by a financial institution to secure the purchase of goods and electricity in the amount of Baht 2.86 million and Baht 1.50 million, respectively.

**HOT POT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)**

DECEMBER 31, 2012 AND 2011

24. FINANCIAL INFORMATION BY SEGMENT

The Company operates one business segment which is a restaurant serving Suki and Japanese food and grill food with the main geographical area in Thailand. Therefore, the revenues, profits and assets shown in the financial statements are mostly related to the business segment and geographical segment as described.

25. ACQUISITION OF DAIDOMON'S ASSETS

25.1 Purpose of the acquisition

Hot Pot's main purposes in acquiring Daidomon's assets of the restaurant business are to expand a new business by adding Japanese style grilled or broiled dishes under the original name of Daidomon in order to take possession of the leaseholds in big department stores altogether 25 branches that are scattered throughout Bangkok, suburbs and big cities in Thailand. Hot Pot will gradually change and develop the grill segment from the old style to the new design (a grilled food buffet style, fixed price based on headcount) within a period of 2 years from the date of acquiring the leaseholds (December 2011). The new style of Daidomon branch will be opened in 2013, onwards.

25.2 Details of the acquisition of Daidomon's assets

According to the extraordinary meeting of shareholders No. 4/2011 dated October 18, 2011, the meeting had approved the Company to purchase the assets of the restaurant business from Daidomon Group (Public) Company Limited (Daidomon had registered the name change to We Retail (Public) Company Limited on November 24, 2011). Later, on November 25, 2011, the Company (as buyer) had agreed to sign the business contract with Daidomon Group (Public) Company Limited (as seller). As a result, the business combination as at December 15, 2011 has agreed the selling price of Baht 129.81 million (excluded Value Added Tax) which has been paid to Daidomon at the amount of Baht 45.78 million and the remaining amount of Baht 84.03 million has been paid to Thanachart Bank (Public) Company Limited in accordance with the agreement to transfer the right to buy back the leaseholds and services.

**HOT POT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)**

DECEMBER 31, 2012 AND 2011

The acquisition of Daidomon's assets helps the Company's restaurant business to expand to 24 branches with rental areas totaling 5,129.44 square metres and 1 head office with 1-2-97 rai area (return the space in the mid of 2012).

From this asset acquisition, Daidomon had transferred the right to buy back the leaseholds and services of 8 department stores in Bangkok and suburban areas with rental areas totaling 2,142.55 square metres to Hot Pot to be the buyer from Thanachart Bank (Public) Company Limited for Baht 84.03 million. This contract for leasehold of 8 branches had the term from 1 year and 6 months to 12 years. The Company had paid the deposit to buy the leasehold of these 8 branches for Baht 8.63 million to Thanachart Bank (Public) Company Limited since December 15, 2011. The rest is paid in installments as agreed and the Company has paid the total balance in January 2013.

The price paid for the leaseholds of 8 branches from Thanachart Bank (Public) Company Limited (Central Plaza Bangna, Central Ramintra, Future Park Bang Kae, The Mall Ngamwongwan, The Mall Bangkok, The Mall Bang Kae, Central Pinklao, and Future Park Rangsit) is the leasehold transfer price (appraisal price) plus carrying cost less the asset rental cost paid to the Thanachart Bank until the leasehold buy back date or equal to the bank's offering price to outside parties, whichever is higher.

25.3 Recognition and measurement the identifiable assets acquired and liabilities assumed

On December 15, 2011, Hot Pot was transferred ownership in the assets and liabilities under the asset acquisition contract with Daidomon Group (Public) Company Limited on the business, which relates to the 24 branches of restaurant and 1 office. This contract was made under the scope of the asset acquisition contract dated November 25, 2011 between Hot Pot (Public) Company Limited and Daidomon Group (Public) Company Limited with the value of consideration transferred at the total amount of Baht 129,811,802 (included Value Added Tax, payable to Daidomon) and the fair value of identifiable assets acquired and the liabilities assumed in accordance with the asset acquisition contract as at December 15, 2011 are as follows:

HOT POT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)

DECEMBER 31, 2012 AND 2011

		Baht
Value of consideration transferred		
Cash (all payment required by 2011)		12,037,500
Assets acquisition payable (all payment required by 2012)		33,740,104
Thanachart Bank (Public) Co.,Ltd. leaseholds payable		84,034,198
Total		129,811,802
Fair value of identifiable assets acquired		
Inventories	3,261,974	
Fixtures and equipment	18,944,144	
Leasehold of Daidomon	14,959,022	
Leasehold of Thanachart Bank (Public) Co.,Ltd.	92,342,000	
Trademarks (Brands of Daidomon,Yasuki Umami and Mitake)	0	
Leasehold and service deposits	8,158,532	
Public utility deposits	1,041,669	
VAT waiting for claim	3,154,547	141,861,888
Fair value of liabilities assumed		
Accrued severance pay	(2,100,736)	
Other accrued expenses	(2,270,667)	(4,371,403)
Fair value of net assets acquired		137,490,485
Profit from negotiating selling price		7,678,683

HOT POT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)

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25.4 Contract to buy the leasehold of 2 more branches from Krung Thai Bank Plc.

Since Daidomon Group (Public) Co.,Ltd. is a loan receivable of Krung Thai Bank Plc., Daidomon has mortgaged the leasehold of its 2 restaurants consisting of the branches at The Mall Tha Phra and Major Ekkamai. However, on July 9, 2012 and February 22, 2010, respectively, Daidomon had transferred the leasehold to pay off the loan under the debt rehabilitation plan to Krung Thai Bank Plc. After Daidomon has transferred the lease in debt payment to Krung Thai Bank Plc., Daidomon has entered into sublease agreement from Krung Thai Bank Plc. again.

Later, Krung Thai Bank Plc. has approved a change in the lease from Daidomon to Hot Pot (Public) Company Limited and requested to buy the leasehold of 2 restaurants from Krung Thai Bank Plc. by agreeing to pay in total Baht 10.62 million within December 28, 2012 according to the contract PPK 3688/2011 dated December 30, 2011. However, in presently reported (March 21, 2013), Hot Pot (Public) Co.,Ltd. has an intention not to receive the transfer of the right to purchase the leaseholds of the two branches. Meanwhile, the deadline in transferring the right is over since December 28, 2012 which has resulted in Hot Pot (Public) Co.,Ltd., excluding the leasehold above and the account payable on leasehold from Krung Thai Bank Plc. to become the identifiable asset acquired and liabilities assumed as at the business acquisition date.

25.5 Account payable-leasehold from financial institution consisted of:-

	Baht	
	As at December 31,2012	As at December 31,2011
Account payable-leasehold from Thanachart Bank Plc.		
(see note 25.2)	19,656,354	77,692,112
Account payable-other leasehold	-	125,000
Total	19,656,354	77,817,112

During the year 2012, the Company has recorded the VAT burden at the rate 7% of the leasehold value of Thanachart Bank at the amount of Baht 4,815,333.

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25.6 Measurement on fair value estimation as at Daidomon acquisition date on December 15, 2011, Hot Pot as buyer has recognized and measured the identifiable assets and received in details as follows:

Group 1 Hot Pot recognizes the acquired identifiable assets and the acquired liabilities by fair valued as at the acquisition date (December 15, 2011) equal to Baht 30,189,463 such as inventories, fixtures and equipment, deposits in rent and services, deposit in public utility, VAT waiting for refund, employees compensation when terminated and other accrued expenses.

The fixtures and other equipment mean the fixtures that include the shop fixture and the public utilities within the shop, such as gas system, hood system, electricity and water supply system which have demolition value higher than the residual value and other equipment such as office and kitchen equipment which are in obsolete, deteriorated condition and inefficiency.

Group 2 Hot Pot recognizes the transaction on the lease of service space (the local commercial bank is the principal of right) with fair value as at the acquisition date (December 15, 2011) for Baht 107,301,022. Hot Pot (Public) Co.,Ltd. has employed K.T. Appraisal Company Limited as an independent appraiser which has the assumptions in appraising the fair value and can be summarized as follows:

1. Fair value of leasehold equals to the difference between the value of the sublease under the contract plus related expenses throughout the remaining lease period.
2. Assets are subleased throughout the remaining lease period.
3. Current market price is between Baht 800 to 1750 per square metre.
4. The increasing rate of sublease in accordance with the agreement equals to 10% every 3 years.
5. The discount rate is equal to 11.00% considering from the return on investment in a nine-year government bond 3.47% plus the risks from business, assets, management, marketing, and liquidity.

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Last group Hot Pot has recognized the trademarks of Daidomon, Yasuki, Unami and Mitake brands with fair value as at the acquisition date (December 15, 2011) which is equal to zero Baht (0). Hot Pot (Public) Co.,Ltd. has employed K.T. Appraisal Company Limited as an independent appraisal by using the Income Approach together with the Book Value Approach for the business of Daidomon before acquisition stage which has the assumptions in estimating the fair value and can be summarized as follows:

1. The Income Approach has the following assumptions:
 - a. Income from the sale of buffet food in 2012 at Baht 280/person and is constant throughout the period of estimation.
 - b. Income growth rate is 10% in 2014 as there is high competition in the business resulting in the price adjustment to affect the number of customers.
 - c. There are 25 branches under the trademarks of Daidomon, Yasuki, Umami, and Mitake brands on December 15, 2011.
 - d. Membership income represents 0.80% of the income from food and beverage.
 - e. Other income is the income from sublease in accordance with the leasehold which is expiring in November 2011, so it has not been used in the calculation.
 - f. Business costs that include the cost of food and beverage, staff expense, depreciation, rental fee, service charge, public utility charge, and other expenses during 2009-2011 average about 89%.
 - g. Selling and administrative expenses during 2009-2011 average about 4% and 14%, respectively.
 - h. The Company is operating at loss; therefore, there is no obligation to pay income tax.

From the analysis, we found that the Company's free cash flow in accordance with the estimation is negative (loss) under the assumption of the Company for the years 2009-2011. Therefore, the negative value of the business means it cannot continue operating its business and cannot offset with the tangible assets to determine the value of intangible assets (trademark).

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NOTES TO FINANCIAL STATEMENTS (CONT.)

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2. Book Value Approach is an assessment of the tangible asset carrying value by the latest financial statements of Daidomon Group (Public) Company Limited. The Company had registered the name change to We Retail (Public) Company Limited on December 14, 2012, and the fair value of the business is obtained from the actual purchase price of the business offsetting with the outstanding balance of tangible assets equal to the number of all intangible assets with negative value, which also reflects the negative value of trademark.

From the assessment of the value of trademark by both approaches above, it was found that the value of intangible assets, which has been considered from the Company's value or business value, offsetting with the value of tangible assets has negative value for intangible assets by both approaches. This reflects that the business of Daidomon cannot make profit from this business resulting in continuing loss. The trademark value in 4 transactions has the fair value that equals to zero Baht (0) as at the business combination date (December 15, 2011).

25.7 An adjustment to the financial statements (acquisition year) of the years 2011 and 2012 in accordance with the requirements of the Financial Reporting Standards No. 3: Business Combination (revised 2009) has significant financial effect as follows:

Transaction	2012		2011	
	After adjustment	As previously reported	After adjustment	As previously reported
Leasehold	94,877,214	100,322,025	110,225,902	113,112,081
Account payable-leasehold from				
financial institution	19,656,354	30,150,153	77,817,112	88,435,911
Total revenue	1,908,150,643	1,910,042,460	1,484,401,142	1,476,722,459
Total expense	1,877,419,883	1,876,753,068	1,417,665,114	1,417,719,051
Comprehensive income	23,325,122	26,061,891	47,624,100	39,891,480
Earnings per share	0.06	0.07	0.16	0.13

HOT POT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)

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26. EXPENSES BY NATURE

Significant expenses by nature are as follows :

	Baht	
	2012	2011
		(Restated)
Changes in inventories of finished goods and work in process	(259,218)	(13,301,309)
Raw materials and consumables used	802,321,843	662,288,650
Rental and service charge	273,106,981	176,418,525
Expenses employee	366,692,393	257,229,459
Depreciation and amortization	132,511,866	87,639,564
Advertising and promotion expense	59,935,219	78,322,382
Loss from closing branches and renovation	3,610,436	2,197,066

27. CREDIT LIMIT

As at December 31, 2012, the Company has many credit facilities with two financial institutions at the total amount of Baht 384.77 million with the objectives such as circulating credit fund, long-term loan, overdrafts, letter of guarantee and investments in operating assets. As at December 31, 2012, the Company has withdrawn and used up the drawing rights in many credit loans with the total loan amount of Baht 246.60 million and has the outstanding amount of Baht 138.17 million. These credit loans have been secured by the mortgages of land, plant building and other structures (see note 9) and the Daidomon leasehold in 8 branches (see note 15) and fully guaranteed by two directors.

**HOT POT PUBLIC COMPANY LIMITED
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28. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it has an appropriate financial structure and maintains the ability to continue its business as a going concern.

According to the balance sheet as at December 31, 2012 and 2011, the Company's debt to equity ratios are 1.18 : 1 and 2.33 : 1, respectively.

29. SETTLEMENT OF TERMINATION AGREEMENT

As at December 31, 2012, the Company has already completed implementation in accordance with all regulations under the terms of the termination agreement on July 5, 2011 that has assigned all parties including Aureos South-East Asia Fund, Private Fund of Government Savings Bank by One Asset Management Limited and its existing shareholders. All related parties must cancel the Investment Agreement, Guarantee Agreement, Undertaking Agreement and Pledge of Shares Agreement. The Company has complied with the conditions and all agreement cancellation have been successfully completed including :

- 1) The Company's common stock is listed on the Market for Alternative Investment of Thailand (MAI) on September 6, 2012.
- 2) The Company starts offering its shares to the public for the first time on September 7, 10-11, 2012.
- 3) The Company has returned the money on September 17, 2012 from the shares that received from the sale of shares to the public for the first time to pay back the debt notes to Aureos South-East Asia Fund, Private Fund of Government Savings Bank by One Asset Management Limited (see note 14).
- 4) The Company's shares are listed and start trading on the Market for Alternative Investment of Thailand (MAI) completely on September 18, 2012 (see note 17 (4)).

30. RECLASSIFICATION

Certain amounts in the financial statements for the year 2011 have been reclassified to conform to the current year classification but with no effect to previously reported net income or shareholders' equity. The reclassifications are as follow:-

HOT POT PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT.)

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	Baht	
	As at December 31, 2011	
	As reclassified	As previously reported
<u>Outstanding balances</u>		
Other current assets	31,996,682	39,962,100
Other accounts receivable	7,965,418	-
Accrued expenses	-	47,498,392
Other current liabilities	5,195,488	8,315,463
Other accounts payable	50,618,367	-

31. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved by the Company's management on March 21, 2013.

Detail of Board of Directors, Executives and Advisory Board to Directors

Name-Surname	Age (Years)	Education	% of Shareholdings (As 18 th October 2012)	Family Relation of Executive	Employment History 5 years		
					Period	Position	Company
1. Mr. Metta Charuchinda Chairman of the Board, Independent Director and Chairman of Audit committee	57	<ul style="list-style-type: none"> - Master's degree Management Science University of Connecticut, USA - Master Degree of Political Science and Public Administration, Ramkhamhang University - Bachelor Degree of Faculty of Science, statistics, Ramkhamhang University - Director Certificate Program (DCP35) - Company Secretary Program No. 5 - Director Certificate Program Refresher (DCP Refresher 4 /2007 	-	-	2011- Present	Chairman of the Board, Independent Director and Chairman of Audit committee	Hot Pot Public Company Limited
					2010 – Present	Advisor to Managing Director	Advance Information Technology PLC.
					1999 – 2010	Senior Director of President office	Advance Information Technology PLC.
					2003 - 2009	Company secretary, and secretary of Audit committee	Advance Information Technology PLC

5. Mr. Srisant Jitworanun Director	41	(Finance and International Business) Ohio State University - Director Accreditation Program (DAP) 88/2011	-	-	2010 - Present	Director	Unitrio Technology Co., Ltd.
					2009 - Present	Director	Vethani Public Company Limited
					2009 - Present	Director	Environmental Management Co. Ltd.
					2008 - Present	Director	Hot Pot Public Company Limited
					2008 - Present	Director	Marson Co., Ltd.
					2007 - Present	Director and Partner	Aureos Advisory (Thailand) Co., Ltd.
					2007 - Present	Director	Aureos Holding (Thailand) Co., Ltd.
					2007 - Present	Director	Euro Tech Engineering International Co., Ltd.
					2004 - Present	Director	
6. Mr. Teerawat Pangviroonrug Director	51	Master degree : Business Administration Program in Management Kasetsart University Bachelor degree : Faculty of Commerce and Accountancy, Thammasat University) - Certificated of Industrial Development , The RVB Institute/Netherland - Director Accreditation Program (DAP) 90/2011	-	-	2011 - Present	Director	Hot Pot Public Company Limited
					2009 - Present	Director of Investment. Asia	Equator Capital Partners L.L.C./ShoreCap Management Ltd. /U.S.A.
					2005 – Present	Senior consultant	Ayothaya Independent Advisor Co., Ltd.
							Chanthara Resort and Spar Co., Ltd.
					2004 - Present	Director	

7. Mr. Supakit Mekpanuwat Independent Director, member of Audit committee	51	- Master's degree of business administration National Institute of Development Administration -Bachelor degree : Faculty of Business Administration Chiangmai University - Director Accreditation	-	-	2011-Present	Independent Director, member of Audit committee	Hot Pot Public Company Limited
						Director	
					2010-Present	Director	Alpha Absolute Co., Ltd.
					2010-Present	Managing Director	Vipa-Rama Hospital
					2009-2010	Managing Director	SCB Asset Management Co., Ltd.
					2008-2009	Vice President	SCB Asset Management Co., Ltd.
					2004-2008		Phatra Securities PLC

8. Mr. Amorsakdi Ketcharoon Independent Director, member of Audit committee	46	<ul style="list-style-type: none"> - Master's degree : business administration (Finance and Marketing) Chicago USA. - Bachelor degree : Faculty of Engineering Chulalongkorn University - Director Accreditation Program (DAP) 89/2010 	-	-	2011-Present	Independent Director, member of Audit committee	Hot Pot Public Company Limited
						Director	
					2011-Present		Vethani Public Company Limited
					2009- Present	Independent Director, member of Audit committee	Data Math PLC.
						Director	
					2009- Present	Senior Vice President	The Brooker Consulting Co., Ltd..
					2006- Present	Director	The Brooker Group PLC.
					2003 - Present		Home & Garden service Partnership Limited.

9. Mr.Somchai Roekwibunsi Chief Administrative Officer	49	- Bachelor degree : Master of Science Program in Statistics Chulalongkorn University	0.10%	- Is a brother of Mr.Sompon Roekwibunsi	2011 - Present	Chief Administrative Officer	Hot Pot Public Company Limited
					2005 - 2011	Managers responsible for major clients. Financial sector and banking industry.	Hewlett-Packard (Thailand) Co., Ltd.

Director of Hot Pot Public Company Limited and related company

Name	Company	Related Company													
		AAL	AHL	ALFI	ALAB	BHGS	BKC	DMT	ECM	EURO	JRS	MARS	UNTR	VEJ	VIR
1. Mr. Metta Charuchinda	X, /														
2. Mr. Sompon Roekwibusi	/, //														
3. Ms. Sakuna Baicharoen	/, //														
4. Mr. Preecha Shunhachutchawan	/, //														
5. Mr. Srisant Jitvoranun	/	/	/	/					/	/		/	/	/	
6. Mr. Teerawut Pangviroonrug	/										/				
7. Mr. Supakit Mekpanuwat	/				/										/
8. Mr. Amornsakdi Ketcharoen	/					/	/	/						/	
9. Mr. Somchai Roekwibusi	//														

Remark : X = Chairman of the Board / = Director // = Management

The name of the related company

AAL	Aureos Advisory (Thailand) Co., Ltd.	AHL	Aureos Holding (Thailand) Co., Ltd.	ALFI	ALFAB INTERNATIONAL COMPANY LIMITED
ALAB	Alpha Absolute Co., Ltd.	BHGS	Home & Garden service Partnership Limited.	BKC	The Brooker Consulting Co., Ltd..
DMT	Data Math PLC	ECM	Environmental Management Co. Ltd.	EURO	Euro Tech Engineering International Co., Ltd.
JRS	Chanthara Resort and Spar Co., Ltd	MARS	Marson Co., Ltd.	UNTR	Unitrio Technology Co., Ltd.
VEJ	Vethani Public Company Limited	VIR	Vipa-Ram Vipawadee-Parkget Hospital Co., Ltd.		



บริษัท ฮอท พอต จำกัด (มหาชน)

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