

2017 ANNUAL REPORT



ทูเอช
หม้อ
ช่อง
4
ทำให้ลอง
เลือกซูปเปอร์ที่ชอบ
ตอบทุกรสที่ใช้แบบไม่อื่น

รายงานประจำปี 2560

บริษัท ฮอท พอต จำกัด (มหาชน)



วิสัยทัศน์ Vision

Continuous Improvement

พัฒนาองค์กรอย่างต่อเนื่อง



พันธกิจ Mission

6 Missions Toward Continuous Improvement

6 พันธกิจเพื่อมุ่งเน้นการพัฒนาองค์กรอย่างต่อเนื่อง

- 01 Ownership รับผิดชอบ
- 02 Focus มุ่งเน้นความสำเร็จ
- 03 Productive ประสิทธิภาพ
- 04 Dedication อุทิศและเพียรพยายาม
- 05 Team work การทำงานเป็นทีม
- 06 Integrity and trust ความซื่อสัตย์และไว้วางใจ



Core Values ค่านิยมขององค์กร

- C Credible
น่าเชื่อถือและไว้วางใจ
- C Creative
ความคิดสร้างสรรค์
- C Caring
ความห่วงใย
- C Courage
มีกำลังใจและความกล้าหาญ
- C Customer Focus
มุ่งเน้นที่ลูกค้า
- C Change
กล้าที่จะเปลี่ยนแปลง

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Investor can study additional details of issuer from the Company's Annual Information Disclosure (Form 56-1) on the SEC's website at www.sec.or.th or the Company's website at www.hotpot.co.th

MESSAGE FROM CHAIRMAN

Dear Shareholders,

2017 was a year that the Company has faced the number of challenges due to economic situation and intense competition in restaurant business. High number of new entrants to the restaurant business resulted in varieties of restaurants with various brand identity. Plenty of new restaurant brands open as an alternative choices for customers. The Company exercised our strategies to improve our brand image, new menus, offer sales promotion, and improve our services including resources management to pursue effectiveness.

The Company's operations in 2017 can be summarized as follows:

- Launching a new brand: Toomato Italian Kitchen, an authentic Italian food restaurant in the 4th quarter with the successful introduction, the Company plans to expand in locations that will serve both the expat and local community.
- Planning and in the process of launching new brands to diversify the portfolio with the introduction of more new brands which will serve different target group of customers as well as aim to expand the growth of business to the premium market by changing the brand identity and increasing food quality and services to meet customer requirement.
- Focusing on cost management and control together with improvement of services, menu and the taste of the food. The measure includes reducing the square meter in some stores to reduce proportion of rent, closing the stores that are missing sales target to reduce the burden of loss. Moreover, the Company renovated 2 stores to improve the brand image, menu and service to make the stores a pilot and prototype of other stores in other locations.
- Issuing capital increase ordinary shares offer to the existing shareholders proportionate to their respective shareholdings (Right Offering) and to specific person (Private Placement), then the paid-up capital of the Company is Baht 121,800,000, an increase by Baht 20,300,000 to enhance the financial position.
- According the Company's operating performance in 2017, the Company's total revenue was Baht 1,847,880,284 decreased by 10.67% compared to 2016, net loss was Baht 222,304,114 increased by 49.98% compared to 2016. The Company has total assets of Baht 533,167,185 and total debt of Baht 499,783,106 on December 31, 2017.



Thailand economic in 2018 is expecting to further expand benefit by the recovery of the world economic and higher number of foreign tourists were forecasted to travel to Thailand accompanying by the accelerate investment supported by the government and the better trend of local consumption. However, among these positive factors to restaurant business, the Company is still cautious on effective cost management system, quality of service as well as quickly adapt its' strategies to high competition.

On behalf of the Board of Directors, we are gratefully thanks to our Board members, Executive Committee, employees for your performance, dedication and initiation, as well as the moral support and full effort in this transition period of the Company. We would like to express our sincere appreciation to our shareholders, customers, financial institutes, business alliances and all stakeholders for your support and be by our side throughout the year. Lastly, the Company promises to insist and develop consistently for the stability and growth of the business along with adhering to principles of good governance.

A handwritten signature in black ink, reading "Apichai Taechaubol".

Mr. Apichai Taechaubol
Chairman of the Board of Directors

Executive Committee Report

The Executive Committee was appointed by the Board of Directors consisting of 4 members as follows;

- | | | |
|----|---------------------------|-------------------------------------|
| 1. | Mr. Sompon Roekwibunsi | Chairman of the Executive Committee |
| 2. | Mr. Chotiwit Taechaubol | Member of the Executive Committee |
| 3. | Miss Unthika Roekwibunsi | Member of the Executive Committee |
| 4. | Miss Vipavadee Vanamethin | Member of the Executive Committee |

The Executive Committee has the authority and responsibility to make decision, manage and supervise on the Company's business operations under the scope of authority delegated by the Board of Directors and in compliance with the resolution of the shareholders' meeting, good corporate governance policy, Articles of Associations and relevant laws, including formulating the policies, strategies, business plans and annual budget of the Company to submit to the Board of Directors for approval.

In 2017, the Executive Committee has fully dedicated to perform duties in conformity with the Company's strategies, annual budget under the change of circumstances and economic trend such as consider, review and provide suggestion beneficial to the effective management of organization, resources and costs. The Executive Committees also consider the opening/closing and renovation of branches, launching new brand restaurants responding to potential customers, developing the capability for long-term competitiveness to create stability and sustainable value to the business.



Mr. Sompon Roekwibunsi
Chairman of the Executive Committee

Audit Committee Report

In 2017, Hot Pot Public Company Limited complied with the following requirements set by the Stock Exchange of Thailand and as entrusted by the Board of Directors. Details are:

1. The Audit Committee convened four times in 2017. The meeting was attended by all members of the Audit Committee. The auditors meanwhile attended the Audit Committee meeting at least once a year.
2. The Audit Committee reviewed and approved the 2017 auditing plan of the Internal Audit Department where it focused at strengthening the internal control system, reinforcing adequate auditing in required areas and reporting results of such internal control to the Audit Committee on a regular basis. After reviewing and assessing the Audit Committee's operations in 2017, the Board of Directors had an opinion that the internal control system was efficient enough to control and to supervise the operations of the Company without any material defect.
3. Both quarterly and annual financial statements of the Company were reviewed to provide full and accurate financial information based on the generally-accepted accounting principles in a timely basis as well as a true reflection of the Company's financial status before they were submitted to the Board of Directors.
4. The Audit Committee reviewed an evaluation form of the adequacy of the Company's internal control system to ensure that it had an appropriate and adequate internal control system to supervise operations based on its business objectives.
5. The Audit Committee reviewed risk management procedures by taking into consideration the risk management policy, the risk management plan and the guidelines based on prevailing corporate risks. It also regularly reviewed the efficiency and suitability of the Company's risk management system.
6. The Company was requested to be compliant with corporate governance under the basis of the Stock Exchange of Thailand's guidelines and to develop its corporate governance (CG) practices to match the international standards.
7. The Audit Committee reviewed the Company's compliance with the laws and the authorities' rules and regulations.
8. The Audit Committee reviewed connected transactions and items that could cause conflict of interest as well as ensured that the information was accurately and completely disclosed.
9. The Audit Committee appointed the auditors and set their remuneration before submitting the information to the Board of Directors for proposing at the Shareholders' Meeting for approval.



(Mr. Prasong Wararatanakul)

Chairman of the Audit Committee

February 28, 2018

1 Business Overview



In 2017, the Company operated restaurants under 5 brands as follows



Hot Pot Public Company Limited (“the Company”) operates the restaurant business covering Suki and Shabu served with superb tradition dipping sauce originated by Hot Pot, Japanese style grill and shabu, steak & fusion as well as Italian foods. Most of the Company’s restaurants are buffet style but there are a la carte restaurants as well as casual dining restaurants consisting of Suki Shabu buffet restaurants offering the concept of “all-you-can-eat” under the brand “Hot Pot Inter Buffet”, Japanese style Grill and Shabu restaurants under the brand “Daidomon”, Suki Shabu a la carte restaurants serving roasted duck and superb “authentic recipe” dipping sauce under the brand “Hot Pot Suki Shabu”, casual dining restaurants serving steaks and fusion dishes under the brand “Signature” and latest brand “Toomato Italian Kitchen”, traditional Italian restaurant selecting premium ingredients directly from Napoli, Italy.



CREATE
WORK
INSPIRE



สบูกเตมที่ อร่อยเตมอ้ม

Hot Pot Inter Buffet

The intenational buffet restaurants serve Suki Shabu and wide variety of international food over 100 menus plus desserts, ice cream and soft drinks at the price of Baht 379 per person to let the customers enjoy the meal unlimited within 1 hour and 30 minutes under all-you-can-eat concept. In some branches customers can add a roaster to have both boiling pot and grill roaster at their table with additional charge of Baht 40 per person.



Hot Pot Suki Shabu

The restaurants offer A La Carte (ordering meal from the menu) Suki Shabu, roast duck and superb “authentic recipe” dipping sauce before changing almost all of restaurants to buffet style.



Daidomon

Japanese grilled buffet restaurants that are popular among locals for a long time with special marinated sauce and unique taste of dipping sauce which is perfectly matched with fresh ingredients, allowing customers to choose and enjoy the meal unlimited within 1 hour 30 minutes at Baht 379 per person (including soft drinks).



SIGNATURE
STEAK • PASTA • THAI CUISINE

Signature

The casual dining restaurants that the meals offer the A La Carte style (ordering meal from the menu), serving wide selection of dishes such as steaks, fusion dishes including salads, spaghetti, snacks, drinks and desserts at a price that everyone can afford.



toomato
italian kitchen

Toomato Italian Kitchen

A delicious experience of Italian dishes ranges from traditional pizzas and pastas with premium imported ingredients including excellent cheese, tomato and olive oil selected directly from Napoli, Italy.

In addition, the Company has granted franchisees the use of Hot Pot Inter Buffet service mark for a restaurant operator located in the Lao People's Democratic Republic, which has opened on June 6, 2016

As of December 31, 2017, the Company has operated 106 restaurants including: 94 branches of Hot Pot (64 branches of Hot Pot Inter Buffet, 28 branches of Hot Pot Inter Suki plus Grill and 2 branches of Hot Pot Suki Shabu), 7 branches of Daidomon, 4 branches of Signature and 1 branch of "Toomato Italian Kitchen" our latest brand first opening on November 1, 2017 at G floor, MBK Center.

Mostly, over 90% of our restaurants are buffet restaurants serving meal on a food bar which are located in Bangkok, vicinity and upcountry covering all parts of the country consisting of 43 branches in Bangkok and vicinity, 5 branches in the central region, 18 branches in the north, 14 branches in the east, 19 branches in the north eastern, 3 branches in the west and 4 branches in the south. Those branches which are located in the department stores, modern-trade stores, shopping centers in order to facilitate the access of the targeted customers.

Our targeted customers are mainly teenagers, students, workers, and families who have fast-style living, freedom, prefer eating out in a group and focusing on the value of money. Customers can freely select the dishes they wish to consume from the wide varieties of buffet line.

Our factory or central kitchen is located at Lamlukka District, Pathumthani Province on the area of 13-0-96 rai. The factory has been inspected and certified for production with quality standard in food industry such as GMP (Good Manufacturing Practice) and HACCP (Hazard Analysis and Critical Control Points) from Intertek Industry and Certification Services (Thailand) Ltd. The factory or central kitchen's functions are raw materials procurement, semi-finished food production such as different types of meat balls, stuffed squids, and seasoning pork especially the sauces which are the major seasoning of Suki Shabu, and deliver to all branch restaurants. The quality of foods and raw materials, flavors of food and sauces have been controlled to have the same standard at all branches. New dishes and recipe have also been developed. Furthermore, several semi-finished food has been developed in order to be prepared easily and have the same standard quality.

The Company has logistic system to deliver raw materials and foods from factory or central kitchen to restaurant branches across the country by its own transport vehicles allowing the company to control the food quality, freshness, time and cost effectively. The factory also supplies kitchen appliances and utensils in restaurant of all branches for the standardization and identity.

In addition, the factory or central kitchen is also the storage facility for preserving both fresh and dried raw materials, semi-finished foods, ingredients, kitchen appliances and utensils in restaurant, etc. with adequate preparation and reservation plan to meet the requirement of each branch.

The Company controls quality and standard of services in every branch. All restaurant staffs will be trained regularly as they are considered as critical factor to deliver successful customer services which is satisfying and maintaining good relationship with our customers to keep them coming back to our restaurants.

Business Goal in next 3 – 5 years

Since 2014, the Company has changed its goal from maintaining its leading position in the buffet restaurants to being the leader in restaurant business because the Company has found opportunity to expand additional restaurant brand other than buffet restaurant brand. The new goal will create variety and differentiation to respond our customers' needs in a much greater, spot a gap in the market as well as create new alternatives for our customers or consumers. As a result, the Company can expand our customers' base and new target groups.

The Company has implemented business expansion strategies as follows:

- 1. Branch expansion** : in 2018 will be more selectively considered with opening new brands serving different target group of customers
- 2. Renovation and/or Rebranding** : consists of renovating Hot Pot outlets to enhance customer experience. The stores serving boiling and grilling styles in the same table will be rebranded as Daidomon with an improved buffet line or rebranding Hot Pot stores to new brand developed by the Company; or changing serving styles from buffet to A La Carte. To do so, the Company will consider appropriateness of each outlet's location including target groups of customers as well as competition.
- 3. Franchising** : The Company has planned to expand its branches with new brands, spreading over the country, both in Bangkok and its perimeters, and the upcountry where having fairly high purchase power.

The Company still emphasizes on the original concept of a leader of restaurants, located in department stores, shopping centers, or modern trades. Moreover, the Company has searched for opportunities to expand its restaurant business to neighboring countries in order to diversify risk from depending only on local business.

The Company aware that the hospitality industry is about people and one of the main focus for this year is to invest in our people by providing the necessary training and support to our staffs to in turn be able to perform to their best of abilities and to groom the potential staffs on their career growth.

2 Nature of Business

Background and Major Changes

Hot Pot Public Company Limited has incorporated on January 28, 2004, formerly as Hot Pot Company Limited with initial capital of Baht 16 million to operate Suki Shabu restaurants managed by Miss Sakuna Baicharoen, a major shareholder, executive, founder and pioneer of the Company since 1995. The business was started from Suki Shabu restaurant cooked to order or A La Carte and the very first branch was named as “Coca Fresh Suki”, located at East Complex Shopping Mall in Chachoengsao province. The targeted customers were family groups. The 300 square-meter restaurant became very popular and the sole famous Suki restaurant in Chachoengsao province. Later, the Company expanded its branches at the shopping malls in upcountry such as Saraburi, Surin, Buriram, Kamphangphet, and Phitsanulok, etc. At that time, branch expansion was operated by establishing other companies to control branch restaurants in each region.

In 2001, the Company changed its restaurant brand from “Coca Fresh Suki” to “Hot Pot Suki Shabu Restaurant”.

In 2004, the Company changed its administrative method by establishing Hot Pot Company Limited to centralize the administration and management of all branch restaurants. In October 2004, the Company increased its registered capital by Baht 40 million to Baht 56 million in order to transfer assets of other branches from their former companies to the new establishing company.

In 2005, the Company altered its strategy by penetrating into Suki restaurant in large department store through opening international buffet restaurants focusing on Suki Shabu at Central Plaza Rama II which is the first branch in May 2005. The “Hot Pot Inter Buffet” consists of Suki Shabu and international food more than 100 items. Since the fact that none of other Suki restaurant entrepreneur operated this style of restaurants, as a result, the Company’s business was successful, boosting its sales, gaining better brand recognition and acceptance from our customers. It was a good starting point of our roll-out in big department stores. The Company also significantly changed its strategy on the concept that not only delicious food and good services but also “value for money”. The Company, hence, decided to expand its business into “buffet” or “all-you-can-eat” by stepping adjusted almost of the a la carte restaurants to be the buffet ones. At present there are only two branches, remaining on A La Carte style (ordering meal from the menu) to serve customers, which are branches in Surin province and Buriram province. After modifying to the international buffet restaurants which are different from other competitors, as well as commitment thoroughly ongoing to improve food quality and services, restaurant style, and a variety of food, the Company gained good response from customers.

In 2006, Aureos South East Asia Fund (“Aureos Fund”) and Private Fund of Government Savings Bank managed by ING Asset Management (Thailand) Co., Ltd. (since June 17, 2011 onwards, it has been changed to be Private Fund of Government Savings Bank managed by One Asset Management Limited) entered into joint venture with the Company for financial support.

In February 2007, the Company invested in constructing the factory in total area of 13-0-96 rai, located at 11/1 Bueng Kham Phroi Sub-district, Lamlukka District, Pathumthani Province as the food production factory and central kitchen for all branches of the Company.

In July 6, 2011, the Company was converted from Company Limited to be Public Company Limited as well as reduced par value from Baht 10 per share to Baht 0.25 per share and increased its registered capital by Baht 15,346,160 from Baht 86,153,840 to Baht 101,500,000 by issuing new ordinary shares of 61,384,640 shares at par value of Baht 0.25 per share.

In December 15, 2011, the Company bought and transferred rights on the restaurant business of Daidomon Group Plc. (“Daidomon”), which is the buffet Japanese style grill restaurant, including the transfer of assets involved in all operations and other assets such as food formulas and sauces, customer bases, members, business partners, employees of Daidomon as well as its trademarks and trade names related to food and restaurant business such as Daidomon, Umami, Yasuki and Mitake to be continuously operated and managed by the Company.

In September 2012, the Company’s increased ordinary shares of 61,384,640 shares were initial public offering (IPO) at par value of Baht 0.25 per share with the objective to use the fund for new branch expansion, branch renovation, loan repayment and working capital. At this time, Aureos Fund also offered to sell its existing ordinary shares to the Company in the amount of 40,600,260 shares or 10% of paid-up capital. All ordinary shares of the Company have been listed in Market for Alternative Investment (MAI) on September 18, 2012.

In 2013, the Company continually expanded new branches. As of December 31, 2013, there were 153 active branches, compared with 138 branches in 2012. The 24 newly opened branches consisting of 23 branches under “Hot Pot” brand and 4 branches under “Daidomon” brand. In 2013, the Company launched new strategy which was additional serving roaster in some Hot Pot branches (extra service charge of Baht 30 per person for serving both boiling pot and roaster). The new strategy was successfully received good feedback from customers and more than 70% of customers order both boiling pots and roasters. As of December 31, 2013, the Company additionally opened 14 branches of Hot Pot with Grill, comprising 9 newly opening branches and 5 rebranding branches.

For Daidomon branches bought from Daidomon Group Plc. (“Daidomon”), the Company renovated almost all of the remaining branches which have not been renovated yet, totaling 10 out of 12 outlets. There were 6 renovated branches which have been additionally served Suki Shabu and 4 branches which have rebranded to Hot Pot with Grill.

In 2014, the Company opened 18 new stores, consisting of 16 stores of Hot Pot Inter Buffet which 15 out of 16 stores served both boiling and grilling styles, and 2 stores of Suki Shabu with small size. The Company also closed 27 stores which most of them had loss from operating results so that the Company’s overall performance will be regained in the future. Therefore, as of December 31, 2014, the Company had totally 144 active stores.

In order to decrease the confusion in its brands and bring much greater clarity of its brands, the Company renovated all stores of Hot Pot Buffet Value to be modern and then rebranded to Hot Pot Inter

Buffet, which were completed in 3rd quarter. Along with that, the Company renovated the only one store of Hot Pot Ramen Buffet at Central Plaza Rama 2 and then rebranded to a new brand created by the Company under the name of Signature, opening on December 25, 2014.

In addition, the Company has increased distribution channels of Suki sauce in Tesco Lotus starting on November 2014, onwards.

In 2015, the Company established expansion plan on cautious basis, focusing only outlets located in potential area. The Company has opened 11 new stores, including a store located in Star Plaza, Sa Kaeo province, which is totally invested by the shopping center. The 5 New stores consist of Hot Pot Inter Buffet which 3 of them serve both boiling and grilling styles and 6 stores of Signature, which 4 stores are newly opened and 2 stores are Hot Pot stores which have large store size and split area into 2 stores under Hot Pot and Signature Brands.

The Company closed 12 stores which comprising 10 stores due to their loss from operating results and 1 stores which their rental contracts were expired and the Company did not want to renew the contracts. As of December 31, 2015, the Company, hence, had totally 143 active stores.

In 2016, the Company remained carefully opening new stores by primary consideration in potential of shopping center. Capital expenditure for new stores was reduced and assets of closed stores were reused. In addition, some stores were partly invested by the shopping centers. The Company opened totally 8 stores consisting of 2 stores of Hot Pot Inter Buffet (one store serving both boiling and grilling styles), 5 stores of Signature, and 1 store of Daidomon. The Company rebranded 7 stores of Hot Pot Inter Buffet which 4 of them were rebranded to Signature, and the rest stores was rebranded to Shabu Suki, Daidomon, and Pot Jung accordingly. Meanwhile, the Company closed 10 stores comprising 7 stores which had loss from operating results, 2 stores which the shopping centers did not renew the rental contracts, and 1 store which was closed for renovation by the shopping center. Consequently, as of December 31, 2016, the Company had totally 141 active stores.

The Company has expanded its business to the Lao People's Democratic Republic by franchising of Hot Pot Inter Buffet to a Lao entrepreneur. The franchised store has operated since June 6, 2016. Furthermore, the Company had added new distribution channels for Suki sauce thur more than 600 outlets of Tesco Lotus Express since June 2016.

In 2016, the Company's structure of shareholding has been changed since Miss Sakuna Baicharoen, Director, Executive and major shareholder of the Company sold her shares in main board (big lot) to Mr. Apichai Taechaubol amounted to 65,900,000 shares (16.23% of total number of shares sold), and to Thai Factory Development Plc. amounted to 9,100,000 shares (2.24% of total number of shares sold). As a result, as of December 30, 2016, shareholding of Miss Sakuna Baicharoen reduced from 102,022,000 shares (25.13% of total number of shares sold). As of November 19, 2015, Miss Sakuna Baicharoen remained the outstanding shares of 27,022,000 shares (6.66% of total number of shares sold).

In 2017, the Company finds an opportunity to expand its business by launching a new brand category apart from buffet restaurants to vary different kinds of restaurants serving new customer groups

as well as fill in the gap of the market of hi spending customers. The Company opened Toomato Italian Kitchen, casual dining Italian restaurant, selecting premium ingredients directly from Napoli, Italy since November 1, 2017 at G floor, MBK Center.

However, as a policy, the Company has closed 36 branches mainly due to operating losses. As a result, at December 31, 2017, the Company has totally 106 active branches.

In addition, the Company has relocated its headquarters from 350 Ramintra Road, Tha Raeng, Bang Khen, Bangkok 10230, telephone number 0-2943-8448, facsimile number 0-2943-8458 to 18 Soi Sathorn 11 Yaek 9, TFD Building, Yannawa, Bangkok 10120 telephone number 0-2286-9959, facsimile number 0-2286-9960. Moreover, the Company increased its capital by issuing 40,600,000 new ordinary shares offering to the existing shareholders in proportion to the number of shares held by each shareholder (Right Offering) and issuing 40,600,000 new ordinary shares to the private placement. Therefore, as of December 2017, the Company had registered capital of Baht 121,800,000 and paid-up capital of Baht 121,800,000 consisting of 487,200,000 ordinary shares at the par value of Baht 0.25 per share.

Revenue Structure

Type of Revenue	2015		2016		2017	
	Baht (million)	%	Baht (million)	%	Baht (million)	%
1. Sales Revenues						
(A) From branches						
1) Hot Pot Inter Buffet	1,308.94	60.44%	1,177.13	56.91%	1,070.97	57.69%
2) Hot Pot Inter Buffet with Grill	536.80	24.79%	569.88	27.55%	495.67	28.82%
3) Hot Pot Prestige ^{1/}	9.81	0.45%	0.00	0.00%	0.00	0.00%
4) Hot Pot Shabu Suki	24.28	1.12%	18.85	0.91%	17.92	0.97%
5) Daidomon	199.38	9.21%	183.12	8.85%	173.23	9.37%
6) Signature	46.41	2.41%	94.25	4.56%	59.12	3.20%
7) Pot Jung ^{2/}	0.00	0.00%	0.51	0.02%	0.00	0.00%
8) Toomato Italian Kitchen	-	-	-	-	2.17	0.12%
Total Revenue from Branches	2,125.61	98.15%	2,043.75	98.80%	1,819.06	98.44%
(B) From other sales	7.10	0.33%	10.59	0.51%	14.00	0.78%
Total Revenue from sales of goods	2,132.71	98.48%	2,054.34	99.31%	1,833.06	99.19%
2. Other Incomes ^{3/}	33.00	1.52%	14.17	0.69%	14.82	0.81%
Total Revenues	2,165.71	100.00%	2,068.51	100.00%	1,847.88	100.00%

Remark:

1/ Only one store of Hot Pot Prestige, located in Central Plaza Bangna, was rebranded to Hot Pot Inter Buffet on August 1, 2015.

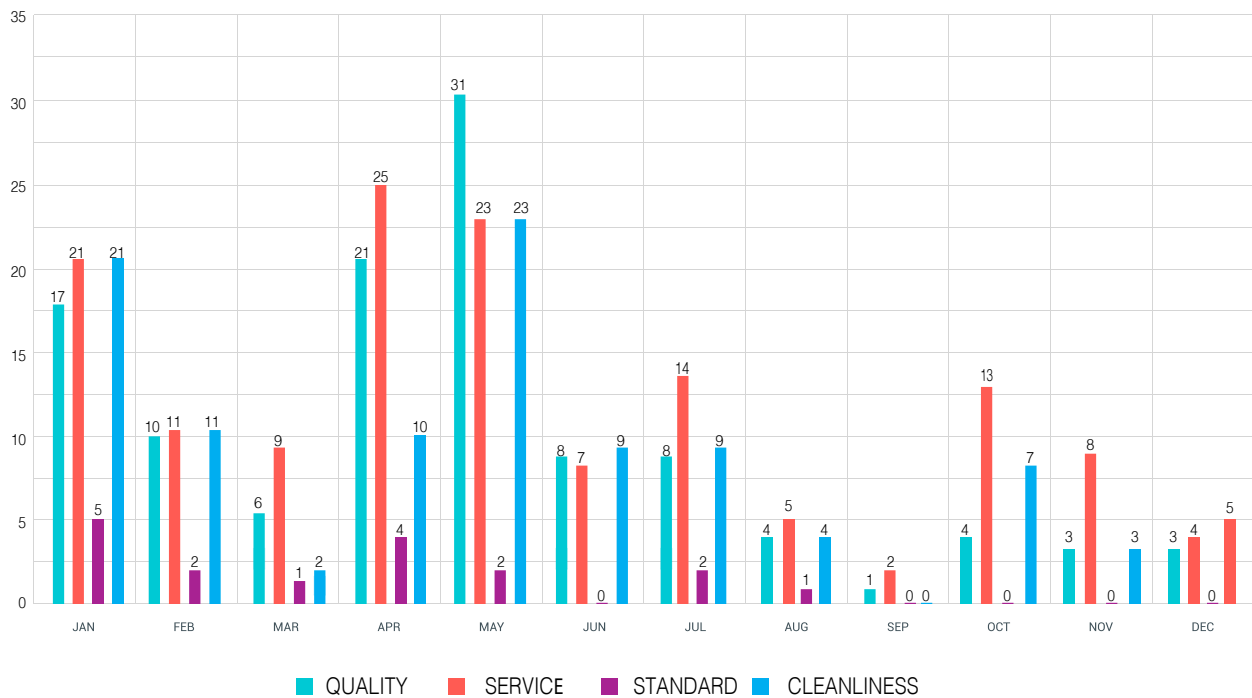
2/ The Company trial opened the first store of Pot Jung at Vitheethap, Nakhon Sawan Province, which previously was store of Hot Pot Inter Buffet, on June 16, 2016 and closed on September 1, 2016.

3/ Other incomes mostly came from sales promotion of suppliers and sales of membership cards

Non-financial Performance Indicators

The Company surveyed customer satisfaction and collected information to improve services through the customer complaints forms available at all branches nationwide. There are 4 categories: 1. Food quality 2. Services 3. Standard 4. Cleanliness. In 2017, customer complaints ratio less than year 2016 by 44% and complaints decreased gradually from January - December 2017.

Summary of Customer Complaints by Topics from January – December 2017



Industry Outlook and Future Competition

1) Industrial competition over the past year

Restaurant business had experienced ongoing growth, supported by shifting consumer behavior that prefers eating out in line with an increase of national income resulting from economic expansion. In addition, the development and expansion of urban community or urbanization has impact on changing the way of living of people in society. The expansion of shopping centers, community malls and hyper marts provide an important opportunity in expansion of restaurant business, leading to enable to service customers thoroughly and reaching more new groups of customers. Considering the number of new registered restaurants during last 10 years starts from 2008 to 2017, the establishment of restaurant business continued to increase steady ranking in top 5 of businesses with highest number of new registration especially in 2017 that the registration increased by 24.66% from 2016. It was indicated the continued intense competition of the restaurant business in Thailand. The statistics of restaurant business registration with the Department of Business Development, the Ministry of Commerce are as follows;

The statistics for restaurant business registration per year

Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Number of entities	925	831	917	993	1,166	1,339	1,444	1,503	1,537	1,916

Source: Department of Business Development

The Office of the National Economic and Social Development Board (NESDB) expected the Thai economy to expand 3.9% in 2017 increasing from the expansion 3.2% in 2016. Especially in the first half of 2017, basic elements of the world economics were expected to expand in many countries such as European Union, Japan and China, which result in the world economic expansion. Restaurant business also continued to expand following the higher revenue from foreign tourists from China, South Korea, India, the United States and Cambodia and as a result of the campaign to boost the domestic tourism market launched by the Tourism Authority of Thailand (TAT) to encourage Thai tourists to travel on weekdays to local destinations in second-tier cities.

Despite the periodic economic stimulus measures and the improvement of agricultural household income, the Economic Intelligence Center (EIC) of Siam Commercial Bank (SCB) estimated that purchasing power of Thai households was still not as improving as the purchasing power of foreigners. Although the Thai high-income spending is quite good reflected by the higher sales of durable goods especially the growing of passenger cars, but the spending of low and middle-income earners remain sluggish reflecting from the slow spending on necessities such as food and beverages. This was in line with the decline in agricultural income from the first half of 2017. Meanwhile, non-agricultural payrolls are likely to be flat. EIC also viewed that households would likely to postpone new debts due to their high debt burden. In addition, the credit and personal loan control measures have been adjusted to be in accordance with the new income slab with effective from the third quarter of 2017 onwards.

According to Kasikorn Research Center's estimation, value of restaurants in Thailand including chain restaurants and general restaurants in 2017 will be Baht 390,000 – 397,000 million increasing from Baht 382,000 – 385,000 million in 2016. The growth rate accelerated from 2.09 – 3.12% in 2016 to 1.90 – 2.78% in 2017. General restaurants were expected to have approximately 70% of market share with the value of Baht 271,000 – 275,000 million in growing 1.1-2.2% comparing to the value of Baht 268,000 – 269,000 million for the year 2016. Whereas, the market value of chain restaurants was expected to reach Baht 119,000 – 122,000 million in 2017 growing 4.4 – 5.2% from the value of Baht 114,000 – 116,000 million in 2016. As the higher figures means the higher the competition, business operators then need to adjust their strategies including cost management, branch expansion carefulness and offer new brand restaurants as well as responding to customer behavior which turns to prefer healthy meals and food delivery.

Due to the more intense competition and consumers were reluctant to spend as mentioned above, affecting eating out behavior of consumers, by choosing eating out only for essential meals in daily life and special occasion or festival, and turn to select a restaurant that value for money. Meanwhile, the number of restaurants continually extended from branch expansion of existing restaurant operator as well as new comers from local and abroad since they found the opportunities of restaurant business growths. Furthermore, large-sized enterprises in business group related to restaurants such as manufactures of drink and beverages, finished food products, seasoning, raw materials, etc. have entered to restaurant business in order to diversify their risk of business operations. Such enterprises could take advantage from their brand reputation to their existing customer base as well as knowledge in business operations. Moreover, granting restaurant franchises from local and foreign franchisors have been popular, resulting in easy and quick entering to restaurant business. Consequently, consumers have various choices to select using services at restaurants. These resulted in ongoing tense competition in restaurant business. Restaurant operators inevitably implemented promotions, especially price discount promotion to motivate customers to frequently use their service. At the same time, restaurant operators gave importance to quality of food and service, and variety of menus to response to customers' requirement. Various strategies were modified, such as improving the image of restaurant brand, etc. Restaurant operators also expanded their business in forms of franchise locally and abroad, including invested in foreign countries, especially Asean countries.

At present, the Company operates restaurant business which main restaurants are international buffet restaurants serving Suki Shabu under the brand of Hot Pot as well as Japanese grill buffet restaurants under the brand of Daidomon. Moreover, A La Carte restaurant under Signature brand serves steak and fusion foods whereas our new brand Toomato Italian Kitchen serving fresh pizzas and pastas. There are some competitors in industry which are similar types and styles restaurant as the Company although they are not completely the same as the Company. Competitors that offer similar style and type of food.

Company's restaurant are as follows:

- A La Carte Suki restaurant such as MK Restaurant, Coca Suki, and Texas Suki
- Suki Shabu buffet restaurant such as Sabushi and Sukishi Buffet
- BBQ restaurant such as BBQ Plaza, Seoul Grill (BBQ & Grill Sukishi), and Miyabi
- Steak restaurant such as Santa F'e Steak, Jeffer Steak
- Pizza and Pasta restaurant such as The Pizza Company and Pizza hut

2) Industrial trend and future competition

The food restaurant business in 2018 is expected to recover and grow due to the overall economic condition that is expected to improve after the economic downturn of the past several years. Moreover, the Department of Business Development expects the restaurant business in 2018 to recover and grow continuously, especially the restaurants that respond to the city lifestyle in favor of fast, convenient, limited time, but also want to consume good quality products and services as well as online services

that is aligned with consumer behavior spends more time on social medias.

The high competition of the restaurant business influenced by both former and new operators together with consumer behavior and lifestyle shifting such as less time eating outside, prefer eating healthy meals and delivery services. These cause entrepreneurs to adjust their business strategies to suit the situation including offer promotion to attract customers, improve restaurants to offer new dishes and exotic experiences, health consciousness, convenience in ordering food through online channels.

Therefore, restaurant operators need to find strategies to attract customers and seize market share including adapt strategies to the behavior of consumers other than launching promotions and Customer Relations Management (CRM) program to boost consumption. The expansion of the restaurant business will be in the form of filling the gap of the market, making a difference, adding new dishes and new lines of products, renovating to new styles to offer more alternative and meet the customers' need which varies as day goes by. As consumer behavior always shifts, the restaurant business in Thailand will become more diverse accordingly.

Marketing Strategy

Whereas competition in restaurant business trends to be more intense, purchasing power remains limited. Consequently, the Company inevitably implemented discount promotion to retain existing customer base. However, with more than 20 years of experience and expertise in restaurant business, the Company has developed a business under the concept of creating consumer's recognition by making differentiation from other competitors, offering customer value, varieties and deliciousness to customers, and renovating stores to present modern image in addition to discount promotion. The Company also give importance to new marketing research relating to in dept studying and customer behaviors and needs' analysis in order to improve and develop products and services responding to customer needs effectively. The research includes customers' perception towards the brand of Hot Pot in order to aware of our brand's strength and weakness. Consequently, the Company enable to establish efficient strategies for brand management in order to maintain existing customer base, widely expand to new customer bases, attract returning customers, and create sustainable business growth. The Company's marketing strategies are as follows;

1. Offering varieties of food menus with great taste and service at reasonable prices

The quality of food is our main focus. The Company offers over 100 varieties of food menus with excellent taste, particularly the special Hot Pot's Suki sauce and Daidomon's original recipe sauce. The Company implements process of selection and quality control of raw materials, products and production to offer standardized products with fresh and hygienic quality. Thus, the Company established its own food processing factory and central kitchen to control the standardization of raw materials and food quality before delivery to several branches. The Company also implements its own logistic system to distribute raw material and food from the

factory or central kitchen to various branches nationwide so that the Company can control quality, freshness, timeliness and cost efficiently.

Moreover, the Company places its importance in providing good service to customers in terms of convenience and safety in the Company restaurants, taking good care of customers, continuously developing branch staffs' customer service quality and skills to reach the highest customer satisfaction with reasonable price.

Lately, the Company launches the innovation of 4 slot pots for the first time with the concept of challenging to try 4 kinds of delicious soups with 2 new flavors of “Sukiyaki Soup”, sweet and savory taste and “Super Soup”, hot and sour, with spicy taste to boost sales and attract more customers.

2. Creating restaurant segmentation for every consumer group

The Company has developed its business under the concept of creating new market segment by developing different styles of restaurant under different brands. This also includes offering a variety dining styles, consisting of Suki-Shabu, Grill or Suki-Shabu and Grill concept within the same restaurants. The Company has opened a new restaurant under brand of Signature, which is A La Carte restaurant offer steak and fusion food. The Company has also opened a new restaurant under brand of Toomato Italian Kitchen to respond the demand of different customer groups in terms of purchasing power, lifestyle and preference. In addition, this is to provide new choices to customer and fill in the gap of the market.

3. Continuously branches expansion to cover different target areas

As of December 31, 2017, there are totaling 106 active branches operated under the brands of “Hot Pot”, “Daidomon”, “Signature” including “Toomato Italian Kitchen”, locate in large leading department stores, modern trade, community malls or community trade center within Bangkok, Metropolitan Areas and large local department stores in major provinces in order to reach customers easily and widely. As a result, sale volume will be increased, and customer base will be expanded.

4. Producing signature dishes and continuously offering new menus

Despite the fact that there is a variety of menu offering, the Company continues to develop and invents new recipes under the unique styles of “Hot Pot” and “Daidomon”. The Company has produced several semi-finished food to serve on food bar with the Company's special recipes such as green pork balls, Taiwan pork balls, and Hot Pot spring pork, etc. Furthermore, special sauces created by research and development department are customers's favorites, for example spicy sauce, Chinese steamed dumpling sauce, Saba sauce, and soy sauce for steamed fish. In part of Signature, the Company has developed various menu of steak, fusion foods, appetizers, desserts and beverage, Meanwhile, the Company continually improves existing products to be

more qualified such as clear soup to be more delicious and savory, Suki sauce to be more rich, etc.

The Company has developed and created new recipes as well as innovated of 4 slot pots to the customers continuously. There are a launch of the new recommended menus at least every 3 months in average to create exotic experience to customers. In 2017, the Company developed new products such as Sukiyaki Soup, Super Soup and renovated Sushi line, food bar as well as serving seasonal foods during the festive such as auspicious menu for vegetarian festival etc.

5. Focusing on buffet serving or providing food on food bar

The Company serves or place varieties of food on bar and allow customers to select types and quantity of food as they like. Customers may also not waste their time to wait for a service attendant or food conveyor to serve food, which is in line with the Company's marketing strategy focusing on the new generation such as students, office workers, and families whom prefer quick, free lifestyle and usually comes in large group. Buffet restaurants are, therefore, suitable for those whom prefer self-service.

6. Focusing on marketing activities to access to the target group

The Company has created integrated marketing communication strategies including offline such as film advertisement, billboards and online through social medias such as facebook and websites in order to access to the target group quickly and extensively. These channels are also used to publicize the Company's information in order to build brand recognition and brand awareness as well as to create good customer relationship.

7. Creating opportunity to increase sales through ongoing promotion

Market Differentiation Activities are arranged to attract customers into the restaurants and continuously increase sales such as 20% discount on Wednesday, special privilege and discount for members, discount promotion of Baht 299 per person or come 4 pay 3 buffet for general customers and targeted customers, arrangement of activities via social medias and activities during various festivals, including co-promotion with business alliances including corporations, stores or credit cards company so that customers or credit card holders are entitled to special privilege or discounts, etc.

3 Risk Factors

1. Risks from economic situation and competition

The changes in economic situation is affecting to consumer behavior during a recession or economic downturn, consumer's purchasing power as well as consumer spending will be reduced. Also affecting restaurant business's revenues, since the medium to low income consumers reduce the frequency of eating out, or choose lower price restaurants, by focusing on worthiness in order to cut meal expenses per time. The Company, therefore, has prepared to handle economy crisis that may occur any time. The Company usually plans and modifies business strategies suitable for each situation in line with economic change, such as closing the stores having operating loss and having no chance to regain profit. Additionally, the Company cuts unnecessary costs and expenses.

Due to the economic condition and high competition, basically, the Company inevitably offers discount promotions to motivate customers to dine at the Company's restaurants more often in order to generate profit to the Company. However, the Company has the policy to compete on the food quality, varieties of food, dining style, types of restaurants or brands, ongoing menu reengineering and development to meet consumers' need, and store renovation to be modern. Ongoing advertisement and marketing activities are also implemented to expedite brand recognition.

More importantly, in order to diversify risk and to allow the business to compete and growth sustainably, the Company then develops consistent brand recognition and builds new brands with different concepts to serve different target group with high purchasing power. Each brand aims at specific target group customers so that Hot Pot Restaurants Group will not only focus on Suki-Shabu restaurants but the restaurants where customers will be delight with more varieties of food choices and quality ingredients selected for every dish at a reasonable price.

2. Financial Risk

The Company's financial risk has been derived from the reliance on long term loans from financial institutions for investments in accordance with restaurant's renovation and expansion plans which includes the opening of new branch restaurants and renovation of the existing stores to be modern and ready for providing service to customers effectively. Furthermore, short term loans in forms of overdraft, promissory notes, and bills of exchange are used as working capital.

At the end of 2016 until 2017, the Company increases its capital to raise more money from new strong financial partners whom have experience in restaurant business and capability of management. These support the Company's financial situation gradually. However, the Company place importance on financial management by closely monitor on financial performance and overall financial situation as well as consider the alternative of fund raising to enhance financial stability sufficient for working capital, business expansion and debt repayment which will be consider as appropriate.

3. Risks of opening new stores

Increasing in the number of the Company's outlets is a strategy to build the Company's growth in order to provide inclusive services and to expand new customer base. The Company has set a goal to open new branches each year, depending on the market conditions, needs and purchasing power of consumers. Capital expenditure for new store investment is approximately Baht 7 - 9 million per store for Hot Pot and approximately Baht 6 - 7 million per store for Signature, consist of investment in renovation, decoration, kitchenwares and equipments, rent deposit, etc. The amount of investment budget for each branch mainly depends on location, area size and decoration. The Company has risks in opening new stores as if the sale doesn't reach the target, it will be 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, removal and restoration of location expenses according to the conditions specified in rental agreement. In some case that branches are closed before the expired date of rental agreement, the Company will not regain rent deposit. Consequencely, the Company would be loss from branch closing.

The more population move from rural to urban areas or urbanization, the larger shopping centers continue to expand to upcountry area. Therefore, in order to expand service area as well as to retain market shares, the Company opens new stores adhered to the new shopping complex. The Company sometimes need to open new outlets in the same area at the existing outlets, since the new shopping complex may attract more customers to use the Company's outlets, affecting to the decrease of sales revenues at the exiting outlets or slowing down its growth.

The Company is aware of the risks on investment regarding with new branch opening, therefore the Company carefully undertakes feasibility study of the branch expansion. The Company has analyzed relevant factors which may have impact to the investment, for example, economic situations, location, density and purchasing power of population in that area. The selection of types or brands of restaurants must be in line with prospective customers' lifestyle in each area. The Company focuses on the worth from investment under acceptable risk level. The source of fund, management and operation of branches, staffing, quality and sufficiency of food and raw material, marketing and promotion plans for attracting new customers and expanding customer base are well-prepared. Besides, the Company has to monitor and follow up the operating results of each new branch on monthly basis to acknowledge problems, obstacles in order to resolve such issues on time as well as is used to set up expansion plans and directions of the Company. The Company carefully considered and selected newly opened stores, reduced expenditure for new store investment without any impact to service quality, and reused assets from closing branches for the new sites. As a result, average capital expenditure for new stores was Bath 2 million per store.

In 2017, the Company opened Toomato Italian Kitchen, a newly brand restaurant at G floor, MBK Center. The pilot store received positive feedback and that shall be the prototype to expand to potential new store location. The Company starts to close unprofitable stores in an attempt to reduce loss and turn to focus on improving quality and image of the potential stores.

4. Risk from quality of food and service standards

For restaurant business, the main factors for attracting customers are quality of food, food with good taste, clean place and proper service standards. The Company manages more than 100 stores and has employed over 2,500 staffs, the Company, hence, may face operational risk.

The Company focuses on the risk from quality of food and service standards. As a result, the Company has established several measures to protect or minimize such a risk. These measures include regular training and development of branch staffs, preparation of operations manuals, monitoring quality of food and services by quality control unit as well as following up and evaluating operations performance on regularly basis. In addition, semi-finished foods are developed by the Company's center kitchen in order to facilitate, to reduce time of food preparation for staffs at branches and to achieve standard of taste. With respect to cleanliness of branches, 5S activity is implemented as usual, big cleaning is conducted on monthly basis, and suppliers are arranged to handle pest control at least once a month. The Company also provides channels for customers to complain or give feedback.

5. Risk from fluctuation of raw material prices

Most of the Company's raw materials are agricultural products such as meats, fruits, vegetables, seafood, and spices, etc. Prices and quantity of raw materials have fluctuated depending on 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 the 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 gives priority to control and manage cost efficiently. Every year, the purchasing plan always includes cost reduction scheme as key issues focusing on cost management on both in terms of prices and special condition such as rebate, marketing budget or premiums. All sales promotion schemes will be supported promptly to catch up sales opportunities. Effective vendor management is improved by controlling quality and delivery service to ensure good products, maximize utilities, and minimize waste as well as increasing sales opportunities. The Company also focuses on enhancing the efficiency of personnel who is the mainstay in implementing the most effective plan. As a result, the purchasing department places orders to several suppliers, together with find new suppliers consistently, to prevent monopoly and goods shortage. Annual purchasing agreements are made to order raw material in advance or buy in large quantity with specific delivery time in order to have power of price negotiation, get more discounts and ensure that the Company will not confront of raw materials shortage. The short-term contracts shall be made in term of 1 month, 3 months and 6 months contract in order to replace when there's no annual agreement, depending on negotiation. The valid prices will be evaluated from both current situation and statistic of such raw material's prices, so that the valid prices will be the best and the most reasonable prices. In addition, market situation as well as prices trend and supply of raw material in each period of times or each season is monitored closely in order to evaluate the potential risk of shortages or price fluctuations of raw materials and to prepare to resolve and cope with such a risk situation which may occur on timely basis.

Due to various lists of food served in the restaurants and regular changes in food menus suitable for market conditions in each period, the impact of the shortage of raw materials or the fluctuation of raw material prices in certain time periods can be reduced. The Company has not experienced on shortage of raw materials or increment of raw material prices that significantly affect its operations. The Company will not suddenly increase the prices of food once raw material prices increase because most of raw materials are agricultural products, which their prices fluctuate almost every day. The Company will consider increasing the prices of food only when the prices of raw material tend to be increased steadily so that the Company will not bear the high cost of product, which may affect to its performance. However, the Company will compare prices with the market or competitors so that the price increase will not affect on sales or customer base of the Company.

6. Risks of dependence only on the management

Previously, the Company's operations was relying on a few persons whom are executives, major shareholder and co-founders. They have high experiences in this business and play a major role in the Company's operations with ability to build Hot Pot brand awareness and recognition. If the Company lost these persons, it may affect to the administration and performance of the Company in the future.

However, the Company is aware of risks of dependence only on the management and set up working procedure which less dependently on the management by delegating 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 knowledge, essential skills, and leadership skills to management team and staffs continuously, as well as to recruit the potential candidates whom have knowledge and capabilities to work with the Company in order to support expansion plans and to create sustainable growth.

Since the beginning of January 2017, new group of shareholders has joined and then become the board members and executives of the Company. The Company also hires new experts and advisors, whom will be beneficial for the development of the company's personnel. Thus, the risk of reliance on executives is reduced.

4 Structure of Shareholders and Dividend Policy

Structure of Shareholders

Top 10 Shareholders List as of December 29, 2017 based on the latest share register book closing date

Shareholders' Name	Number of Shares	%
1. The group of Mr. Sompon Roekwibunsi	138,899,500	28.510
- Mr. Sompon Roekwibunsi	129,500,000	26.580
- Miss Sakuna Baicharoen	6,913,500	1.419
- Miss Unthika Roekwibunsi	2,486,000	0.510
2. Mr. Apichai Taechaubol	110,085,150	22.595
3. Mr. Thaveechat Jurangkool	88,253,330	18.114
4. MR. KUO-CHAN TSENG	40,600,000	8.333
5. Mr. Prasong Udompakayakul	4,356,000	0.894
6. Mrs. Siriwan Yotsakda	3,971,000	0.815
7. Mrs. Uthaiwan Sevikul	3,607,600	0.740
8. A P F 2011 Company Limited	2,810,000	0.577
9. Mr. Nathapol Pintuyothin	2,761,236	0.567
10. Mrs. Jarunee Chinwongvorakul	2,315,100	0.475
11. Other shareholders	89,541,084	18.379
Total	487,200,000	100.000

Dividend Policy

The Company has dividend policy to pay to shareholders at the rate at least 40% of the net profit after deduction of corporate income tax and reserve fund amounts as stipulated by law. Notwithstanding, the dividend payment is subject to change depending on the investment plans, liquidity, necessities and other factors of suitability in the future. The resolution of the Board of Directors to pay dividend shall be proposed to the shareholders' Meeting approval. For interim dividend, the Board of Directors may resolve to pay interim dividend without shareholders' approval but must notify the shareholders at the next meeting.

5 Management Structure

The Company's management structure consists of the Board of Directors, Audit Committee and Executive Committee. Members of the board and sub-committees as well as executives comprising competent people holding qualification as stipulated in Section 68 of Public Limited Company Act B.E. 2535 (A.D. 1992) and pursuant to related notification of the Capital Market Supervisory Board. As at December 31, 2017, the Company's management structure consisted of the Board of Directors and Sub-committees as per the following.



Remark: The Company has appointed Quantum Point Consulting Co., Ltd. as an internal audit since January 2015 onwards.

The Board of Directors and Executives

As of December 31, 2017, the Board of Directors consist of 7 members as follows;

No.	Name	Position	Board of Directors' Meeting	
			No of Meeting Attendance/No. of Meeting (No.)	Percentage of Attendance (%)
1.	Mr. Apichai Taechaubol	Chairman of the Board of Directors	9/10	100 ^{1/}
2.	Mr. Prasong Vara-ratanakul	Independent Director/Chairman of Audit Committee	9/10	100 ^{1/}
3.	Mr. Amornsakdi Ketcharoon	Independent Director/Audit Committee Member	7/10	70
4.	Mr. Kan Suthirat	Independent Director/Audit Committee Member	7/10	100 ^{2/}
5.	Mr. Sompon Roekwibunsi	Director/Chairman of Executive Committee/Chief Executive Officer	9/10	90
6.	Mr. Chotiwit Taechaubol	Director/Executive Committee Member/Deputy Chief Executive Officer/Acting Chief Financial Officer	9/10	90
7.	Miss Unthika Roekwibunsi	Director/Executive Committee Member/Chief Administrative Officer	8/10	80

Remark: 1/ Mr. Apichai Taechaubol and Mr. Prasong Vara-ratanakul were appointed from the Board of Directors' meeting No. 1/2017 held on January 16, 2017 and started attending from the meeting of the Board of Directors No. 2/2017 onwards.
2/ Mr. Kan Suthirat resigned from being the board member since January 13, 2017. Later, he was re-appointed by the Board of Directors from April 10, 2017 onwards and he started attending the meeting of the Board of Directors No. 4/2017 onwards.

Miss Vipavadee Vanamethin is the Corporate Secretary.

Tenure of the Board of Directors

At the Annual General Meeting each year, one-third of the directors must retire from office. If the number of the directors retiring from office does not amount to exactly one-third, the nearest whole number of one-third shall be used whereas the Directors who are in the role at the longest period shall be considered to primary retirement from the role. The retiring directors are eligible for re-appointment.

Authorised Directors to Sign on Behalf of the Company

Either Mr. Sompon Roekwibunsi or Miss Unthika Roekwibunsi signs and either Mr. Apichai Taechaubol or Mr. Chotiwit Taechaubol signs, two directors are authorized to sign jointly with the Company's seal affixed.

Scope of authority and responsibilities of the Board of Directors

1. Carry out all the Company's businesses in line with the legal requirements, the Company's objectives and Articles of Association, as well as the resolutions of the Board of Directors and shareholders with responsibilities, carefulness and honesty while preserving the Company interests.
2. Formulate vision, policies, business strategies, and good corporate governance policy, including implement them in efficient manner.
3. Set up business plan, organization and management structure, authorization, annual budget and annual operating budget as well as supervise operations and performance of management team or any person whom is assigned to perform such a task, to ensure compliance with prescribe policies and plans.
4. Consider and approve on bank accounts opening, loan acquisition from financial institutes, payment or spending for general business transactions for the Company, such as expenditure for investment, branch expansion, and other operations, etc.
5. Consider, appoint and assign role and responsibilities of Audit Committee, Executive Committee and/or other sub-committees as suitable and necessary to oversee specific business, the Company's benefits, and administrative systems to coincide with the Company's policy.
6. Evaluate management performance consistently, appoint and dismiss the Company's executives such as Chairman of Executive Committee, Chief Executive Officer, Deputy Chief Executive Officer, and other executives as well as control payment mechanism of remuneration for executives and employees suitably.
7. Appoint the Corporate Secretary to assist the Board of Directors to carry out business in conformity with related laws.
8. Arrange appropriate accounting systems, financial reports and accountability auditing, oversee the internal control and internal audit as well as ensure that the Company has govern in accordance with principle of good corporate governance.
9. Oversee the risk management system with effective, reporting and monitoring process.
10. Report responsibility of the Board of Directors in the financial report and present together with the auditor's report in the annual report of the Company.
11. Equitable treatment to both major and minor shareholders for their rights and benefit. Report important information of operating result and financial report to all shareholders and stakeholders correctly and in compliance with applicable laws. In the event that there is any conflict of interest with any agreement with the Company either increment or reduction to the Company or its subsidiaries (if any), the directors must inform the Company without any delay. In addition, if any directors who may have conflict of interest involve in any business transaction with the Company or its subsidiaries (if any), such directors are prohibited to votes for approval of such transactions.

12. Manage to have clear and transparent process of connected transactions between the Company and related persons to prevent conflict of interest, to disclose correct and sufficient information and regularly report to the Board of Directors.
13. Approve and/or give feedback to connected transaction, acquisition or disposal of assets, investment and any operations of the Company including its subsidiaries (if any) to be in accordance with applicable laws, announcement, notifications and regulations; except the issue is specified by laws to seek approval from the shareholders' meeting.

The Board of Directors may authorize one or many members of the Board of Directors to carry out duties in lieu of the Board of Directors. However, such authorization shall not fall in to any characteristic that grant power to directors or substitute persons to approve any transaction that such directors or substitute persons or their associates who may have conflicts of interests or any other benefits with the Company or its subsidiaries (if any) unless such transactions was approved in accordance with the policy and principle given and approved by the shareholder's meeting.

Approval Authorities of the Board of Directors

- 1) Approve the Company's business plan, corporate structure and management authority.
- 2) Approve annual budget and annual operating budget.
- 3) Approve bank accounts opening and loan acquisition from financial institutes in the amount over approval authority of Executive Committee.
- 4) Approve to hire, appoint and dismiss Chief Executive Officer and Deputy Chief Executive Officer, appoint Chief Officers as well as to evaluate performance of Chief Executive Officer.
- 5) Approve salary structure, welfare and other benefits.
- 6) Approve policy regarding fixed assets.

Scope of Authority and Responsibilities of the Chairman of the Board

- 1) Act as the leader and take crucial role in making a decision of the Company's policy which the Board of Directors' meeting and the executives jointly consider and set business goal. To Approve the Company's business plan, corporate structure and management authority. The Chairman of the Board also consistently support and advise on the business operations to the management through the Chief Executive Officer.
- 2) Lead the Board of Directors' meeting in effective and efficient manner as well as encourage all directors to participate the meeting and give their opinion independently. The Chairman of the Board and the Chief Executive Officer will jointly establish the meeting agenda whereas giving opportunity to each director to propose any agenda if applicable. The Chairman of the Board will cast the decided vote in case the Board of Directors' meeting has a tie vote.
- 3) Act as the Chairman of the shareholder's meeting and control the meeting to comply with the Company's Article of Association and specified Agenda of the meeting.

Audit Committee

As of December 31, 2017, the Audit Committee consists of 3 members as follows:

No.	Name	Position
1.	Mr. Prasong Vara-Ratanakul	Chairman of Audit Committee
2.	Mr. Amornsakdi Ketcharoon	Member of Audit Committee
3.	Mr. Kan Suthirat	Member of Audit Committee

Miss Vipavadee Vanamethin is acting of the secretary of the Audit Committee.

Both Mr. Prasong Vara-Ratanakul and Mr. Amornsakdi Ketcharoon have knowledge and competent to review the reliability of the financial statements.

Tenure of the Audit Committee

Tenure of the Audit Committee is three years except the case of retirement by rotation according to the Company's Articles of Association and they may re-elect.

Authority of the Audit Committee

- 1) Perform according to the scope of duties and responsibilities. The Audit Committee is authorized to invite members of the management, executives or related staffs of the Company to report, give opinion, attend the meetings or provide any required documents if necessary.
- 2) Authorize to hire external independent advisor to advise or give opinion if necessary whereas the Company is responsible for the consultant fee which is specified in the Company's policy.

Scope of Duties of Audit Committee

The Audit Committee directly reports to the Board of Director and their scope of duties and responsibilities shall be assigned by the Board of Directors. The Audit Committee shall report to the Board of Directors as follows:

- 1) Review the Company financial report to ensure that it is accurate and sufficient to disclose. Cooperate with external Auditor and executives whom responsible for financial reports issued in quarterly and annually basis.
- 2) Review the Company's internal control system, internal audit system and risk management system to ensure their appropriateness and effectiveness.
- 3) Review the operational performance in accordance with laws of Securities and Exchange, regulations of the Stock Exchange of Thailand and other related laws.
- 4) Consider the independence of internal auditor as well as appoint, transfer and dismiss the chief of internal audit unit or any other units in charge of internal audit.
- 5) Consider the selection, nomination, appointment and dismiss an independent person to be the Company's Auditor as well as consider the auditor's remuneration before proposing to the Board of Directors for consideration and submit to the shareholder's meeting for approval. The Audit Committee shall attend meetings at least once a year with the external auditors without executives present.

- 6) Consider related transaction or transactions that may lead to any conflict of interest in compliance with laws and regulations of the Stock Exchange of Thailand and the Capital Market Supervisory Board to ensure that such items are reasonable and give the highest benefit to the Company.
- 7) During performing its duties, if the Audit Committee detects or suspects any doubtful transaction or activities as shown below that may significantly affect the Company's financial status or operating result, the Audit Committee should report to the Board of Directors in order to resolve such transactions or activities promptly.

- Conflict of interest transactions
- Corruption or abnormal transactions, or any fault which is significant in the internal control system of the Company
- Violation or infringement of Securities and Exchange Laws, Regulations and Proclamations of Stock Exchange of Thailand, the Office of the Securities and Exchange Commission, and Capital Market Supervisory Board as well as applicable laws

If the Board of Directors or the Executives cannot promptly resolve such transactions or activities, members of the Audit Committee may report the findings to the Office of the Securities and Exchange Commission or the Stock Exchange of Thailand.

- 8) If the Company's auditor detects any doubtful events related to a director, manager or any person in charge of the Company's operation result that might violate the law and reports such events to the Audit Committee, the Audit Committee shall promptly inspect and report the outcome of preliminary audit result to the Office of the Securities and Exchange Commission and the auditor within 30 days after receiving the report from the auditor.
- 9) The Audit Committee's report signed by the Chairman of Audit Committee shall be disclosed in the Company's annual report and consists of at least the following information:
 - a) Opinion on the accuracy, sufficiency and reliability of the Company's finance report.
 - b) Opinion on the sufficiency of the internal control system.
 - c) Opinion on the compliance to the laws of Securities and Exchange, regulations of the Stock Exchange of Thailand or related applicable laws
 - d) Opinion on the appropriateness of auditor.
 - e) Opinion on the conflict of interest's transactions
 - f) Number of the Audit Committee's meeting and meeting attendance of each member.
 - g) Opinion or remark of overview observation which the Audit Committee has obtained while performs its duties pursuant to the Charter.
 - h) Any other transactions under the scope of duties and responsibility as assigned by the Board of Directors, if the Audit Committee consider appropriate to inform the shareholders and investors.
- 10) Review the Audit Committee's charter annually and propose to the Board of Directors for approval.
- 11) Evaluate the performance of the Audit Committee annually and report to the Board of Directors.
- 12) Any other businesses as assigned by the Board of Directors.

The Board of Directors has power to revise or change the scope of duties and authorization of the Audit Committee as necessary and appropriate.

Executive Committee

As of December 31, 2017, the Executive Committee consists of 4 members as follows;

No.	Name	Position
1.	Mr. Sompon Roekwibunsi	Chairman of Executive Committee
2.	Mr. Chotiwit Taechaubol	Member of Executive Committee
3.	Miss Unthika Roekwibunsi	Member of Executive Committee
4.	Miss Vipavadee Vanamethin	Member of Executive Committee

Tenure of the Executive Committee

Tenure of the Executive Committee is three years and members of the Executives Committee who retires by rotation may be re-elected.

Authority of the Executive Committee

The Executive Committee reports directly to the Board of Directors with authority, duties and responsibilities as assigned by the Board of Directors as per the following;

- 1) Govern and manage the business of the Company as assigned by the Board of Directors.
- 2) Determine the Company's policies, strategies, business plans, budget and annual operating budget and submit them to the Board of Directors for approval.
- 3) Consider and determine the Company's organization chart, level of authorities, remuneration of directors and executives as well as employees' salary structure, welfare and other benefits prior propose them to the Board of Directors for approval.
- 4) Consider and approve capital expenditure not specifying in annual operating budget or cost over annual operating budget with the total amount not over Baht 20 million per year and approve on extra from the annual operating budget not over Baht 10 million and report such an approved transactions to the Board of Directors for acknowledgement.
- 5) Consider and approve the Company's loan or credit line not over Baht 30 million per annum. In case of excess the determined limit, the Executive Committee shall propose to the Board of Directors for consideration and approval.
- 6) Consider and approve operations plans such as production and procurement policy, sales strategies and price structure as well as branch opening/closing etc.
- 7) Manage the risk of the Company's operating activities by establishing risk management policy as well as monitoring and evaluating risks in order to propose to the Board of Directors.
- 8) Having authority, duties and responsibilities to make decision and direct under the scope of authorities assigned form the the Board of Directors and pursuant to the level of authorities approved by the the Board of Directors' meeting.
- 9) Examine and monitor the Company's operating result compliance with the Company's policy, business plan and management guideline approved by the Board of Directors to ensure its efficient and effective.

10) Any other duties as assigned by the Board of Directors.

Either the authority of the Executive Committee or other persons authorized by the Executive Committee does not include the power or authority to approve any related transactions that the authorized persons or their associates who may have conflicts of interests or any other benefits with the Company and its subsidiaries (if any) as well as transactions that do not fall under the normal business operations of the Company because such a transaction requires the approval from the Board of Directors' meeting or the shareholders' meeting as the case may be and in comply with the Company's Articles of Association or relevant laws.

Management Team

As of December 31, 2017, the Management team consists of 4 executives as follows:

No .	Name	Position
1.	Mr. Sompon Roekwibunsi	Chief Executive Officer
2.	Mr. Chotiwit Taechaubol	Deputy Chief Executive Officer/ Acting Chief Financial Officer
3.	Miss Unthika Roekwibunsi	Chief Administrative Officer
4.	Miss Vipavadee Vanamethin	Chief People Officer

Authority and Scope of Duties of the Chief Executive Officer

Roles and responsibilities of the Chief Executive Officer (“CEO”) assigned by the Board of Director are to direct the Company’s operation which will cover the following roles.

- 1) Supervise and approve the overall operations and/or daily administration according to the Company's objectives, Articles of Association, regulations, direction and resolutions of the meetings of the Board of Directors and shareholders.
- 2) Formulate policy, business plan, budgets, management structure and level of authority propose to the Executives Committee for consideration before proposing to the Board of Directors for approval.
- 3) Perform duties according to the Company's policies, plans, and approved budget.
- 4) Having authority to recruit, assign, rotate, promote, suspend, dismiss and determine salary rate and other remunerations including commission, wage and salary increment and bonus of the Company's employees.
- 5) Have authority to issue, amend and update commands, regulations, records and work rules to comply with the policies and interests of the Company as well as to maintain the discipline in the workplace.
- 6) Have authority to approve purchase order, employment contract, rental/leasing agreement of fixed assets for an amount not exceeding Baht 5 million, disposal of fixed assets for an amount not exceeding Baht 2 million including authority to approve the transfer of fixed assets between departments or branches.

- 7) Have authority to approve purchase requisitions/purchase orders of fresh food, dried food, disposal items, equipment for an amount not exceeding Baht 1 million, including authority to add products categories, adjust product's price, improve product sales standard (e.g. weight, shape, etc.)
- 8) Develop organization and human resource consistently to the utmost quality and performance, foster and maintain a good image of the Company.
- 9) Perform other duties as assigned by the Board of Directors and/or the Audit committee.

Either the authority of the Chief Executive Officer or other persons authorized by the Chief Executive Officer does not include the power or authority to approve any related transactions that the Chief Executive Officer or the substitutions and their associates who may have conflicts of interests or any other benefits with the Company and its subsidiaries (if any) as well as transactions that do not fall under the normal business operations of the Company because such a transaction has to seek for approval from the Board of Directors' meeting or the shareholders' meeting as the case may be and in comply with the Company's Articles of Association or relevant laws.

The Corporate Secretary

The Board of Directors' meeting No. 10/2017 held on November 13, 2017 resolved to appoint Miss Vipavadee Vanamethin as the Company Seretary.

Remuneration of Directors and Executives

1. Remuneration of Directors

- Monetary Remuneration

The 2017, the Annual General Meeting of shareholders was held on April 27, 2017 resolved to approve the remuneration of the Directors and the Audit Committee including the meeting allowance and other benefits, which are increased from the year 2016 as follows;

Remuneration	2017	2017
1.Meeting allowance (Baht/meeting		
Board of Directors		
- Chairman	15,000	30,000
- Member	10,000	15,000
Audit Committee		
- Chairman	10,000	15,000
- Member	5,000	10,000
2) Other benefits (Baht)	ไม่มี	In total shall not exceed Baht 1 million including meeting allowance

Executive Committee members who hold a position in the Board of Directors and/or sub-committee are not entitled to receive remuneration as mentioned above.

In 2017, the Company paid monetary remuneration, which was meeting allowance, to directors as follows; (Unit : Baht)

Name	Meeting Allowance		Other Benefit	Total
	Board of Directors	Audit Committee		
1. Mr. Metta Charuchinda ^{1/}	15,000	-	-	15,000
2. Mr. Apichai Taechaubol ^{2/}	240,000	-	-	240,000
3. Mr. Prasong Vara-ratanakul ^{2/}	125,000	50,000	-	175,000
4. Mr. Amornsakdi Ketcharoon	90,000	35,000	-	125,000
5. Mr. Kan Suthirat ^{3/}	105,000	30,000	-	135,000
6. Mr. Sompon Roekwibunsi	-	-	-	-
7. Mr. Chotiwiit Taechaubol ^{4/}	-	-	-	-
8. Miss Sakuna Baicharoen ^{5/}	-	-	-	-
9. Miss Unthika Roekwibunsi ^{6/}	-	-	-	-
Total	575,000	115,000	-	690,000

Remark

1/ Mr. Metta Charuchinda resigned from an independent director/chairman of the Board of Directors/Chairman of the Audit Committee with effective from February 20, 2017 onwards.

2/ Mr. Apichai Taechaubol and Mr. Prasong Vara-ratanakul were appointed by the resolution of the Board of Directors' meeting no. 1/2017 held on January 16, 2017. They start attending the Board of Directors' meeting No. 2/2017 held on February 21, 2017.

3/ Mr. Kan Suthirat resigned with effective from January 13, 2017 but the Board of Directors' meeting No. 3/2017 held on April 10, 2017 approved to appoint him as independent director/Audit Committee Member to replace Mr. Metta Charuchinda with effective from April 10, 2017 onwards.

4/ Mr. Chotiwiit Taechaubol was appointed from the resolution of the Board of Directors' meeting No. 1/2017 held on January 16, 2017 to replace Mr. Kan Suthirat with effective from February 20, 2017 onwards.

5/ Miss Sakuna Baicharoen resigned from a director with effective from February 20, 2017 onwards.

6/ Miss Unthika Roekwibunsi was appointed by the Board of Directors' meeting No. 2/2017 held on February 21, 2017 to replace Miss Sakuna Baicharoen with effective on February 21, 2017 onwards.

- Other remuneration

-None-

2. Remuneration of Executives

- Monetary remuneration

The Company paid monetary remuneration, which is salary for the Executives as follows:

Remuneration	2017		2018	
	Number of Executive (Person)	Amount (Baht)	Number of Executive (Person)	Amount (Baht)
Salary	3	11,491,379	6 ^{/1}	13,834,000

Remark:

/1 There are 6 executives consisting of 4 executives as of December 31, 2017 plus 2 executives, Mr. Sombat Kittipokirat and Miss Uthaiwan Santijirakul who resigned during 2017.

- Other remuneration

Remuneration	2017		2018	
	Number of Executive (Person)	Amount (Baht)	Number of Executive (Person)	Amount (Baht)
Provident fund contribution, social security contribution and other benefits after resignation	3	318,631	6	581,373

Details of the Board of Directors and Executives

Mr. Apichai Taechaubol

Chairman of the Board of Directors



Education

- Honorary Doctorate of Business Administration (General Management), Ramkhamhaeng University
- Master's Degree in Political Science, Ramkhamhaeng University
- Bachelor's Degree in Business Administration, North Central University, Arizona, USA
- Bachelor's Degree in Political Science, Ramkhamhaeng University
- Industrial Business Development and Investment for Senior Executive Program Class 3,

Director

Age 62 years

Date of appointment

January 16, 2017

Years of service 1 year

Expertise

Finance and real estate management

Institute of Business and Industrial Development, under the Foundation of Industrial and Business Entrepreneur. Institute of Business and Industrial Development, under the Foundation of Industrial and Business Entrepreneur.

Director Training at Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DAP), Class 39/2005
- Role of Chairman Program (RCP) , Class 6/2001
- Corporate Governance for Capital Market Intermediaries (CGI) , Class 3/2015

Working Experience: (5 years)

Listed Companies: (current: 2 companies)

Feb.17-Present	Chairman of the Board of Directors, Hot Pot Public Company Limited
Jan.17-Present	Directors, Hot Pot Public Company Limited
Apr.15-Present	Vice Chairman of the Board of Directors, Thai Factory Development Public Company Limited
2012-Present	Chairman of the Executive Committee, Thai Factory Development Public Company Limited
1996-Present	Director, Thai Factory Development Public Company Limited
2014-2015	Director, AEC Securities Public Company Limited

Other Non-Listed Companies : (current: 8 companies)

22015-Present	Chairman of the Board of Directors, TFD Real Estate Management Public Company Limited
2015-Present	Director, Bognor Regis Warehouse Limited
2014-Present	Director, Barnsley Warehouse Limited
Feb.13-Present	Vice Chairman of the Board of Directors, Total Industrial Services Co., Ltd.
2003-Feb.13	Chairman of the Executive Committee, Total Industrial Services Co., Ltd
2011-Present	Director/Chairman of the Executive Committee, J.C. Kevin Development Co., Ltd.
2001-Present	Director/Chairman of the Executive Committee, Crown Development Co., Ltd.
2010-Present	Director, Fine to Asset Co., Ltd.
2016-Present	Director, J.C. Kevin Food and Beverage Co., Ltd.

Other entities which may cause a conflict of interest : (1 company)

2016-Present	Director, J.C. Kevin Food and Beverage Co., Ltd. Operate restaurants, hypermarkets, a producer and retailer of finish goods
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HOTPOT shareholding (As of December 29, 2017)

Director : 110,085,150 ordinary shares or 22.595% of the total voting rights

Spouse and minors : None

Family relationship (with directors/management)

The father of Mr. Chotiwit Taechaubol, Director/Executive Committee Member/Deputy Chief Executive Officer/Acting Chief Financial Officer

Meeting attendance in 2017

- Board of Directors' Meeting 9/10 times (100% after being appointed)

Mr. Prasong Vara-ratanakul

Independent Director/Chairman of Audit Committee



Education

- Master of Public Administration, Chulalongkorn University
- Bachelor of Commercial, Chulalongkorn University
- Bachelor of Law, Ramkhamhaeng University

Independent Director

Age 70 years

Date of appointment

January 16, 2017

Years of service 1 year

Expertise

ommercial account and
jurisprudence

Director Training at Thai Institute of Directors Association (IOD)

- Ethical Leadership Program (ELP) Class 2/2015
- Director Accreditation Program (DAP) Class 51/2006
- Director Certification Program (DCP) Class 72/2006
- Audit Committee Program (ACP) Class 12/2006
- Advanced Audit Committee Program (AACP) Class 16/2014

Working Experience: (5 years)

Listed Companies : (current: 4 companies)

Apr.17-Present	Independent Director/Chairman of the Audit Committee, Hot Pot Public Company Limited
Jan.17-Apr.17	Independent Director/Member of the Audit Committee, Hot Pot Public Company Limited
2015-Present	Independent Director/Member of the Audit Committee, We Retail Public Company Limited
2015-Present	Independent Director/Member of the Audit Committee, Thai Property Public Company Limited
1999-Present	Independent Director/Member of the Audit Committee/Chairman of the Corporate Governance, Nomination and Remuneration Committee, Thai Factory Development Public Company Limited
2006-2014	Independent Director/Chairman of the Audit Committee, Krungthep Land Public Company Limited

Other Non-Listed Companies : (current: none)

Other entities which may cause a conflict of interest : None

HOTPOT shareholding (As of December 29, 2017)

Director : None

Spouse and minors : None

Family relationship (with directors/management) : None

Meeting attendance in 2017

- Board of Directors' Meeting 9/10 times (100% after being appointed)
- Audit Committee's Meeting 4/4 times

Stakeholder with the Company, parent company, subsidiaries, affiliates of any legal entities with conflict of interest at present or in the past 2 years :

- Not being a director participating in management, staff, employee or consultant who gets regular salary
- Not being professional service provider (such as auditor, legal consultant)
- Not having significant business relationship that may affect the ability to perform independently

Mr. Kan Suthirat

Independent Director/Audit Committee Member



คุณวุฒิการศึกษา

- Bachelor of Education (Art Education),
Major in Commercial Design,
Chulalongkorn University

Director Training at Thai Institute of Directors Association (IOD)

- None -

Working Experience: (5 years)

Listed Companies: (current: 1 company)

Apr.17-Present

Independent Director/Member of
the Audit Committee,
Hot Pot Public Company Limited

Apr.16- Jan.17

Director, Hot Pot Public Company Limited

Other Non-Listed Companies :

(current: 1 company)

1997-Present

Managing Director/Client Service Director,
Identity Advertising Co., Ltd.

Other entities which may cause a conflict of interest : None

Independent Director

Age 57 years

Date of appointment

April 10, 2017 (Previous : April 21, 2016-January 13, 2017)

Years of service 2 years

Expertise

Commercial Design

HOT POT shareholding

(As of December 29, 2017)

Director : None

Spouse and minors: None

Family relationship (with directors/management):

None

Meeting attendance in 2017

- Board of Directors' Meeting 7/10 times
(100% after being appointed)
- Audit Committee's Meeting 3/4 times
(100% after being appointed)

Stakeholder with the Company, parent company, subsidiaries, affiliates of any legal entities with conflict of interest at present or in the past 2 years:

- Not being a director participating in management, staff, employee or consultant who gets regular salary
- Not being professional service provider (such as auditor, legal consultant)
- Not having significant business relationship that may affect the ability to perform independently

Mr. Amornsakdi Ketcharoon

Independent Director/Audit Committee Member



Independent Director

Age 51 years

Date of appointment

February 28, 2011

Years of service 6 years

Expertise

Finance/ Marketing/

Industrial Engineering

Education

- Master of Business Administration in Finance, University of Chicago, USA.
- Bachelor of Engineering in Industrial Engineering, Chulalongkorn University

Director Training at Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DAP)
Class 89/2011

Working Experience: (5 years)

Listed Companies: (current: 1 company)

Feb.11-Present

Independent Director/Member of the
Audit Committee, Hot Pot Public Company Limited

2006-2017 Senior Vice Chairman, Brooker
Group Public Company Limited

Other Non-Listed Companies :

(current: 3 companies)

2017-Present Director, Interpharma Co., Ltd.

2016-Present Director, Fit Junction Co., Ltd.

2015-Present	Director, Powermetec Co., Ltd.
2015-2017	Director, Broadway Media Co., Ltd.
2009-2017	Director, Brooker Planner Co., Ltd.
2009-2014	Independent Director/Member of the Audit Committee, Datamat Public Company Limited
2012-2013	Independent Director/Member of the Audit Committee, Vejthani Public Company Limited

Other entities which may cause a conflict of interest : None

HOT POT shareholding (As of December 29, 2017)

Director : None

Spouse and minors : None

Family relationship (with directors/management) : None

Meeting attendance in 2017

- Board of Directors' Meeting 7/10 times
- Audit Committee's Meeting 4/4 times

Stakeholder with the Company, parent company, subsidiaries, affiliates of any legal entities with conflict of interest at present or in the past 2 years:

- Not being a director participating in management, staff, employee or consultant who gets regular salary
- Not being professional service provider (such as auditor, legal consultant)
- Not having significant business relationship that may affect the ability to perform independently

Mr. Sompon Roekwibunsi

Director/Chairman of Executive Committee/
Chief Executive Officer



Director

Age 59 years

Date of appointment

January 28, 2004

Years of service 14 years

Expertise

Restaurant Business

Management

Education

- Certificate Ordinary National Diploma in Engineering, Colchester Institute, UK

Director Training at Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DAP) Class 86/2010

Working Experience: (5 years)

Listed Companies: (current: 1 company)

2011-Present

Chairman of the Executive Committee, Hot Pot Public Company Limited

Jan.04-Present

Director/Chief Executive Officer, Hot Pot Public Company Limited

Other Non-Listed Companies : (current: none)

Other entities which may cause a conflict of interest: None

HOT POT shareholding (As of December 29, 2017)

Director : 129,500,000 ordinary shares or 26.580% of the total voting rights.

Spouse and minor : 6,913,500 ordinary shares or 1.419% of the total voting rights.

Family relationship (with directors/management):

The father of Miss Unthika Roekwibunsi, Director/ Executive Committee Member/Chief Administrative Officer

Meeting attendance in 2017

- Board of Directors' Meeting 9/10 times

Mr. Chotiwit Taechaubol

Director/Executive Committee Member/
Deputy Chief Executive Officer/
Acting Chief Financial Officer



Education

- Bachelor of Mathematic in Finance and Account, Queen Mary University of London, UK.

Director Training at Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DAP)
Class 138/2017

Working Experience: (5 years)

Listed Companies: (current: 1 company)

Dec.17-Present

Acting Chief Financial Officer,
Hot Pot Public Company Limited

Jan.17-Present

Director/Executive Committee Member/
Deputy Chief Executive Officer,
Hot Pot Public Company Limited

Other Non-Listed Companies: (current: 2 companies)

Director

Age 27 years

Date of appointment

January 16, 2017

Years of service 1 year

Expertise

Restaurant Business
Management

2014-Present

Director/Executive Director,
J.C. Kevin Development Co., Ltd.

2014-Present

Director/Executive Director,
J.C. Kevin Food and Beverage Co., Ltd.

Other entities which may cause a conflict of interest : (1 company)

2014-Present

Director, J.C. Kevin Food and Beverage Co., Ltd.
Operate restaurants, hypermarkets, a producer
and retailer of finish goods

HOT POT shareholding (As of December 29, 2017)

Director : None

Spouse and minors: None

Family relationship (with directors/management)

The son of Mr. Apichai Taechaubol, Chairman of the Board of Directors

Meeting attendance in 2017

- Board of Directors' Meeting 9/10 times
(100% after being appointed)

Miss Unthika Roekwibunsi

Director/Executive Committee Member/
Chief Administrative Officer



Director

Age 33 years

Date of appointment

February 21, 2017

Years of service 1 year

Expertise

Restaurant Business
Management

Education

- Master of Management, University of Bath, UK
- Bachelor of Science (Computer Science) Chulalongkorn University

Director Training at Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DAP) Class 138/2017

Working Experience: (5 years)

Listed Companies: (current: 1 company)

Feb.17-Present

Director, Hot Pot Public Company Limited

Jan.17-Present

Executive Committee Member/Chief Administrative Officer,
Hot Pot Public Company Limited

2012-2017

Manager, Strategic Planning Department,
Hot Pot Public Company Limited

2011-2012 Manager, IT Department,
Hot Pot Public Company Limited

208-2011 Manager, Strategic Management Section,
Hot Pot Public Company Limited

Other Non-Listed Companies: (current: none)

Other entities which may cause a conflict of interest : None

HOT POT shareholding (As of December 29, 2017)

Director : 2,486,000 ordinary shares or 0.51%
of the total voting rights.

Spouse and minors : None

Family relationship (with directors/management):

The daughter of Mr. Sompon Roekwibunsi.
Director/Chairman of Executive Committee/Chief Executive Officer

Meeting attendance in 2017

- Board of Directors' Meeting 8/10 times
(absent 1 meeting after being appointed)

Miss Vipavadee Vanamethin

Chief People Officer/
Executive Committee Member/
Corporate Secretary



Chief People Officer

Age 37 years

Education

Bachelor of Business Administration,
Major in Hotel Management

Education

- Bachelor of Business Administration,
Major in Hotel Management

Jan.12-Aug.17

Director of Human Resources,
J.C. Kevin Development Co., Ltd.

Director Training at Thai Institute of Directors Association (IOD)

- None -

Working Experience: (5 years)

Listed Companies: (current: 1 company)

Dec.17-Present

Corporate Secretary,
Hot Pot Public Company Limited

Sep.17-Present

Chief People Officer/
Executive Committee Member,
Hot Pot Public Company Limited

Other Non-Listed Companies :

(current: none)

Other entities which may cause a conflict of interest : None

HOT POT shareholding (As of December 29, 2017)

Director : None

Spouse and minors : None

Family relationship (with directors/management):

None

Shareholding by the Directors and Executives

Name	Position	December 27, 2016		December 29, 2017		Changes during the year
		No. of Shares	%	No. of Shares	%	
1. Mr. Apichai Taechaubol	Chairman of the Board of Directors	69,871,500	17.21	110,085,150	22.60	40,213,650
Spouse and minors		-	-	-	-	-
2. Mr. Prasong Vara-ratanakul	Independent Director/ Chairman of Audit Committee	-	-	-	-	-
Spouse and minors		-	-	-	-	-
3. Mr. Amornsakdi Ketcharoon	Independent Director/ Audit Committee Member	-	-	-	-	-
Spouse and minors		-	-	-	-	-
4. Mr. Kan Suthirat	Independent Director/ Audit Committee Member	-	-	-	-	-
Spouse and minors		-	-	-	-	-
5. Mr. Sompon Roekwibunsi	Director/Chairman of Executive Committee/ Chief Executive Officer	110,782,000	27.29	129,500,000	26.58	18,718,000
Spouse and minors		27,022,000	6.66	6,913,500	1.42	(20,108,500)
6. Mr. Chotiwit Taechaubol	Director/Executive Committee Member/ Deputy Chief Executive Officer/Acting Chief Financial Officer	-	-	-	-	-
Spouse and minors		-	-	-	-	-
7. Miss Unthika Roekwibunsi	Director/Executive Committee Member/ Chief Administrative Officer	-	-	2,486,000	0.51	2,486,000
Spouse and minors		-	-	-	-	-
8. Miss Vipavadee Vanamethin	Chief People Officer/ Executive Committee Member/ Corporate Secretary	-	-	-	-	-
Spouse and minors		-	-	-	-	-

6 Good Corporate Governance (CG)

The Company gives precedence to efficient, transparent, and verifiable management system, leading to confidence of all related parties and sustainable growth of the Company's business. To operate ethically and compliance with related laws, the Company has established a good corporate governance policy to enhance the existing operations to be in clear standard and distribute to the employees in all level in order to reinforce a culture of corporate governance.

The Board of Directors' Meeting held in 2017 reviewed and approved the corporate governance policy regarding position held in other listed companies of the Company's directors to be more practical for the business and adapt to the new situation.

Corporate Governance Report of Listed Companies 2017

According to the Corporate Governance Report of Thai Listed Companies 2017 evaluated by the Thai Institute of Directors (IOD), the result of the corporate governance of the Company was improved to the level of excellent or 4 stars with score of 87% and in the Top Quartile of listed companies with market capitalization of less than Baht 1,000 million, which was the same result compared to 2016 at the level of excellent or 4 stars with score of 87% , while the average score of all listed companies under the survey was 80%.

Quality of Annual General Meeting of Shareholders 2017

According to the evaluation of the quality of Annual General Meetings of Shareholders 2017 of listed companies, carried out by the Thai Investors Association, the result of the quality evaluation the Company was rated superb with score of 98.%, compared with 97.75% of 2016, while the average score of all listed companies under the survey was 91.97%.

In 2017, the Company performed its operations in accordance with good corporate governance, which is in line with 5 sections of the 2006 good corporate governance guidelines promoted by the Stock Exchange of Thailand (SET) as follows;

Section 1: the Rights of Shareholders

The Company awares of the shareholders' fundamental rights and recognizes the importance of all shareholders both in terms of investors and owners of the Company, for instance the rights to buy, sell, and transfer shares held independently, the rights to share dividends from the Company's retained earnings, the rights to obtain relevant and sufficient information of the Company, the rights to participate in the Annual General Meeting of Shareholders, the rights to give their opinions, the rights to make decisions on the key issues of the company such as dividend payment, the appointment of directors, nomination of auditor, approval for important transactions that affect direction of the business operations, the amendment of the Memorandum of Association and/or the Articles of Association, etc.

In addition to the fundamental rights as stated above, the Company also follows the criteria on the rights of shareholders including institute shareholders as follows;

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be an inspector in the vote counting.

9. After the Meeting, the Company announced the voting result and the resolutions of the Shareholders' Meeting not later than 9.00 a.m. on the next business day after the Shareholders' Meeting date via the system of the Stock Exchange of Thailand (SET) and the Company's website. The Company also established the minute of the Meeting with correct and complete information within 14 days after the Shareholders' Meeting date and then announced it via the system of the Stock Exchange of Thailand (SET) and the Company's website for the Shareholders' verification.

Section 2: the Equitable Treatment of Shareholders

1. Agenda Proposal and Director Nomination

The Company has policy to treat all shareholder groups whether are major, minor, management or non-management, with fair treatment. One or several shareholders holding the Company's shares with the minimum share in amount of 2,000,000 shares, are allowed to propose additional agendas of the Annual General Meeting of Shareholders and to nominate persons who have knowledge, competency, and qualification for election as directors in advance. Thus, the Board of Directors shall consider and select such an issue for being an agenda of the Meeting. By this case, the Company has determined clear criteria of entitlement and announced to the shareholders via the Company's website.

In the Annual General Meeting of Shareholders 2017, the Company invited shareholders to propose agenda and to nominate qualified candidates to be elected as directors in advance from October 1, to December 31, 2016. However, no shareholder proposed any additional agenda and nominated directors.

2. Appointment of Proxy in the Shareholders' Meeting

The Company sent Proxy Form B. determined by Ministry of Commerce, together with the notice of the Meeting so that shareholders can appoint other persons as their proxy to attend the meeting and vote on their behalf in the case that they are unable to attend the meeting. In this regard, in case those shareholders prefer to use Proxy Form A. or Proxy Form C., they can download such a Proxy Form from the Company's website. Shareholders independently decide to select any proxy form as they prefer, however the Company encourages shareholders to use Proxy form B. since they can specify the voting for each agenda item by themselves. In addition, the Company proposed an independent director to be appointed as proxy, attached together with the invitation letter.

3. Use of Inside Information

To ensure fairness and equality for all stakeholders, the Company strictly controlled the use of inside information to prevent abusive self-dealing. The Company has established guidelines in written to maintain inside information of the Company and to protect the use of internal information for personal benefits. Please see more information in the topic of inside information control.

4. Conflict of Interest

The Company has determined guideline to handle conflict of interest issues transparently and verifiably, especially consideration of transaction between the Company and stakeholders or any relevant party. Once there was conflict of interest issue, the person who related to the issue must report the Company immediately without taking any part in consideration or vote in the issue. In addition, the Company has determined guidelines to prevent the relevant directors or management whom has gain or loss in such an issue take part in consideration of the transaction. Regarding the vote in the Board of Directors' Meeting, the director who has gain or loss in the conflict of interest issue shall not be entitled to vote in such an issue.

Section 3: The Roles of Stakeholders

1 Treatment of Each Stakeholder Group

The Company takes majority in concerning the rights of all stakeholder groups, include internal stakeholders i.e. shareholders, management, and employees of the Company, or external stakeholders i.e. creditors, clients, suppliers, competitors, public sector, society and community etc. Thus, the Company shall perform in accordance with related laws and regulations to take a good care of the stakeholders' rights. In addition, the Company always operates its business by concerning of the rights of all stakeholders according to the following guidelines

Shareholders : The Company has its policy to make equitable treatment of shareholders, secure shareholders' benefits, and avoid performing in infringe or refrain the shareholders' rights, including respect to the shareholders' rights of acknowledgment of the Company's information. Thus, the Company shall disclose information to shareholders equally, consistently, correctly, and completely; including provide the shareholders opportunity in query, providing an opinion, suggestion, include proposing additional agenda and nominating directors in the Shareholders' Meeting. Moreover, the Company shall create sustainable growth in order to continuously increase value-added and appropriate returns to the shareholder, as well as operate business in accordance with the Good Corporate Governance.

Employees :The Company always recognizes that employees as one of the key assets to drive the Company's growth. Thus, the Company shall treat all employees equally and fairly. The Company has established clear procedures about remuneration, compensation and benefits of employees, such as performance appraisal by Key Performance Indicator (KPI), establishment of provident fund, general purpose loan from Government Housing Bank to facilitate employees with special interest rate as well as monthly loan repayment directly from their salary, accidental insurance, annual physical check up, other allowances i.e. funeral allowance, etc. In addition, the Company also arranges some activities for building employees relationship such as sport activity, New Year party, merit making ceremony at the Company's head office and factory, birthday party, grant annual rewards to operation staff at branch whose performance are outstanding in specified aspects, grant rewards to factory model employees, develop employees' competency, provides good environment and takes care of employees' health in the workplace for

their safety and security, considers opinion, suggestion, complaint and whistleblowing of employees in all level equally and equitably through various channels specified by the Company, including strictly performs in accordance with laws and employee's rules and regulations.

Customers : The Company has policy and procedure to continuously develop quality of goods and service to maximize customers' satisfaction. Thus, the Company shall deliver good, qualified, clean, safe products/ service in fair and reasonable price, build good relationship with customers, be service-minded with customers, consistently arrange customer satisfaction survey, including provide some channels to receive customers' complaint and suggestion to resolve or improve some mistake or problems quickly

Creditors : The Company has established approach and procedure not to infringe creditors' rights by strictly perform in accordance with terms and conditions in the loan agreement, make repayment as scheduled, not apply loan in the way that oppose to the objectives agreed in the agreement, not use dishonest approach to conceal information or fact which may cause some damage to the creditors, including not request, not receive, or not pay any dishonest benefits from/to the creditors.

Competitors : The Company has policy and procedure to compete with trade competitors based on fair competition without obstructing other persons/parties in business competition. The Company shall not find any confidential information or secret of trade competitors by inappropriate or dishonest approach, including not accuse any trade competitors without fact or make any unfair action for competition.

Society and Environment : The Company takes majority concern in community, society, and environment regarding both safety and quality of life, encourage employees to use resources efficiently and prudently and operate business concerning environment effect. The Company, therefore, strictly follows the applicable laws and regulations related to environment by establishing the measure to avoid draining wasted water from the factory to public water source. The wasted water from the Company's factory must be treated and returned to use internally only. The Company also participates in some activities for development of community, society, and environment, i.e. the program to support students in working as part-time staff, drug-free workplace project, supporting activities of the communities' Children Day.

2. Whistleblowing Channel

The Company has managed the channel for stakeholders enabling to send their suggestions, opinions, queries, and complaints directly to our Chairman at email address : chairman@hotpot.co.th or via the company website or suggestion box at branch restaurant or direct phone call according to telephone number as posted at every branch restaurant.

The Company shall proceed with its investigations pursuant to the procedure and record the outcomes in writing without disclosure of whistle-blower's name including keeping complaint filing confidentially for protection of contingent impact toward that whistleblower.

Section 4: Disclosure and Transparency

The Board of Directors has strong determination to reveal correct, complete, updated, and reliable information necessary for making decisions of the investors and stakeholders, while adhering to the regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET), including other information influence on decisions of the investors and stakeholders. The Company has disclosed the Company's information as follows:

● Prepare financial report and the Management Discussion and Analysis (MD&A) as supplement of financial statements disclosure on quarterly basis and disclosed via the Company's website as well as SET's online. The Company's financial statements have never been revised under the order of the Stock Exchange of Thailand and the Securities and Exchange Commission. The financial statements were also disclosed to shareholders and investors within specified timeframe. Furthermore, in 2017, the external auditor gave unqualified opinion on Company's financial report.

- Information. In addition, the Company has a policy requiring directors and executives to report a change in their securities holding within 3 business days from the date the securities have been purchased, sold, transferred or accepted transfer. The Company's secretary shall coordinate on submission of such a report to the Stock Exchange of Thailand and the Securities and Exchange Commission. It is also specified that any change of such securities holding of directors and executives shall be reported to the Board of Directors' Meeting quarterly.

- Disclosed connected transactions or transactions which might have conflicts of interest of directors and executives and reported to the Board of Directors for approval or acknowledge quarterly.

- Provided several channels for information disclosure, which were SET's Communication system, Annual Report, Annual Disclosure Information (Form 56-1), the Company's website in 2 languages both Thai and English, research analysts, investors visiting the Company, interviewing of the executives, and press release i.e. newspaper. Furthermore, the Company assigned the investor relations to answer any questions of investors, securities analysts, news reporters, and people in general on regularly basis, which can be contacted by telephone number 0-2286-9959 ext. 2105 or e-mail address: ir@hotpot.co.th or on the Company's website: www.hotpot.co.th.

The Company gives opportunities to institutional investors, retail investors, and securities analysts to attend meetings with the management to ask questions about business operations, performance, and business trend. In 2017, no investors and securities analysts requested for meeting with the Company's management.

Section 5: Roles and Responsibilities of the Board of Directors

1. The Board of Directors' Structure

1) Composition of the Board of Directors

The Board of Directors composed of the persons with diversity including knowledge, profession, skill, competency, sex and experience that are beneficial to the Company. The Board takes an important role in establishing the policy and overview the organization and business plan as well as overseeing, auditing and assessing the Company's operating result to comply with the plan and in accordance with laws, regulations, and resolutions of the Shareholders' Meeting. The Board concerns in integrity, business code of conduct, controlling of the management's administration to meet specified goal and procedure including to maximize profits for the Company and shareholders.

As of December 31, 2017, there were 7 directors in the Board of Directors, composed of 3 Executive Directors, 1 Non-Executive Director, and 3 Independent Directors, equivalent to three-seventh of total numbers of directors. The Company's independent directors have knowledge and expertise in management, finance and marketing. There is a female executive director. Moreover, the Chairman and Chief Executive Officer is not the same person.

2) Appointment of the Audit Committee

The Board of Directors has appointed the Audit Committee to support in corporate governance of the Company. The Company has clearly segregated roles, duties and responsibilities of the Board of Directors, the Audit Committee, and the Executive Committee. The Audit Committee shall make decision independently, conduct its special assignment and propose it to the Board of Directors for consideration or acknowledge according to the defined authority.

3) Segregation of roles and responsibilities of the Chairman and the Chief Executive Director

The Company has determined that the Chairman of the Board of Director and the Chief Executive Officer shall not be the same person in order to clarify responsibilities among policy establishment, supervision, and day-to-day administration with clear segregation of roles, duties and responsibilities between the Board of Directors and the Executives in order to enhance balance of operating power. The Board of Directors have duties to establish policy and supervise the executives' operations in policy level, whereas the executives have duties to manage operation pursuant to specified policies.

4) Election and Term of Office

The Board of Directors shall hold the position for a certain term in accordance with the determination in the Articles of Association. In every subsequent year of the Annual General Meeting of Shareholders one-third of the directors, who have been in the longest role in office, shall retire. In the case that the number of directors cannot be divided by three, then refer to the closest number. However, the retired directors are eligible to be re-elected for another term by obtaining majority vote. The Company has determined the terms of the Independent Directors that they can serve on the directorship no longer than 9 years.

5) Position of Directors in other listed companies

According to the Company's policy, each director shall take positions in listed companies not more than 5 companies.

6) Position of Executive Directors and the Chairman of Executive Committee in other listed companies

The Company has no policy to allow directors who are also executives and the Chairman of Executive Committee to be in positions in other listed companies (except for subsidiaries and associated companies of the Company), unless they are approved by the Board of Directors.

7) Appointment of the Company's secretary

The Board of Directors shall appoint the Company Secretary to take roles and responsibilities set by the Securities and Exchange Act.

2. Roles, Duties, and Responsibilities of the Board of Directors

1) The Board of Directors shall consider and approve key matters in the Company's operation i.e. vision and mission, strategy, action plan, and budget; as well as supervise the management to comply with the designed policy and plan effectively and efficiently. Vision and Mission shall be reviewed and approved in annual basis and announce to all department managers to be aware and execute appropriately.

2) The Board of Directors has clearly segregated roles and responsibility in formulation of corporate governance policy from daily administration. The Board of Directors shall not appoint same person to attain the position of the Chairman of the Board of Directors and Chief Executive Officer. The Chairman of the Board of Directors plays an important role to make a decision relate to the Company's policies which is considered and set up among with the Board of Directors and Executive Committees. The Chairman of the Board of Directors acts as the president to lead the Board of Directors' Meeting effectively and efficiently, to support other committees to participate and share opinion independently including acts as the president in the Shareholders' Meeting. Thus, The Chairman of the Board of Directors will not cooperate on day-to-day operations instead to provide regularly support and opinion on business operations through the Chief Executive Officer. Whereas the Chief Executive Officer shall responsible for overall management within the authority assigned by the Board of Directors.

3) The Board of Directors shall initiate, cooperate, and approve the Corporate Governance Policy. The Board of Directors' Meeting no. 1/2011, held on July 18, 2011, passed the resolution to approve such a policy. The Board of Directors shall regularly review the policy, operate the business operations in accordance with the policy, communicate to everyone in the organization to have common understanding with the policy clearly and correctly and enhance them to comply with these policy.

4) The Board of Director has established the Code of Conduct in written to comply with operating standard under the authority and to present its intention to operate business with transparency, integrity, morality, and take responsible for all stakeholders by reviewing the business code of conduct. At the Board of Directors' Meeting no. 4/2015, held on August 13, 2015, the Board of Directors approved the revision of the Code of Conduct's manual in order to match with the Company's business operations, circumstance of the situation

change and compliance with Good Corporate Governance Policy. The revised business code of conduct also cover the practices of directors, executives, employees and all stakeholders including the additional of operational practices. The Code of Conduct Manual shall be guidelines for work operations and proper business practices, reflecting to the Company's vision, mission, core value, and operational frameworks which directors, executives and employees at all levels shall abide and perform to carry out their duties under the defined code of conduct as follows;

- (1) Practices toward all stakeholders comprise the shareholders, employees, customers, business partners, creditors, competitors, society, community and environment
- (2) Practices to compliance with law, relevant rules and regulations, and customs, traditions and good moral
- (3) Respect the human rights
- (4) Avoidance of infringement of intellectual property
- (5) Anti-Fraud and Anti-Corruption
- (6) Receiving the offering gifts, assets or other benefits
- (7) Conflicts of interest
- (8) Preserve confidential information, use of internal information and trading of the Company's securities
- (9) Protection of the Company's properties
- (10) Internal control
- (11) Distribution of data, news, and information including the interviewing with the press and the public
- (12) Ethics of directors and executives
- (13) Ethics of employees

In this regard, the Company has announced and informed directors, executives and, employees at all level to acknowledge and comply strictly with the Code of Conduct Manual as well as sign as evidence. In addition, the Code of Conduct Manual topic is set as a part of new hire orientation and is publicized on the Company's website.

5) The Board of Directors has set the policy regarding conflict of interest by prohibiting any directors, executives, and employees, include anyone related to such persons to obtain self-benefit which shall effect to the conflict of interest and to avoid any actions which may cause the conflict of interest. By this case, all relevant persons must inform the Company in their relationship or engagement in such a transactions and not participating in consideration and approval for such a transactions.

The Audit Committee shall propose the Board of Directors the related transactions and transactions that may have conflicts of interest to consider appropriation of transactions carefully. The Company shall adhere to the regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET)

regarding determination of pricing, terms and conditions with the person whom may have conflict of interests similar as making transaction with third party. The Company shall also report such transactions in the financial statement, Annual Report, and Annual Disclosure Information (Form 56-1).

6) The Board of Directors is aware of good corporate governance, internal control and risk management of both management level and operational level. The internal control system and risk management are key mechanisms to build the confidence of management in order to reduce business risks and to support in efficient business operations by allocating the resources properly and achieving the determined target. It also help to protect assets from leaking out or loss from some fraud, make financial reports accurate and reliable, to control all personnel to abide with the related laws and regulations, to protect the investment of the shareholders. Thus, the Company defines the responsibilities and authority of operational staffs and management in writing i.e. the controlling of utilization of company's assets, clearly defining roles and responsibilities of operational staffs, controller, and assessor separately to make balance and enable to verify each other properly.

The Board of Directors assigns the Audit Committee to take responsible for reviewing the appropriation and efficiency of the internal control system and risk management, including establish and review the control system of operating procedures, financial report and practices which compliance to rules, regulations, policies, corporate governance as well as risk management including pay attention closely to the warning signal and irregular items.

In addition, the Audit Committee appoints the external personnel to handle internal control i.e. cooperating with the Quantum Point Consulting Co., Ltd., to be the internal auditor which is responsible for assessing the internal control system to be sufficient and appropriate including reporting the auditing result directly to the Audit Committee. So that the internal auditor can work independently and can perform its auditing duties and counter balance extremely. The Chairman of the Audit Committee will report the summary of internal auditing result prepared by the internal auditor to the Board of Directors for acknowledgement on quarterly basis, so that the inappropriate work process will be corrected and improved. The Company shall assess sufficiency of the internal control system at least once a year to ensure that the defined procedures operate efficiently. In this regard, the Corporate Secretary is delegated to coordinate between the internal auditor and other departments in the Company.

7) The Board of Directors is responsible for the Company's consolidated financial statements and financial information mentioned in annual report. The Audit Committee shall review the financial reports to encourage proper and accurate report in accordance with the general acceptance-accounting standard in Thailand, to use appropriate accounting policies and practices on regularly basis and to disclose the important information of the Company based on transparency and sufficient.

3. The Board of Directors' Meeting

1) The meeting dates shall be annually scheduled in advance and notified to the Board of Directors for acknowledgement. The Meeting shall be arranged at least every 3 months. The special meeting may be held as necessary with specified agendas in advance including the agenda which may require follow up on regular operations. The company secretary shall send the Meeting's invitation to the Board of Directors at least 7 days before event so that the Board of Directors have sufficient time to review the information sufficiently. Except the emergency case which the meeting may be appointed without proper notice in order to preserve the rights and benefit of the company.

2) The Chairman of Board of Directors and the Chief Executive Officer shall determine the agendas of the meeting together and shall give the opportunity to each Directors to propose the agendas to consider in the Board's Meeting.

3) At the meeting, it requires the minimum of attendance with not less than one-half of the board's members shall constitute a quorum.

4) The Chairman of Board of Directors who acts as the president of the meeting will allow all directors to express their opinion independently during the consideration of each agenda. In some agenda the senior executives may be invited to attend the Meeting in order to clarify and provide additional information for the proposed agenda as well as to acknowledge the defined policy in order to implement and practice efficiently.

5) To form a quorum at the time of the Board passing a resolution, at least 2/3 of the total number of directors must be presented. The resolution of the Board of Directors' Meeting shall be adopted by the majority votes. Each director shall have one vote. A director who has conflicts of interest on a given matter shall not allow to join the Meeting and has no right to vote for the related agenda. In case of an equality of vote, the Chairman of the meeting shall have a casting vote. In the case that any directors disagree with the resolution, either he or she can request the company's secretary record his or her objection in the Minute of Meeting or he or she can submit the objection notice directly to the Chairman.

6) Every director has right to investigate supplementary documents of the meeting and other important documents. In case the Independent Directors or the member of Audit Committee have any query, other directors as well as management shall provide answers as quickly and completely as possible.

7) The Company Secretary takes minute of the Meeting and submit to the Chairman for approval and certify by signature, then allow each directors to grant in the next Meeting. In addition, the Company Secretary will manage information or documents related to each meeting properly to enable to review easily in future.

8) All the Board of Directors normally attend the meeting, except for necessary cases which shall be notified in advance before the meeting date.

9) As policy, the Board of Directors shall allow that non-executive directors to have an opportunity to arrange a meeting among themselves as deemed necessary in order to discuss about any crucial management issues without the presence of the Executive Committees and inform the result of the meeting to the Chief Executive Officer later.

**Below is number of the meeting attendance of each member attending
Board of Directors and Sub-committees in 2017.**

	Number of Meeting Attendance /Number of Meeting Arrange (Times)			
	2016		2017	
	Board of Director	Audit Committee	Board of Director	Audit Committee
1. Mr. Apichai Taechaubol ^{1/}	-	-	9/10	
2. Mr. Prasong Vara-Ratanakul ^{1/}	-	-	9/10	4/4
3. Mr. Amornsakdi Ketcharoon	6/6	4/4	7/10	4/4
4. Mr. Kan Suthirat ^{2/}	3/3		7/10	3/4
5. Mr. Sompon Roekwibunsi	6/6		9/10	
6. Mr. Chotiwiit Taechaubol ^{1/}	-		9/10	
7. Miss Unthika Roekwibunsi ^{1/}	-		8/10	

Remark:

^{1/} Mr. Apichai Taechaubol, Mr. Prasong Vara-Ratanakul, Mr. Chotiwiit Taechaubol and Miss Unthika Roekwibunsi was appointed according to the resolution of the Board of Directors' meeting No. 1/2017 held on January 16, 2017. They has started to attend the meeting of the Board of Directors' Meeting No. 2/2017 held on February 21, 2017 onwards.

^{2/} Mr. Kan Suthirat resigned from the Board's member with effective as of January 13, 2017. However, at the Board of Directors' Meeting no. 3/2017 held on April 10, 2017, the Board of Directors resolved to re-appointed him as an Independent Director and Audit Committee member in replacement of Mr. Metta Charuchinda with effective as of April 10, 2017 onwards. He has started to attend the Board of Directors' meeting no. 4/2017 and started to attend the Audit Committee Meeting No. 2/2017 onwards.

4. Self-assessment of the Board of Directors

The Board of Directors shall arrange self-assessment for entire committee on annual basis. In 2017, there's both assessment of the Board of Directors as team and individual, including the assessment of sub-committee. The headline and criteria of the assessment compliance with the guideline and recommendation from Stock Exchange of Thailand (SET) which suitable for the Company's practice. The Company Secretary shall deliver the assessment form to each director. After the assessment result is concluded, all directors will be appointed to consider the development plan together as well as to give an opportunity to each Director to give feedback independently.

- The criteria of the self assessment is divided into 5 levels as follows;

0 = Extremely disagree	or	have not carry out such topic
1 = Disagree	or	carry out such topic little
2 = Agree	or	carry out such topic moderately
3 = Quite agree	or	carry out such topic fairly
4 = Extremely agree	or	carry out such topic excellently

4.1 The assessment result of The Board of Directors' performance (by Group)

Topic	Result
	(%)
1) Structure and qualifications of the Board of Directors	86.04
2) Roles, duties, and responsibilities of the Board of Directors	85.00
3) Meeting of the Board of Directors	90.08
4) Performance of The Board of Directors	96.37
5) Relationship with the Executive Committee Team	93.57
6) Self-development of the Board of Directors and the development of Executive Committee Team	86.31
Total Scores	87.87

4.2 The assessment result of The Board of Directors' performance (by individual)

Topic	Result
	(%)
1) Structure and qualifications of the Board of Directors	92.86
2) Meeting of the Board of Directors	94.64
3) Roles, duties, and responsibilities of the Board of Directors	89.29
Total Scores	91.88

4.3 The assessment result of The sub-committee's performance

Topic	Result (%)	
	Audit Committee	Executive Committee
1) Structure and qualifications of the Committee	91.67	79.17
2) Meeting of the Committee	91.67	73.33
3) Roles, duties, and responsibilities of the Committee	89.29	70.00
Total	90.83	72.92

5. Remuneration

The Company has set the remuneration policy for the Directors and Executive Committee in suitable level by considering the Company's performance and consistent with the same business or industry including suitable with the duties and responsibilities of each Director or Executive Committee member in term of remuneration and/or salary.

The Directors who have certified from the Thai Institute of Directors Association (IOD) are as follows;

Name	Training Program by IOD
1. Mr. Apichai Taechaubol	<ul style="list-style-type: none"> - Director Accreditation Program (DAP) Class 39/2005 - Role of Chairman Program (RCP) Class 6/2001 - Corporate Governance for Capital Market Intermediaries (CGI) Class 3/2015
2. Mr. Prasong Vara-Ratanakul	<ul style="list-style-type: none"> - Ethical Leadership Program (ELP) Class 2/2015 - Director Accreditation Program (DAP) Class 51/2006 - Director Certification Program (DCP) Class 72/2006 - Audit Committee Program (ACP) Class 12/2006 - Advanced Audit Committee Program (AACP) Class 16/2014
3. Mr. Amornsakdi Ketcharoon	- Director Accreditation Program (DAP) Class 89/2011
4. Mr. Kan Suthirat	- None-
5. Mr. Sompon Roekwibunsi	- Director Accreditation Program (DAP) Class 86/2010
6. Mr. Chotiwit Taechaubol	- Director Accreditation Program (DAP) Class 138/2017
7. Miss Unthika Roekwibunsi	- Director Accreditation Program (DAP) Class 138/2017

In 2017, the Company assigned the Directors, Executive Committee and Company Secretary to attend the training courses as follows;

Name	Position	Program	Arranged by	Date
Mr. Chotiwit Taechaubol	Director/Executive Committee/Deputy Chief Executive Officer /Acting Chief Financial Officer	- Director Accreditation Program (DAP) Class 138/2017	Thai Institute of Directors Association	June 19, 2017
Miss Unthika Roekwibunsi	Director/Executive Committee/Chief Administrative Officer	- Director Accreditation Program (DAP) Class 138/2017	Thai Institute of Directors Association	June 19, 2017

Nomination of the Directors and Executive Committee

The Company doesn't has Specific Recruitment Committee for the Directors and Executive Committee. Therefore, the Company recruit the Director and Executive Committee by appointing the meeting among the current Executive Committee members to identify the qualified member who have the sufficient knowledge, skills, specific expertise, sex, ability experiences which may enhance the Company's business and must have fully qualification specified under the section no. 68 of Public Limited Company Act B.E. 2535 (A.D. 1992) pursuant to related notifications of Securities and Exchange Commission. These qualifications as follow;

1) The Independent Directors

Either the Board of Directors or the Shareholders' Meeting (depends on the case) shall appoint the Independent Directors to be a part of in the Board of Directors. The Company has the policy to nominate the Independent Directors not less than 1 of 3 of the entire Board of Directors, but not less than 3 Independent Directors.

The criteria of the Independent Directors' selection are compliance with the criteria of the Director's Selection defined under the Company's policy. The qualification of the person who is entitled to be the Independent Director shall consider from the qualification and incompatibility pursuant to Public Limited Company Act and Securities and Exchange Law as well as relevant proclamations, regulations and/or rules. The nominated Independent Directors who obtain the qualified educational background, specific expertise, working experiences and other related qualifications shall be proposed to the Shareholder's meeting to consider for selection as the Company's Directors. In case any Independent Director may resign before to his/her expired term of the office, the Board of Directors may select the qualified Independent Director who obtain the qualification as specified above to replace the resigned Independent Director. Whereas the substituted Independent Director shall hold the title at the office only for the remaining term of the office of that resigned Independent Director whom he /or she replace.

The Board of Directors determines the qualifications of Independent Directors as follows:

1. Holding the Company's share not over 1 percent of the total number of shares with the voting rights of the Company, parent company, subsidiaries, associated companies, major shareholders, or controlling persons of the Company. In this case, it also includes the number of shares held by the blood-related persons of the Independent Directors.

2. Neither being the Company's Director nor used to be the Director who take part in managing the Company's business, as well as not being the employee, full time consultant with paid salary, or the controlling person of the Company, parent company, subsidiaries, associated companies, major shareholders or the controlling person of the Company, unless resigning from such a position for at least two years before the effective date of taking a position as Independent Director.

3. Neither being a blood-related person nor legally related as father, mother, spouse, brother, sister and children, including not being the spouse of the children of the Executive Committee, major shareholders, controlling persons as well as not being the persons who will be nominated as the Executive Committee or controlling person of the Company or subsidiaries.

4. Neither having nor used to have any business relationship with the Company, parent company, subsidiaries, associated companies, major shareholders, or controlling persons of the Company in the manner that may obstruct the exercise of the independent judgment as the Audit Committee member. Moreover, the Audit Committee member must neither being nor used to be a major shareholder including controlling person of the entities which have business relationship with the Company, parent company, subsidiaries, associated companies, major shareholders, or the controlling persons of the Company, unless resigning from such a position for at least two years before the effective date of taking a position as Independent Director.

5. Neither being nor used to be the auditor of the Company, parent company, subsidiaries, associated companies, major shareholders, controlling persons of the Company, and not being major shareholder, controlling person or partner of the audit company which provides auditing service to the Company, parent company, subsidiaries, associated companies, major shareholders, or the controlling persons of the Company unless resigning from such a position for at least two years before the effective date of taking a position as Independent Director.

6. Neither being nor used to be any professional services providers including the legal advisory or financial advisory services that may received the consultant fees in the amount of more than Baht 2 million per year from the Company, parent company, subsidiaries, associated companies, major shareholders, or controlling persons of the Company, not being shareholders, the controlling person, or partner of such a professional services provider, unless resigning from such a position for at least two years before the effective date of taking a position as Independent Director.

7. Not being a director who has been appointed as the Company's representative, major shareholders or shareholders relating to major shareholders.

8. Neither operating the business having the same business nature which significantly competes with the Company's business or its subsidiaries, nor being a key partner or the Director who involves in managing the business, not being an employee, staff and a consultant who receives regular salary, or

holding the share more than 1 percent of the total number of shares with the voting rights under the firm/ or business operators that operates the similar business nature and significantly competes with the Company's businesses or its subsidiaries.

9. Not obtaining any conditions that may obstruct the independent expression of comment on the Company's operations.

Independent Directors shall verify and certify their own independent qualifications at least once a year and inform the certified result together with the Directors' profiles at the end of the year through the Annual Information Disclosure Form (Form 56-1) and Annual Report of the Company.

2) The Directors and Chief Executive Officer

1. Holding the qualifications consistent with Public Limited Company Act, Securities and Exchange Act, Business Code of Conduct, regulations of The Securities and Exchange Commission, Capital Market Supervisory Board and Stock Exchange of Thailand as well as criteria of good corporate governance.

2. Obtaining the knowledge, abilities and experience in various professional fields that will be beneficial and add value to the Company.

3. Holding the qualifications which support and promote the good Corporate Governance in order to create value to the company, enable to perform the duties with accountability, care and loyalty including the time devotion.

The Election and Nomination of Director in accordance with the procedures specified in the Company's policy. The elected Directors need to get the approval from the Shareholders' Meeting. The resolution of the Shareholders' Meeting shall be based on majority voting rights of the shareholders who attend the meeting.

In this regard, the Company provides an opportunity to shareholders to nominate the potential candidates whom may have knowledge, capability, and obtain the appropriate qualifications to be elected as directors in advance prior to the Annual General Meeting of Shareholders by publicizing via SET's communication system and the Company's website.

The Company has set the policy of appointment and withdrawal of the Director as follow;

1. The Company must have a set of the Board of Directors comprising at least five Directors, and not less than half of the number of the Directors and all Directors must have their permanent residence in the Kingdom of Thailand. The Board of Directors shall vote the Chair of The Board of Director among the Directors, and may vote the Vice Chairman of the Board of Directors and other positions as discretion. The role of the Vice Chairman of the Board of Directors is defined in the Company's policy which assigned by the Chairman of the Board of Directors.

2. The Shareholders' Meeting shall vote the Directors pursuant to the following criteria and procedures as follow;

(2.1) Each shareholder has voting right equivalent to the number of share being held.

(2.2) Each shareholder may use all votes to elect one or more directors, in case of election the number

of the Directors, but those votes shall not be divided in any proportion for the specific Director.

(2.3) The persons who receive the highest respective votes shall be elected as the Directors according

to the positions available at that time. The Chairman of the Board of Director shall cast the deciding vote in case a voting is tie between two persons competing for one available position at the time.

3. At the Shareholders' Meeting, there's the Directors may retire from their role at least one-third of the number of the Directors. In case the number of the Directors can't divide into three part, the number of retired Directors shall be the closest number of one-third.

The Directors who retire from the role in the first year and second year of the Company's registration, those Directors may do drawing for retiring from the role. In the later year, the Directors who are in the role the longest shall be selected to retire from the role and those retired Directors may be re-elect to take charge of the role again.

4. Any Director shows their intestest of resignation requires to send the resignation paper to the Company. The resignation date will be effective when the Company receives the resignation form.

Any Director resign under the condition above may report his/or her resignation to the registrar compliance with the Public Limited Company Act.

5. In case the Director role is vacant due to other circumstance besides normal retirement term, the Board of Directors may select the qualified personnel who doesn't have any characteristics which may against the Public Limited Company Act and Securities and Exchange Law to be the substituted Director for the next Board of Directors' Meeting. Unless the term of the Board of Directors is less than two months. The substituted Director shall be in charge in the role until the remaining term.

The resolution of the Board of Directors as mentioned above comprising the vote not less than 3 out 4 of the number of remaining Directors.

6. In case of the retirement of the whole Board of Directors team, the Directors who retire from the role may still in charge of the position in order to support the business operations until the new Board of Directos team take charge. Unless the court may order the differently in case the Board of Directors retire from the role due to the injunction.

In case the whole Board of Directors team retire from the role, the shareholders' meeting need to be held in order to elect the new Board of Directors Team to replace the previous team within one month after the previous team retires from their role. The invitation letter of the Shareholders' Meeting requires to send to the shareholders not less than 14 days prior to meeting date and the advertisement to the local newspaper

requires to publish not less than 3 days prior to the meeting date as well. The advertisement to the local newspaper needs to be published in 3 days continually.

7. At Shareholders' Meeting may conclude any Director to retire from the role before the term in the office with the voting right not less than 3 out of 4 of the number of shareholders who attend the meeting and entitle to voting rights and the total number of shares not less than half of the number of shareholders who attend the meeting and entitle to voting rights.

3) The Audit Committee

The Board of Directors or the Shareholders' Meeting (depends on the case) shall appoint at least three persons to be the members of Audit Committee. Each member of Audit Committee shall be Independent Director and shall not be the Director assigned by the Board of Directors whom making the decision on business operations of the Company, parent company, subsidiaries, affiliates, subsidiaries in the same sequence, major shareholders or controlling and the director of the Company, parent company, subsidiaries, subsidiaries in the same sequence, only listed companies. The member of Audit Committee shall possess the qualification pursuant to Securities and Exchange Law as well as Proclamation, Regulation and/or Rules of Stock Exchange of Thailand stipulated for qualification and operating extent of the Audit Committee.

Anyhow, at least one member of Audit Committee shall has the sufficient knowledge or experience in accounting or finance in order to be able to verify the financial report reliably as well as other duties as the member of Audit Committee.

4) Executive

The Company has no Nomination Committee. Anyhow, the Company has the policy to recruit the person who has knowledge, competency and experience related to the Company's business.

The Chief Executive Officer is assigned to hire and appoint the persons whom have knowledge, ability, and experience in the Company's business to be the employees in several levels. In addition, the Chief Executive Officer shall appoint the supervisor or personnel to in charge of auditing and internal control. where as the nomination need to get approval prior from by the Audit Committee.

Inside Information Control

In order to be transparent and protect the personal use of internal information which has not been disclosed to the public for own benefits, including to avoid the claim from the inappropriation of securities trading of internal persons, the Company has established policies for the Directors, Executive Committee and staffs as follow;

1) The Company's Directors, Executive Committee and staffs shall keep secret and/or inside information of the Company, not disclose or seek for their own benefits or others' benefits either directly or indirectly as well as not trade or transfer in-out of the Company's shares by using secret and/or inside information of the Company and/or not enter into legal transactions by using confidential and/or inside information of the Company which may cause damage to the Company whether directly or indirectly.

2) The Company's Directors, Executive Committee and staffs in departments that may receive inside information, shall not use such an information before disclosing to public. In addition, they shall not trade and transfer in-out of the Company's shares within 1 month prior to the disclosing of the Company's Quarter Financial Statement and Annual Financial Statement to public and at least 1 working day after disclosure date.

Moreover, all Directors and Executive Committee have signed on acknowledge of their duties to report on the Company's shares owned by themselves, their spouse and minor children to the Securities and Exchange Commission (SEC) within 30 days after taking the position into appointment. They shall also report the change of shareholding to the SEC within 3 business days after the date of trading and transferring in-out of the Company's shares and inform the Company as well as reporting to the meeting of Board of Directors on quarterly basis.

Above regulations is also applied to the spouse and minor children of the Director, Executive Committee and staffs. In case, any person fail to abide the regulations shall be disciplined follow to the Company's policies and/or related law depend on case by case basis.

The Auditing Fee

In 2017, the Company paid the auditing fee to Dharmniti Auditing Company Limited in the amount of Baht 1,240,000 which is the same rate in year 2016. In addition, there were no other fees paid to the auditor besides the auditing fee mentioned above

The Act which not compliance with the Principle of Good Corporate Governance

Non-compliance Topics	Reasons
1. Determination of remuneration of CEO	under the implement process
2. Succession plan for CEO and the high level Executive Committee	under the implement process
3. Appointment of Remuneration Committee, Nomination Committee, and Corporate Governance Committee	The Company does not appoint those committees as the Company's Board of Directors have authority, duties and responsibilities to in charge of these matters.
4. Submission for Certified members of Thailand's Private Sector Collective Action Coalition	The Company failed to submit self-evaluation for countering bribery due to lack of staff to handle the documentation. Nevertheless, the Company has complies with the defined Anti-Corruption Policy

7 Corporate Social Responsibility (CSR)

Policy

The Company realizes on the significance of business operations in adhering to the implementation of the principles for good corporate governance, business ethics and responsibilities toward society, community, environment and all related stakeholders with strong belief on enhancing the Company toward the sustainable growth, building of trustworthiness to shareholders, investors, and all related stakeholders. The principle of corporate social responsibilities has also been consistent with the company's vision, mission, core values and business code of conduct.

Therefore, the Company has stipulated the corporate social responsibilities policy as the framework for adherence and compliance by the Board of Directors, the Executive Committee and all staffs as per below;

1. Corporate Governance

The Company operates the business in accordance with good corporate governance principle resulting in transparent and accountable management, equitable treatment of stakeholders, accurate and complete information disclosure, internal information usage control, risk management and compliance to business code of conduct, abiding with the laws and regulations as well as cultivation of ethical conscious and awareness in business operations to the staffs throughout the organization.

2. Fair Business Operations

The Company encourages fair competition and avoids any executions that may cause conflict of interest and violation of intellectual property or copyright.

3. Respect of Human Rights

The Company respects humanity value and dignity of everybody without human right infringement.

4. Fair Treatment

The Company is aware that all staffs are the most valuable resources of the Company, then giving the precedence to development of staff's potentiality, benefit and compensation, career path, fair and equitable treatment to staffs at all levels, staff's welfare, safety and security including the sanitation at workplace.

5. Consumer Responsibilities

The Company focus on customer service standards to response to customers' expectation and aims to develop high quality of products and services and obtain good hygiene in order to provide no harm to the customers.

6. Environmental Preservation and Energy Conservation

The Company operates business with concerns on environmental impact, effective resources utilization and energy saving.

7. Society or Community Development

The Company supports and encourages the society and community's development projects and related activities such as donating money or necessary items, volunteering for community support including encouraging the employees to participate these activities.

Practices toward the Company's policies

1. Corporate Governance

The Company has established corporate governance policy including the rights and fair treatment toward all groups of stakeholders, use of internal information, information disclosure and transparency. The Company operates business with high responsibilities compliance with the principles of good corporate governance, ethics and business code of conduct.

2. Fair Business Operations

The company has the policy and the guidelines on non-infringement of intellectual property or copyright. Only software with license permission and lawful copyright can be allowed to use in the Company's Information Technology (IT) system.

3. Respect the Human Rights

The company has policy and practices towards not involving in human right infringement including equitable treatment to all staffs based on humanity, dignity, respect for individual right and duty, resistance to use of child labor, establish the consideration process, selection process and rewarding system for all staffs, focus on providing essential knowledge and competency to enhance main duties without considering of race, religion, class and gender, etc.

4. Fair Treatment of Employees

- Determine equitable and fair staffs' compensation and welfare.
- Promote staffs to develop their knowledge and competency properly in order to grow in their career, to set career path for potential staffs and to provide the opportunities for all staffs to attend the promotion test.
- Arrange working environment with safety and sanitation by setting the policy regarding occupational safety, health and environment in workplace on March 6, 2012. The policy is defined the development and creation of management system in safety and environment compliance with lawful requirement by establishing Environmental, Occupational Health and Safety Division for activity arrangement,

providing the training to build the conscious of safety, health and environment to all staffs as well as setting up occupational health and safety manual. It also includes investigating and controlling staffs to perform their duties in compliance with the manual, preparing job safety analysis form (JSA), electing Occupational Safety, Health and Environment Committee, and appointing safety officers registering with Department of Labor Protection and Welfare.

- Participate in Drug Free Workplace Project of Pathumthani Provincial Labor Protection and Welfare Office since 2010 with the objective of being the workplace which all staffs are free from all types of drugs and encourage that all staffs have good health, live without sickness and be safe in their workplace. According to the project, the Company manipulates the policy regarding to prevent and solve the drug problems including communicates to all staffs through various channels such as posting a notice and intranet channel etc. Furthermore, working committee has been set up to arrange other activities i.e. creating the posters and noticeboard in order to educate the anti-drug campaign, drug effect, including to organize the sports competition to encourage staff exercises, initiating the slogan contest etc. Random sampling drug with the staffs in annual basis. Each year, Pathumthani Provincial Labor Protection and Welfare Office would support on assessing the operating result of this project.

In 2017, the Company additionally implemented the activities as follows;

- To provide employees with a yearly health check-up on June 27, 2017.
- To arrange the training programs regarding the health and occupational safety, comprising personal hygiene, working with electricity, working at height, scaffolding and lift.
- To be certified for standard of prevention and resolution to drug problem in workplace, effective from September 26, 2016 to September 25, 2019. In addition, the result of drug investigation sampling 2017 of 570 employees found one employee obtain positive result for drug examination. The Company had decided to send the employee to Lumlukka hospital for drug treatment but the employee refused and resigned later.
- To organize the activity of “Safety, Welfare and Anti-Drug Week” which was held at the Company’s factory during 19 – 20 September 2017. Several exhibition booths were arranged to display various helpful information regarding with these matters. The officers from Pat Rangsit Hospital also participated in arranging health check up booth. Additionally, several activities and recreational activities were organized, as well as various rewards were distributed for participants.
- To arrange basic fire-fighting training and annual fire evacuation at the Company’s factory on December 15, 2017.
- To disclose the accidental statistics at the Company’s factory which only one staff got the accident while on duty at the factory in 2017.

5. Consumer Responsibility

The company focus on responding to consumer's need by focusing on quality, deliciousness and varieties of foods, good service providing, convenience, safety and worthiness. In order to reach consumers' satisfaction, the Company establishes the appropriate operating process starts from selection, controlling and inspection of raw materials' quality, food standard and raw material storage, as well as the production of the Company's factory or central kitchen. The Company's factory or central kitchen has passed the inspection and certification of production quality standard in food industry which are GMP (Good Manufacturing Practice) and HACCP Standard (Hazard Analysis and Critical Control Points) from Intertek Industry and Certification Services (Thailand) Ltd. and a such certificate has been renewed for another 3 years, from September 15, 2017 to September 18, 2020. As a result, the Company ensure that raw materials and process foods are standardized and have good quality. The Company also continually creates and develops new menus and improves taste of food in order to respond to customers' needs which change over time. Moreover, the products and raw materials are delivered to different branches by the Company's vehicles in order to deliver fresh and new food with nutritive value preservation to customers rapidly and effeciciently.

With respect to good service providing, the Company arranges regular staff training in order to provide the standardized practices for service providing to the customers as well as to handle with customer complaints effectively. The complaint handling manual has been manipulated for various cases including dealing with customer practices and customer reimbursement method. Several channels for customer complaints or suggestion have been provided through suggestion or complaint boxes at each restaurant branches or the customer may dial the direct call at telephone number published at all restaurant branches or company website. In addition, the Company's quality control and mystery shoppers outsourced by the outsiders also inspect the quality of food and operational practices of each branch on monthly basis.

The company places high importance on the health and well-being of customers as well as the awareness of environmental conservation. Since 2014, the Company has used charcoal or Biomass (called as Bio-Char) from the Northern Renewable Energy Co., Ltd. for the roaster and barbeque stoves. The components of these charcoals are coconut shell, mixed with eucalyptus wood and tapioca flour. These natural biomass materials are environment friendly and free from toxins and chemicals. The strength of these charcoals are non-toxic materials (carcinogenic free), giving a high level of heat, non-smoke, no crackles, left with few ashes, and enhancing the longer duration of time than normal charcoal. The quality of these charcoals are guaranteed by the Faculty of Science at Chulalongkorn University.

In addition, the restaurants under the brand of Signature which serves A La Carte style (Ordering food from the menu), uses biodegradable package from Biodegradable Packaging for Environment Public Company Limited for take away meals. These environmental packages are made from natural plant fiber and are free from carcinogenic substances. It's environmental friendly and is biodegradable, dissolving within 45 days.

6. Environmental Preservation and Energy Conservation

Environmental Preservation

The Company recognizes the importance of the environmental preservation. In 2010, the Company participated in Clean Technology Development and Promotion in Industrial Enterprise Project, arranged by the Provincial Industry Office of the group of upper central region provinces 1. In 2015, the Company's environmental policy was approved by the Board of Directors' meeting no. 1/2015 held on February 26, 2015 and was announced for implementation on February 27, 2015. The Company assigns the staffs who perform their duties relate to environment as permitted by the Department of Industrial Works to investigate and supervise environment concerns closely, so that there's no any unfavorable effect occurred in the nearby communities of the factory. The delegated staffs are consisted of an environmental manager, and an operator responsible for wasted water treatment system, which both of them attend the training classes, pass the relevant examination and receive the certificates. In addition, Environmental & Resource Development Co., Ltd. has been outsourced to be responsible for controlling wasted water treatment system.

The Company operates the business compliance with environmental laws. The factory or central kitchen has strictly complied with wasted water standard pursuant to the proclamation of Ministry of Industry. The wasted water incurred from the production process must be treated and kept at cesspool and then reused within the factory such as watering plants, and so on without emission to the public. At past, the Company has never done any misconduct regarding with the environment and never been complained for environmental and pollution problem.

Additionally, the Company provides knowledge and implanted awareness related to environment through staff's noticed board.

Energy Conservation

The Company establishes policy regarding with the energy conservation on May 2, 2013 by determining the implementation and development of energy management system as a part of the business operations, ongoing improve the effecient energy consumption, setting the annual energy saving target and communicating to all staffs for their correct comprehension and practices, and creating the awareness of the energy saving as all staffs and executives' duties and responsibilities, as well as supporting on Human Resources, budgeting, training and encouraging the staff participation in sharing their opinion on the energy conservation.

The Company also implement the notice in order to promote the campaign of energy conservation in order to utilize the Company's resources as such a energy, resources, equipments, tools, office supplies with conscious and effectiveness. For example, turning off electricity and air-conditioning, including the computers during the lunch break, reducing the use of paper replaced by e-mailing, using two side of papers, as well as using the stairs instead of the elevator etc.

In addition, the Company regularly participates in government's energy saving projects as follows;

- In 2011, the Company participated in Energy Saving Project for small-sized factory, arranged by Department of Industrial Works.
- In 2013, the Company participated the Demonstration of Energy Management System Project for medium-sized industrial factories, arranged by Bureau of Alternative Energy Development, Ministry of Energy. The objective of this project is to develop and to promote roles of personnel of enterprises in participating on the energy conservation management at enterprise systematically and sustainably. The period of the project implementation was 2013 - 2014. An example of the Company's implementation was using Hi Saver energy saving boiler with the replacement of LPG energy consumption in production process of the factory, which is helpful for reduction of energy consumption and heat diffusion insides the boiler, resulting in alleviation of air-condition's work and relief of staff's fatigue. The Company also changed all traditional bulbs used in all restaurant branches to LED bulbs, resulting in energy saving, longer life time usage of the bulbs as well as environmental friendly.
- In December 2015, the Company participated in Reduction of Energy Usage in SME Factory Project, organized by energy conservation consulting center, Department of Industrial Works, in order to increase the efficiency of energy usage and reduction of energy cost. The project aimed to reduce 10% of energy usage of the factory. In 2016, the Company implemented the project to reduce the temperature of cooling chiller, resulting 12% reduction of energy cost, which achieve higher than the aim target.
- In 2017, the Company participated the improving energy-efficiency project in SMEs food industry organized by Provincial Energy Office of Pathumthani, started on July 1 - November 21, 2017. The Company set up an energy saving project by replacing the fluorescent lamps and the FL bulbs into the LED bulbs which can reduce energy consuming by 61,320 kwh/ year, total value of Baht 219,525 per year

7. Social and Community Development

The Company shall consider the community's needs and encourage the participation of the community development. The factory sector of the Company supports on providing foods, beverages and supplies to nearby schools and community at the Children's Day annually. The chosen schools and community such as Saharatbumrung School, Watphrachumrat School, Sittisup Community and Wataiyikaram School at Thanyaburi District, Pathumthani Province.

Anti-Corruption

The Hot Pot Public Company Limited has operated the business in compliance with the principle of good corporate governance, business ethics with responsibilities towards society, community, environment and all stakeholders, including anti-corruption in order to develop the sustainable growth of the Company.

The Board of Directors' meeting no. 4/2014, held on November 12, 2014 passed the resolution to approve the Company to participate in the project of "Private Sector Collective Action Coalition against Corruption", with regards to express intention and commitment to counter with all types of corruption. As a result, the Company signed in the Declaration of Intent on December 22, 2014. In order to certify from the campaign, the Company was required to submit self-evaluation tools for countering bribery within December 2016 but the Company failed to do so due to lack of manpower to handle with the documents.

In this regard, the Company has abided by anti-corruption policy which was reviewed and approved by the Board of Directors' meeting no. 1/2015, held on February 26, 2015, as the explicit guideline of the conduct of business operations. The management team has given importance for such a subject continuously throughout the year 2017.

The guidelines of the practice are as follows;

1. Directors, Executive Committees and employees at all levels must abide with anti-corruption policy, business code of conduct, regulations and relevant work manual of the Company by not involving with all forms of corruption in both direct and indirect manner.
2. Any practice which may incur with the high risk of corruption, the Company determines that Directors, Executive Committee and employees must carefully conform this following courses of action;

(2.1) Giving and Accepting the Bribery

The Company prohibits to give or accept any form of bribery as a return of business benefits and prohibits to assign the other personnel to give and accept bribery on his/her behalf.

(2.2) Gifts, Entertaining and Other Expenses

Offering or receiving gifts, providing the hospitality or entertainment including supporting on the other expenses are the important part of creating or maintaining business relationship. However, giving or accepting gifts, hospitality and entertaining should be justified in all circumstances according to tradition, custom, normal business practice, complying with the Company's business ethics and business code of conduct and relevant laws. The value of gifts, hospitality and entertainment as well as other expenses should be in appropriate value depends on situation and not aim to encourage any actions or avoid performing any actions may considered as corruption.

(2.3) Political Contributions

The Company is impartial in Politics and has no policy to contribute or support in form of financial resources or other capital to political parties, political groups and politicians, whether directly or indirectly.

The Company respects to human rights of each employee to participate the political activities freely. However, the participation must not represent the name of the Company.

(2.4) Charity Contributions and Sponsorships

2.4.1. Charity in form of cash or assets of the Company must be contributed only under the name of the Company towards the foundations, public charities,

temples, hospitals, sanatorium and reliable or certificated social organization and must be verifiable. The charity contribution must be recorded properly by identifying the name of recipients, objective of donations, including the related information in order to submit to the authorized persons for approval.

2.4.2. The sponsorships in form of cash or assets of the Company must be granted only under the Company's name with the objective of the business purpose, creating good image and reputation of the Company. The objective and the supported evidence need to be clearly defined by recording the recipient's name, purpose of the sponsorship, including the related documents in order to submit to the authorized persons for approval.

2.4.3. Giving or receiving donated money for charity or sponsorships must not used as a mean for bribery purpose.

3. Purchasing and procurement must carry out the Company's rules and regulations with transparency and accountability. The evaluation of suppliers' selection must be strictly pursuant to purchasing regulations. The Company sent the letters to all suppliers to notify about the Company's practices and policies regarding to the anti-corruption policy since January 21, 2014. The Company also defines the channel to make a complaint or report any clues relating to the corruption/ or bribery to the company. Therefore, the Company reserves the right to reject of purchasing/ or procurement with suppliers or service providers whom commit the corruption.
4. With the notice of any actions which may relate with corruption, the staffs shall not neglect or ignore instead they must inform their supervisors or authorized persons or inform via whistleblowing channels as well as collaborate in any further investigations. In case of having any suspicious or query, the issues shall be raised up to their supervisor or responsible persons through stated channels.
5. Providing channels of whistleblowing and complaints, establishing the measures for protection of any petitioner or whistle-blower and keeping information of whistleblowing or complaint in confidential manner and processing the investigation with timely and fairly practice.
6. A person who is involved with any corruption will be considered for disciplinary actions in accordance with the Company's policies. The stage of disciplinary actions starts from the dismissal and/or termination of employment. In addition, the persons may be prosecuted based on related laws in case such an action violates the related laws.
7. Establishing the risk management regarding to the corruption by assessing the risks from all business practices such as the process or procedures which may lead to corruption, identifying the risk management standard of practice, including monitoring and reviewing the recent risk management system in order to reach the acceptable level of risk control.

8. Implementing human resource management practices compliance with anti-corruption policy, starting from recruiting or selection process, training, performance evaluation, promotion, rewarding and hiring process. Furthermore, organization chart shall be set with appropriate duty segregation, resulting in assessing and balancing.
9. Implementing the proper auditing process and internal control system in order to prevent corruption and misconduct. Process of internal audit spreads over the core activities of the Company such as purchasing and procurement, marketing etc. Internal control system includes finance, accounting and data gathering and recording.
10. Communicating anti-corruption policy and notifying the channels of whistleblowing and complaining to everyone in organization to understand, accept and comply through the various channels of the Company i.e. e-mail, intranet, website, noticed board etc. The company also arranges new hire orientation for all Directors, Executive Committee and employees and provide regular training on anti-corruption policy to all relevant existing employees for their understanding and complying with this policy.
11. Communicating anti-corruption policy and notifying channels of whistleblowing and complaints to public and all stakeholders through the various channels of the Company i.e. website, Annual Report, Annual Disclosure Information (Form 56-1) etc.
12. Monitoring the implementation of anti-corruption policy regularly and revising the guidelines to be in line with change in business, rules, regulations and relevant laws in usual.

Whistleblowing and Complaint

1. Issues for whistle blowing or complaint

- (1.1) Any course of the corruption relevant to organization either direct or indirect manner
- (1.2) Violation of the law, rules, regulations of the Company, business ethics and good corporate governance policy
- (1.3) Action/ or practice which cause the negative impact on the Company's benefits and reputation

2. Channels of whistleblowing or complaint

All stakeholders can report suspected wrongful actions or make a complaint through the following Channels;

- (2.1) Electronic mail of the Chairman at chairman@hotpot.co.th
- (2.2) Company's website at www.hotpot.co.th
- (2.3) Suggestion boxes at restaurant branches, factory and head office

- (2.4) Making a call through the telephone numbers which notice at every restaurant branches
- (2.5) Postal mailing direct to the Chairman at Company's address: at Hot Pot Public Company Limited 18 Soi Sathorn 11 Yaek 9, TFD Building, Yannawa, Sathorn, Bangkok 10120

3. Protection and Keeping Confidentiality

- (3.1) Any whistle-blower or petitioner will be protected from his/her rights, either the person is the internal person as the employee or external persons.
- (3.2) The Company shall provide fair treatment and safeguard the staff whom does not accept on the corruption guilt or whom inform corruption cases or report any misconduct, or whom make a complaint and whom cooperate in corruption report. The Company shall not transfer the position, change the job description and workplace, suspend the person from current job, discipline or provide any negative reinforcement to that staff.
- (3.3) The Company shall investigate according to procedure and record investigation outcomes in writing by not disclosing information of whistleblower or petitioner. All relevant documents will be kept and treated as confidential and prohibited to disclose these information to unrelated persons, except only the disclosure is required by the law.

Investigation Procedures

- 1. When receiving the whistleblowing or any complaint, a receiver shall gather all facts and send them to Company Secretary.
- 2. Company Secretary will invite the representatives from Executive Committee to consider and investigate. The representatives from Executive Committee are the member as follows;
 - (1) Deputy Chief Executive Officer
 - (2) Head of Human Resource Department
 - (3) Manager of a whistleblower or petitioner (if case relates to the employee)

Company Secretary will be observer in the investigation meeting.

- 3. During the investigation, Company Secretary may be assigned to inform the progress of investigation to a whistleblower or petitioner from time to time.
- 4. After investigation, if the Company finds that the whistleblower or petitioner's complaint may have tendency to relate to the misconduct or the corruption, the Company will inform the rights to the suspect as well as their suspicious act which may relate to any misconduct or the corruption. The Company also give an opportunity to the suspect to give provide the additional information or evidence to prove himself/or herself that he/ or she doesn't commit to any misconduct or the corruption as suspect.

8 Internal Control and Risk Management

The Audit Committee considered and appointed the Quantum Point Consulting Co., Ltd., as the Company's internal auditor in year 2017. The Quantum Point Consulting Co., Ltd. is selected as the Company's internal auditor as it is independent and has sufficient resources and budget to perform its duties for auditing operations. The internal auditor has the duties to provide the consulting, auditing, and evaluating internal control systems, to monitor and assess Company's risk management system and corporate governance whether the practices towards these policies are adequate and efficient as well as pursuant to defined Company's objectives. Additionally, the internal auditor shall audit the Company's operations, compliance with law and relevant rules and regulations, and finance auditing. The internal auditor shall report the assessment result directly to the Audit Committee. The Company Secretary is delegated to coordinate with the internal auditor and other departments in the Company.

In 2017, the internal auditor implemented the auditing system to assess the Company's internal control system through the various transactions of the Company which consisting of transaction of production for sales, quality assesement, transaction of warehouse management, cost management, transaction of fixed asset control, transaction of human resource management including sales and payment transaction at restaurant branches. After assessment, the Audit Committee provided the feedback that the Company's internal control system was adequate and appropriate in a certain level but there was only few weak points which the management team should bring these points to consider, implement the practices to improve these weak points in order to eliminate the weak points to be lesser or completely eliminate in the future. Furturemore, the Company shall be able to improve the business operations more effectively with continual growth sustainably.

In 2017, the Audit Committee arranged 4 meetings together with both the external auditor and the internal auditor to consider and express opinions on financial statements which were audited or reviewed by the external auditor. The Audit Committee was aware of the continuing improvement of internal control system which is more sufficient and appropriate. In addition, the Audit Committee held the meeting with the external auditor without the presence of management team.

Internal Control

At the Board of Directors's Meeting no. 1/2017, held on February 28, 2017, the three Audit Committee participated the meeting as Independent Directors. The Board of Directors consider approving the evaluation checklist of internal control system year 2017 assessed by the internal auditor and reviewed by the Audit Committee. The assesement result has mentioned that the Company's internal control system is fairly appropriate and efficient. Therefore, it granted that the Company's assets were suitably protected and maintained, accounting transactions were recorded properly, and resources were utilized efficiently. In addition, the Board of Directors gave opinion that the Company had adequate

internal control system for related transactions with major shareholders, directors, executives and related persons.

The Company's operations and management procedures are in lined with the integrated framework of internal control determined by the Committee of Sponsoring Organizations of the Tread Way Commission (COSO), which consists of 5 components and 17 concepts. The Company has adapted these principles for operations and management practices as follows;

1. Environmental Control

- (1) The Independent Directors and Executive Committee determine the guideline and practices based on integrity and business code of conduct which cover daily operations practice and practices towards the Company's partners, clients and third parties. The written regulations are established and followed by management team and employees in order to perform their duties with honest and good ethics. In addition, there are restrictions to prohibit any of management team and employees not having any conflict of interest with the Company's business, including prohibition of corruption which may cause the Company's damage. Anyone who fails to perform in accordance with the above instructions shall be subjected to reasonable penalty.
- (2) The committee composes of the Independent Directors who have knowledge, competency, reliability, and independent in performing their duties. Their roles are to govern the internal control which covers the establishment of control environment, risk assessment, control activities, information and communication, including monitoring activities.
- (3) Top managements of the Company determine the organization structure by considering all related business practices and related law as well as arranging the efficient internal control system in place. The Duties of core functions are segregated to counterbalance. The Internal auditor reports directly to the Independent Directors with clear reporting line.
- (4) The Company has policy and work procedure for recruit, develop and retain employees whom have suitable knowledge and competency. The Company also sets the procedures to review such a policy and work procedure periodically.
- (5) The Independent Directors and Executive Committee reinforce the procedures and communication to ensure that everyone aware of his/or her responsibility for the internal control and may change the practice to improve the work procedures if necessary.

2. Risk Assessment

- (1) The Company determines objectives of the risk management clearly and sufficiently in order to be able to identify and evaluate any risks related to the achievement towards the Company's objectives.

- (2) The Company sets up procedures regarding to the risk identification and risk assessment in order to prioritize the risks by considering likelihood and impact of such a risk, which is proceeded before and after managing such risks, in both inherent risk and residual risk.
 - Likelihood means frequency or possibility of risk occurrence
 - Impact means severity of damage occurred in correspondence with risk occurrence, which can be assessed by means of qualitative (e.g. product and service quality, Company's reputation) and by means of quantitative.
 - Degree of risk means status of risk derived from assessment of likelihood and impact of each risk factor.
- (3) The Company evaluates the opportunity of corruption occurrence by covering all types of corruption and review the goal of operations carefully. In addition, the Company also considers the incentives or benefits programs of the employee to ensure that practices don't lead to any persuasion to do any inappropriate actions.
- (4) The Company reviews and evaluates the changes of external factors which may affect business operations, internal control, and financial reports. In addition, the Company introduces the practices to response to any changes by identifying the additional risk and control activities.

3. Control Activities

- (1) The Company has the procedures to reduce risk to acceptable level by establishing risk management manual and work procedures of each system in written format. The Company also sets up corporate chain of command, job descriptions, and clearly segregated responsibility of each position.
- (2) The Company arranges the general control activities by using information technology, such as set up password for information accessing of each level and set up the standard to protect leaking out confidential information, etc.
- (3) The Company arranges the control activities through the policy by requiring each department to evaluate its operations and allows internal audit unit to monitor its operation regularly.

4. Information Technology & Informative Communication

- (1) The Company utilizes information technology system to manage the Company's information transferring such as assessing the effective and on time daily sale datas, utilizing the data anylysis for business decision, etc.
- (2) The Company uses video conference for internal communication.

- (3) The Company communicates with third parties via available channels in order to let the outsiders provide the suggestion, clues, complaints or feedback such as website, e-mail, telephone, facsimile and letter etc.

5. Monitoring Activities

- (1) The Company follows up and evaluates internal control system continuously. The internal auditor performs its duties to audit and evaluate the internal control system each department on quarterly basis.
- (2) The Company evaluates and communicates the failure of internal audit on timely basis. The subordinate is required to report any failure to his/her supervisor/ or direct manager in order to find the resolution to improve the failure effectively.

Risk Management

The Company gives precedence to risk management as the key mechanism and tool in business operations. These would lead to the achievement of the Company's objectives and goals. Therefore, the Company establishes the risk management policy by focusing on developing of risk management system to comply with good corporate governance and reinforcing the entire enterprise risk management. The Company manages risk systematically and continuously, covering financial and operations controls, managing and practicing in accordance with related laws, both internal and external. In addition, the enterprise risk management covers both organization level and operational level in order to control the risk in acceptable level and to ensure that the following objectives can be achieved:

1. The strategies and goals are established clearly and practically to conform and support the Company's mission.
2. Operating result effectively achieves the objectives in efficient manner by managing resources effectively and worthily as well as having appropriate protection and asset control.
3. Reporting both financial and non-financial datas correctly, reliably and timely.
4. Executing and operating according to the Company's policy, rules and regulations, which comply with related laws and other regulations related to business operations, both internal and external.
5. Improving the quality and operations procedures in terms of personnel, assets, equipments and operating systems continuously.
6. Implementing internal control system by performing self-assessment in any important functions appropriately.

Risk management supports the organization to achieve its goal and reduce some trouble or unexpected matters which may occur simultaneously. It also protects some damage to company's resources and creates confidentiality in reporting and performing in accordance with the company's regulations. The Company has established the risk management policy with procedures as follows;

- The Company set up Risk Management Committee (RMC) at enterprise level consisting of Deputy Chief Executive Officer as the Chairman and Chief Officers of each section as members. The RMC establishes guidelines of risk management and reports the risk management's assessment result, monitor and evaluate the performance for Chief Executive Officer (CEO). In addition, the Company set up RMC at unit level comprising Chief Administrative Officer (CAO) as the Chairman and head of departments as members. Its duties are the risk factors identification, risk assessment, risk response planning, risk monitoring and risk review. Reports on the progress of risk management implementation are prepared and submitted to Executive Committee on quarterly basis.
- The Company assigns all employees to have the collective roles and responsibilities and determines authority of management and operations levels clearly. Risk management is under responsibilities of the employees in all levels so that they aware of operating risk in their own departments and in the organization including give priority to manage the risk in different parts in acceptable and suitable level.
- The Company initiates the process of enterprise risk management by developing the risk management manual to provide knowledge and understanding about concept, process, and procedures of risk management to all managements and employees. Thus, they can set up risk management plan of each department to compliance with the Company's risk management plan, and lead to integrated risk management. Risk management system is included as a part of decision making, strategic planning, action plans and business operations. In addition, the Company focuses on achievement of the Company's objectives, goals, vision, mission, and strategies in order to create operational excellence of the Company and confidentiality to all related parties.
- The Company develops risk management plan by determining the risk of each work system and sets guidelines to prevent and reduce operational risk to avoid damage or loss which may occur. In addition, the Company follows up and assesses risk management continuously.

9 Related Party Transactions

The related party transactions between the Company and the persons/ or entity that may have a conflict of interest in the year 2017 including the relationship can be summarized as per the following;

Person/Entiry having a conflict of interest	Relationship
Octopus Media Solutions Co., Ltd.	Related business to shareholders, directors and executives
JC Kevin Development Co., Ltd.	Mrs. Chalida Taechaubol (Mr. Apichai's wife who holds 100% of JC Kevin's shares) Mr. Apichai Taechaubol and Mr. Chotiwiit Taechaubol (Mr. Apichai Taechaubol' son) are JC Kevin's Directors.
Mr. Sompon Roekwibunsi	Director, Chairman of Executive Committee, Chief Executive Officer and major shaereholder of the Company holding of 26.58% of issued shares (update as of the closing registered book, December 29, 2017)
Mr. Chotiwiit Taechaubol	Director, Executive Committee Member, Deputy Chief Executive Officer, Acting Chief Finance Officer (Mr. Apichai Taechaubol' son)
Ms. Sakuna Baicharoen	a major shareholder of the Company holding of 1.419% of issued shares (update as of the closing registered book, December 29, 2017) (Mr. Sompon Roekwibunsi's wife)
Mr. Somchai Roekwibunsi	a shareholder and the Director of the Company (until August 2016) (Mr. Sompon Roekwibunsi's brother)
Ms. Unthika Roekwibunsi	Director, Executive Committee Member, Chief Administrative Officer, a major shareholder of the Company holding of 0.51% of issued shares (update as of the closing registered book, December 29, 2017) (Mr. Sompon Roekwibunsi's daughter)

Related Party Transactions in 2017

Person/or Entry having a conflict of interest	Relationship	Type of Transaction	Amount (Baht)		Necessity and appropriateness of the related transactions
			2017	2016	
1. Octopus Media Solutions Co., Ltd.	Related business to shareholders, directors and executive	<u>Service Agreement of advertisement media production:</u> The Company has agreed to the service agreement of the advertisement media production with Octopus Media Solutions Co., Ltd. to produce sticker, posters, standee boards, and vinyl boards at the prices as agreed in the contract after comparing prices and quality with other suppliers with negotiable prices	1,209,760	3,332,165	Ordering of the production of the advertisement medias which are complied with normal business operations. The prices are agreed as the contract prices and quality are compared with other suppliers prior to price negotiation. The Audit Committee considered and gave the comment that such a related transaction is reasonable and beneficial to the Company
2. JC Kevin Development Co., Ltd.	Related business to shareholders, directors and executive	<u>Agreement of rental of office space and service fee</u> The Company has agreed in to the agreement of rental of office space and service fee at total of 890.56 square meters on the 2 nd floor and partial of the 4 th floor of JC Kevin building. The contract is the three years rent agreement and will end by August 31, 2020	3,125,967	-	The rate of rental of the office space and service fee including the deposit was not higher than the normal charge of the landlord which may charge to other customers and the price is not higher than the market price. The Audit Committee considered and gave the comment that such a related transaction is reasonable and beneficial to the Company.

Person/or Entiry having a conflict of interest	Relationship	Type of Transaction	Amount (Baht)		Necessity and appropriateness of the related transactions
			2017	2016	
3. Mr. Sompon Roekwibunsi and Ms. Sakuna Baicharoen	Directors, executives and major shareholders	<u>Guarantee</u> : Mr. Sompon Roekwibunsi and Ms. Sakuna Baicharoen jointly guaranteed for the loan with amount of Baht 150,000,000 from Thanachart Bank Plc. In accordance with the loan agreement dated January 27, 2012 to buy operating assets of Daidomon Group Plc., to acquire long-term leasehold of 8 branches of Daidomon, and to renovate 14 branches of Daidomon. All principal and interest of the Long Term Loan (L/T) were fully settled during the year 2017.	-	10,750,000	Loan agreement was complied with the conditions on the loan agreement. The Company did not pay any compensation for this guarantee. The Audit Committee considered and gave opinion that such a related transaction was reasonable and beneficial to the Company.
4. Mr. Sompon Roekwibunsi	Directors, executives and major shareholders	<u>Short-term loan</u> : Mr. Sompon Roekwibunsi lent 1 year loan to the Company in amount of Baht 20,200,000 for working capital purpose in term of promissory note, with interest rate of 3.5% per year. (interest rate was yield of 1 year government bond plus spread of BBB rate corporate debenture with tenor less than 3 years), all principal and interested were fully paid on February 26, 2016 (with paid interest in the amount of Baht 535,862)	-	-	The objective of short-term loan was used for the working capital of the Company and pursuant to the conditions specified under the promissory note. The interest rate is lower than the financial institutions. As a result, the Audit Committee considered and gave the opinion that such a related transaction was reasonable and beneficial to the Company.

Person/or Entry having a conflict of interest	Relationship	Type of Transaction	Amount (Baht)		Necessity and appropriateness of the related transactions
			2017	2016	
5. Mr. Somchai Roekwibunsi	Directors and executives (resigned from the role as the Executive and Director on July 15, 2016 and August 10, 2016, respectively)	<u>Short-term loan:</u> Mr. Somchai Roekwibunsi lent 1 year loan to the Company in amount of Baht 4,720,000 for working capital purpose in term of promissory note with the interest rate of 3.50 per year (interest rate was yield of 1 year government bond plus spread of BBB rating corporate deventure with tenor less than 3 years), and all principal and interest were fully paid on February 26, 2016 (with paid interest in the amount of Baht 116,949)	-	-	The objective of short-term loan was used for working capital of the Company and pursuant to the conditions specified in promissory note. The interest rate was lower than the financial institutions. As a result, the Audit Committee considered and gave the opinion that such a related transaction was reasonable and beneficial to the Company.
6. Mr. Chotiwiit Taechaubol	Director, executives and son of major shareholder	<u>Short-term loan :</u> Mr. Chotiwiit Taechaubol lent short-term loan at call to the Company in the amount of Baht 68,000,000 for working capital purpose in term of promissory note, at interest rate of 3.50 per year (interest rate was yield of 1 year government bond plus spread of BBB rating corporate deventure with tenor less than 3 years), and all principal and interest were fully paid in 2017. (with paid interest in the amount of Baht 258,511)	-	-	The objective of short-term loan was used for working capital of the Company and pursuant to the conditions specified in promissory note. The interest rate is lower than the financial institutions. As a result, the Audit Committee considered and gave the opinion that such a related transaction was reasonable and beneficial to the Company.

2 Necessity and Relational of Related Party Transactions

The related party transactions was necessary and reasonable. The loan guarantee with a commercial bank was in accordance with the conditions specified in the loan agreement dated of January 27, 2012 to purchase assets and leaseholds as well as renovation of Daidomon's stores, which the Company considered that the investment in Daidomon brand would lead to the Company's expansion to Japanese grilled restaurants in order to generate the Company's revenue growth in the future. In addition, the location and purchasing prices was considered as appropriate and the risk in launching to the new location or renewal rental contracts of existing stores shall be reduced and it was also beneficial to the Company in the long run.

The short-term loans lending from Directors, Executives and major shareholders of the Company in order to enhance the cash flow liquidity. Moreover, the lending period and interest rate was in line with the trading practice with faithfulness and the Company was beneficial for the lower interest rate than the other commercial banks. In this regard, the Company still complies with the conditions stated in the loan agreement with one commercial bank which such a loan is considered as subordinated loan, which the Company will not repay such a short term loan prior to fully settle the loan of that commercial bank, except the Company may receive written consent from that bank to practice differently.

Service Agreement of advertisement media production was the normal business operations of the Company which usually uses various forms of advertising media to increase brand recognition as well as advertising in order to attract the customers to use the service. In 2016, the value of expenses paid to the Octopus Media Solutions Co., Ltd. in term of fees to produce advertisement medias was Baht 1.2 million.

Practices and Approval Process of the Related Party Transactions

For related party transactions or the transactions which might lead to the conflicts of interest, the Company assigns the Audit Committee to consider and give opinion on necessity and appropriateness of such a transaction. In case, the Audit Committee has no expertise in considering of the particular related party transaction, the Company may hire the Independent External Consultants or External Auditor to give opinion on such a transaction to be supplement for decision making of the Board of Directors and/or the Audit Committee and/or the Shareholders depend on case by case basis. The person who involve in that transactions will have no right to vote for approving on such a transaction. The Company will disclose the related party transactions in the notes of financial statements granted by external auditor of the Company, Annual Report and Annual Disclosure Information (Form 56-1).

Related Party Transactions Policy and Tendency

The Company expects that related transactions regarding with the Company's loan from Directors and/or shareholders and loan collateral by assets belongs to Directors or shareholders will not arise in the future. In case of the related party transactions may be required in the future, such a transaction must be consider as necessary and shall improve the effectiveness of business operations. The policy regarding explicit determination of the prices of transactions will be established pursuant to proper and fair market prices and conditions, not leading to transfer benefits and including considering the best benefit of the Company. The Audit Committee will review and comment on related party transactions which are normal business or supporting normal business in quarterly basis.

With respect to the related party transactions or the transactions which might lead to the conflict of interest arising in the future, the Board of Directors will comply with rules and regulation of the SET and the SEC regarding to the disclosure of information of listed companies concerning the related transactions including the receiving or selling of the assets belong to the Company or its subsidiaries as well as to abide with the accounting standards specified by federation of Accounting Professions of Thailand.

10 Financial Highlight

Statement of Financial Position as of December 31, 2017

	2015		2016		2017	
	Baht	%	%	%	Baht	%
Total Assets	821,010,256	100.00%	695,477,264	100.00%	533,167,185	100.00%
Total Liabilities	568,664,261	69.26%	572,140,702	82.27%	499,783,106	93.74%
Total Shareholders' Equity	252,345,995	30.74%	123,336,562	17.73%	33,384,079	6.26%

Statement of Comprehensive Income

	2015		2016		2017	
	Baht	%	Baht	%	Baht	%
Revenues						
Revenues from sales	2,132,710,536	98.48%	2,054,342,330	99.32%	1,833,056,354	99.20%
Other income	32,998,152	1.52%	14,169,173	0.68%	14,823,930	0.80%
Total revenues	2,165,708,688	100.00%	2,068,511,503	100.00%	1,847,880,284	100.00%
Expenses						
Cost of sales	1,007,007,226	46.50%	1,000,240,640	48.36%	899,617,754	48.68%
Selling expenses	1,075,106,748	49.64%	1,013,256,979	48.98%	976,865,818	52.86%
Administrative expenses	151,368,827	6.99%	142,303,343	6.88%	91,078,378	4.93%
Impairment loss on asset	13,767,444	0.64%	9,752,225	0.47%	32,289,802	1.75%
Other expense	1,442,280	0.07%	11,418,195	0.55%	53,447,419	2.89%
Finance costs	14,113,443	0.65%	16,408,097	0.79%	13,372,661	0.72%
Total expenses	2,262,805,968	104.48%	2,193,379,479	106.04%	2,066,671,832	111.84%
Profit (loss) before income tax expenses (tax income)	(97,097,280)	-4.48%	(124,867,976)	-6.04%	(218,791,548)	-11.84%
Tax expenses (tax income)	(2,104,754)	-0.10%	23,359,000	1.13%	3,512,566	0.19%
Profit (loss) for the year	(94,992,526)	-4.39%	(148,226,976)	-7.17%	(222,304,114)	-12.03%

	2015		2016		2017	
	Baht	%	Baht	%	Baht	%
Other comprehensive income	-	0.00%	19,217,543	0.93%	3,844,760	0.21%
Total comprehensive income (expense) for the year	(94,992,526)	-4.39%	(129,009,433)	-6.24%	(218,459,354)	-11.82%
Par value (Baht)	0.25		0.25		0.25	
The weight average no of common share (share)	406,000,000		406,000,000		421,906,302	
Basic earning (loss) per share (Baht) calculated at the par value of Baht 0.25	(0.23)		(0.37)		(0.53)	

Statement of Cash Flows

	2015	2016	2017
Statement of Cash Flows	Baht	Baht	Baht
Net cash provided by (used in) operating activities	89,891,203	60,539,479	(47,111,264)
Net cash provided by (used in) investing activities	(45,595,582)	(33,342,396)	(43,863,930)
Net cash provided by (used in) financing activities	(50,575,374)	(28,054,702)	85,635,825
Net increase (decrease) in cash and cash equivalents	(6,279,753)	(857,619)	(5,339,369)
Cash and cash equivalents at beginning of year	23,182,730	16,902,977	16,045,358
Cash and cash equivalents at end of year	16,902,977	16,045,358	10,705,989
Supplementary disclosures of cash flows information:			
The Company acquired fixed assets by means of			
Liabilities under finance lease agreements	8,817,339	1,495,024	725,234

Key Financial Ratio

	2015	2016	2017
Liquidity Ratio			
Current ratio (times)	0.21	0.21	0.22
Cash flow current ratio (times)	0.18	0.13	(0.11)
Inventory turnover period (times)	16.53	18.08	18.44
Payable turnover period (times)	6.18	6.10	6.07
Average collection period (days)	59.07	59.85	60.08
Profitability Ratio			
Gross profit margin (%)	52.78%	51.31%	50.92%
Net profit margin (%)	-4.39%	-7.17%	-12.03%
Return on equity (%)	-31.68%	-78.91%	-283.69%
Efficiency Ratio			
Return on assets (%)	-10.52%	-19.55%	-36.19%
Return on fixed assets (%)	9.86%	-2.01%	-20.75%
Total asset turnover (times)	2.40	2.73	3.01
Financial Policy Ratio			
Debt/equity ratio (times)	2.25	4.64	14.97
Debt/equity ratio (times) ^{1/}	1.96	4.64	14.97
Debt service coverage ratio (times) ^{2/}	1.25	0.54	(2.37)
Debt service coverage ratio (times) ^{3/}	1.39	0.93	(0.25)
Debt service coverage ratio (times) ^{4/}	1.25	1.23	(1.23)
Dividend per share (%)	n/a	n/a	n/a

remark:

1/Loan from Directors or shareholders is calculated as equity

2/Calculated from Earnings before interest, tax, depreciation and amortization (EBITDA)

3/ Calculated from Earnings before interest, tax, depreciation and amortization (EBITDA) deducting non-cash items of loss from branch closing and loss on impairment of assets

4/Calculated from cash flow from operating activities

11 Management's Discussion and Analysis (MD & A)

Operating Result Evaluation

As of December 31, 2017, the Company remains 106 stores, reducing of 35 stores from 141 stores at the end of last year. In 2017 the Company decided to close 36 stores which consisting of 21 stores of Hot Pot Inter Buffet, 11 stores of Signature and 4 stores of Daidomon. The 33 out of 36 stores were closed due to operating loss and the rest 3 stores were closed due to the landlord did not renew the rental contract with the Company. Meanwhile, the Company has opened 1 new store under the brand named as Toomato Italian Kitchen to capture premium market and foreign tourists.

Brand	Number of Branches		
	December 31, 2016	December 31, 2017	Different
Hot Pot Inter Buffet	77	62	-15
Hot Pot Inter Buffet with Grill	34	28	-6
Hot Pot Shabu Suki	2	2	-
Daidomon	11	7	-4
Signature	17	6	-11
Toomato Italian Kitchen	0	1	+1
Total Stores	141	106	-35

Revenue

In 2017, the Company's sales revenue was Baht 1,833.06 million, decreased by Baht 221.29 million or 10.77% as compared to last year which reflected from the decreased number of the operating loss store. The number of 36 operating loss stores out of 141 total stores or decreased by 25.53% compare to the number of total stores in the previous year.

Besides, the sales revenue was decreased also effect from the consciousness of consumer spending which caused by the high debts from household spending, slow economic recovery. Furthermore, the number of competitive restaurants continues to increase from both the existing operators and new comers resulting in continually intense competition in restaurant business.

Unit : Million Baht	2016		2017	
	Amount	%	Amount	%
1. Revenue from sales				
(A) From branches				
1) Hot Pot Inter Buffet	1,177.13	56.91%	1,070.97	57.69%
2) Hot Pot Inter Buffet with Grill	569.88	27.55%	495.67	28.82%
3) Hot Pot Prestige	0.00	0.00%	0.00	0.00%
4) Hot Pot Prestige	18.85	0.91%	17.92	0.97%
5) Daidomon	183.12	8.85%	173.23	9.37%
6) Signature	94.25	4.56%	59.12	3.20%
7) Pot Jung	0.51	0.02%	0.00	0.00%
8) Toomato Italian Kitchen			2.17	0.12%
Total Revenue from Branches	2,043.75	98.80%	1,819.06	98.44%
(B) From other sales	10.59	0.51%	14.00	0.78%
Total Revenue from sales of goods	2,054.34	99.31%	1,833.06	99.19%
2. Other Incomes	14.17	0.69%	14.82	0.81%
Total Revenues	2,068.51	100.00%	1,847.88	100.00%

Unit : Million Baht	2016	2017	Difference	
			Amount	%
Revenues from sales	2,054.34	1,833.06	(221.28)	-10.77%
Other income	14.17	14.82	0.65	4.59%
Total revenues	2,068.51	1,847.88	(220.63)	-10.67%
Cost of sales	1,000.24	899.62	(100.62)	-10.06%
Gross profit margin	1,054.10	933.44	(120.66)	-11.45%
Gross profit percentage (%)	51.31%	50.92%	-0.39%	-
Selling and administrative expenses	1,155.56	1,067.94	(87.62)	-7.58%
Impairment loss on assets	9.75	32.29	22.54	231.18%
Other expense	11.42	53.45	42.03	368.04%
Financial cost	16.41	13.37	(3.04)	-18.50%
Tax expenses (tax income)	23.36	3.51	(19.85)	-84.97%
EBITDA	26.54	(91.03)	(117.57)	-442.99%
EBITDA Margin (%)	1.28%	-4.93%	-6.21%	-
Profit (loss) for the year	(148.23)	(222.30)	(74.08)	49.97%
Net profit (%)	-7.17%	-12.03%	-4.86%	-

Cost of sales

In 2017, the cost of sales was Baht 899.62 million, decreased by Baht 100.62 million or 10.06% as compared to 2016. However, proportion of cost of sales to net revenue was increase from 48.69% to 49.08% compared to the previous year due to the increase of raw materials and ingredients cost including the transportation cost due to changes in operating procedures. Moreover, the amendment of food menus to improve quality of food resulted in the decrease of gross profit margin was Baht 933.44 million which lower than last year at Baht 120.66 million or 11.45%. The gross margin percentage also decreased from 51.31% to 50.92% compared to last year.

The Company focus on and monitor closely on the food wastage management in order to reduce the food cost and food wastage continually. However these control shall not effect to the food standard and customer satisfaction. The amendment of suppliers' contract and reviewing of the new supplier list in order to select the best suppliers with best negotiating price to reach the best benefit for the Company.

Operating and Administering Expenses including the Miscellaneous Expenses

In 2017, Operating and Administering Expenses was Baht 1,067.94 Million, or 58.26% of total sales revenue, decreased from last year at Baht 87.62 million or 7.58%. The main reason supports this result was the management's re-structuring policy and manpower control.

Due to the high competition in the restaurant business in 2017, the operating results of some restaurants had not achieved as expected. The Company recorded the allowance for impairment of assets in the operating loss branches, net of reversal was Baht 32.29 Million, and also recorded the loss from 36 branch closing at Baht 53.45 million.

Moreover, financial costs in 2017 was Baht 13.37 million which reduced from previous year Baht 3.04 million or 18.50%. The main reason supports this result was the repayment of outstanding loans on regularly basis as well as the funding through the capital increase of new ordinary share to existing shareholders under Right Officer (RO) and Private Placement (PP).

Net Loss

In 2017, the Company posted the net loss of Baht 222.30 million which increased from previous year Baht 74.08 million whereas the net loss in year 2016 was Baht 148.23 million. The Company faced with revenue loss due to the branch closing, the increase of product and raw material costs. Moreover, the Company also recorded allowance for impairment of assets in amount of Baht 85.74 million.

Evaluation of Financial Positioning

Assets

Unit : Million Baht	December 31, 2016 31, 2016	December 31, 2017	Difference	
			Amount	%
Cash and cash equivalents	16.05	10.71	(5.34)	-33.27%
Trade accounts receivable	7.66	15.48	7.82	102.09%
Inventories	53.04	44.51	(8.53)	-16.08%
			-19.1653	
Other current assets	19.45	21.74	2.29	11.77%
Total current asset	96.20	92.44	(3.76)	-3.91%
Property, plant and equipment	443.57	292.77	(150.80)	-34.00%
Leasehold rights	44.95	36.45	(8.50)	-18.91%
Refundable deposits and others	102.65	104.39	1.74	1.70%
Other non-current assets	8.11	7.11	(1.00)	-12.33%
Total non-current asset	599.28	440.72	(158.76)	-26.46%
Total Assets	695.48	533.17	(162.31)	-23.34%

As of December 31, 2017, the Company's total assets were in the valued of Baht 533.17 million, reduced by Baht 162.31 million or 23.34% compare with the previous year. The Company had total current assets with valued of Baht 92.44 million, decreased by Baht 3.76 million from the previous year, or decreased by 3.91% correspond with a decrease of inventory assets in the valued of Baht 8.53 which reflect the outstanding valued of Baht 44.51 million.

The Company's non-current assets was in the valued of Baht 440.72 million, decreased by Baht 158.76 million or 26.46% from the previous year. This impact from the decrease in net-property, plant and equipment which reduced by Baht 150.80 million or 34% as a result of 36 branch closing and provision for impairment of assets.

Liabilities

Unit : Million Baht	December 31, 2016	December 31, 2017	Difference	
			Amount	%
Bank overdrafts and short-term loan from financial institutions	41.18	50.80	9.62	23.36%
Trade accounts payable	167.94	128.24	(39.70)	-23.64%
Short-term loans	78.70	59.23	(19.47)	-24.74%
Other accounts payable	121.55	129.99	8.44	6.94%
Current portion of long-term liabilities	26.47	20.53	(5.94)	-22.44%
Other current liabilities	16.79	22.17	5.38	32.04%
Total current liabilities	452.64	410.96	(41.68)	-9.21%
Long-term loan from financial institutions	58.75	42.25	(16.50)	-28.09%
Provision for asset dismantling	38.38	26.17	(12.21)	-31.81%
Deferred tax liabilities	10.77	14.28	3.51	32.59%
Other current liabilities	11.60	6.12	(5.48)	-47.24%
Total non-current liabilities	119.50	88.82	(30.68)	-25.67%
Total liabilities	572.14	499.78	(72.36)	-12.65%
Total shareholders' equity	123.34	33.38	(89.96)	-72.94%
Total liabilities and shareholders' equity	695.48	533.17	(162.31)	-23.34%

As of December 31, 2017, the Company's total liabilities was in the amount of Baht 499.78 million, decreased by Baht 72.36 million or 12.65% from the previous year. This impact from the repayment of trade payables and short-term loan to the financial institutions.

Shareholders' Equity

As of December 31, 2017, the shareholders' equity was Baht 33.38 Million, decreased by Baht 89.95 Million or 72.93% from previous year, comparable with the amount of shareholder's equity in 2016 which was Baht 123.34 million. During the 4th quarter of 2017, the Company decided to have capital increase with the amount of Baht 129.92 million in order to use for working capital and repayment of some existing debts. As a result of operating loss in year 2017 in amount of Baht 222.30 million, the current shareholders' equity remains approximately at the amount of Baht 33.38 million.

Statement of Cash Flows

Unit : Million Baht	Jan.-Dec. 2016	Jan.-Dec. 2017	Difference	
			Amount	%
Net cash provided by (used in) operating activities	60.54	(47.11)	(107.65)	-177.82%
Net cash provided by (used in) investing activities	(33.34)	(43.86)	(10.52)	31.55%
Net cash provided by (used in) financing activities	(28.05)	85.63	113.68	-405.28%
Net increase (decrease) in cash and cash equivalents	(0.86)	(5.34)	(4.48)	520.93%
Cash and cash equivalents at beginning of year	16.90	16.05	(0.85)	-5.03%
Cash and cash equivalents at end of year	16.05	10.71	(5.34)	-33.27%

As of December 31, 2017, the Company had cash and the statement equivalent to cash in amount of Baht 10.71 million, reduced by Baht 5.34 million from the beginning balance as at January 1, 2017.

The activities which effect to this result as follow;

- 1) Net cash flows used in business operations was in the amount of Baht 47.11 million, consisted of
 - Operating loss in cash in the amount of Baht 8.51 million which mainly effect from the net loss of Baht 222.30 million added back with depreciation value of Baht 114.39 million, financial cost of Baht 13.37 million, loss from branch closing and renovation with the amount of Baht 43.68 million and loss on impairment of fixed assets (reversal) of Baht 32.29 million
 - Cash from operating assets increased by Baht 2.87 million which mainly effect from an increase in other account receivables and other current assets offset by a decrease in inventories of Baht 11.40 million and Baht 8.53 million respectively.
 - Cash from operating liabilities reduced by Baht 34.90 million which mainly effect from the payment to trading accounts payable with the amount of Baht 39.71 million.
- 2) Net cash flows used in investment activities with amount of Baht 43.86 million which mainly used for operating new restaurant brand, branch renovation and branch mini-renovation including the purchase of machines and equipment for factory with the total amount of Baht 40.78 million
- 3) Net cash flows gained from fund raising activities in the amount of Baht 85.63 million. The source of fund from the capital increase of Baht 128.51 million. This fund aims to use for settle the long term loan financial institutions with the amount of Baht 21.25 million and short team loan with the amount of Baht 25 million.

Major Financial Ratios

Major Financial Ratios	2016	2017
Return on Equity (ROE) (%)	-78.91	-283.69
Return on Assets (ROA) (%)	-19.55	-36.19
Current Ratio (times)	0.21	0.22
Debt to Equity Ratio (D/E Ratio) (times)	4.64	14.97
Debt Service Coverage Ratio (DSCR) (times) (EBITDA)	0.54	-2.37
Debt Service Coverage Ratio (DSCR) (times) (EBITDA ^{1/})	0.93	-0.25
Debt Service Coverage Ratio (DSCR) (times) (CFO)	1.23	-1.23

^{1/}EBITDA was adjusted by adding back non-cash items of loss from branch closing, and loss on impairment of asset

In 2017, Return on Equity (ROE) and Return on Asset (ROA) were -283.69% and -36.19%, respectively which declined from 2016. The main impact effect from the sales revenue achievement which lower than the budget, the operational loss, loss on impairment of assets, loss from 36 branch closing.

As of December 31, 2017, the Company's current Ratio was 0.22 times which close to the last year figure.

Debt to Equity Ratio (D/E Ratio) as of December 31, 2017 was 14.97 times, increased from 4.64 times comparable with the same period in 2016. This resulting from the decrease number of shareholders' equity due to increasing of the accumulative loss. Debt Service Coverage Ratio (DSCR) for the year 2016 was -2.37 times calculating from EBITDA which adding back non-cash items of loss from branch closing, and loss on impairment of asset which equivalent to -0.25 times and the calculation of cash flow from operations was -1.23 times respectively and decreased from DSCR in 2016 at 0.54, 0.93 and -1.23 accordingly. With regard to the condition defined in loan agreement of one local commercial bank, the Company's D/E Ratio shall not exceed the ratio of 2:1 and DSCR Ratio shall not less than 1.5:1. However, the Company received the notified letter from a bank in 2017 to munity the stated rules which allow the Company doesn't need to maintain the financial ratio as per the normal requirements and conditions of the agreement and it shall not be treated as violation or default under the loan agreement.

12 Report on the Responsibility of the Board of Directors towards Financial Reports

The Company's Board of Directors are aware of the duties and responsibilities to ensure that the financial statements and related financial information are disclosed in the Annual Report accurately, completely and transparently. The Company practices in accordance with the Generally Accepted Accounting Principal (GAAP) in Thailand. The Company establishes the appropriate accounting policy and hold the practice on regularly basis with the carefully consideration of report preparation including disclosing sufficient information into the note of financial statement.

The Board of Directors organize and maintain the efficient internal control systems to ensure that all accounting records are accurate, complete and sufficient to protect the Company's assets, to prevent fraud or any misconduct which relates to the conflict of interest.

In this regard, the Board of Directors has appointed the Audit Committee which comprising of 3 Independent Directors to review the quality of financial reports and internal control system. The opinion of the Audit Committee shall be mentioned in the content under the Audit Committee Report which is the part of the Annual Report.

The Board of Directors agrees that the overall internal control systems is adequate and appropriate and confident that the financial statements of the Company as of December 31, 2017 are reliable and in compliance with the Generally Accepted Accounting Principal (GAAP) as well as all relevant laws and regulations. The external auditor has verified and shared the opinion in the Auditor Report which this content is mentioned under Auditor Report part under the financial statements and the Annual Report.

ND

Mr. Sompon Roekwibunsi
Chief Executive Officer

Michail Tsclander

Mr. Apichai Taechaubol
Chairman of the Board of Directors

13 INDEPENDENT AUDITOR'S REPORT

To The Shareholders and Board of Directors of
Hot Pot Public Company Limited

Opinion

I have reviewed the financial statements of Hot Pot Public Company Limited (the Company), which comprise the statement of financial positioning as of December 31, 2017, the statement of comprehensive income, statement of changes in equity, statement of year-end cash flows, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the above financial statements represent the financial positioning of Hot Pot Public Company Limited (the Company) as of December 31, 2017 including the operating result, year-end cash flow in accordance with Thai Financial Reporting Standards.

Standard of Opinion

I performed my duties in accordance with Thai Financial Reporting Standards. My responsibilities is mentioned under the content of Auditor's Roles and Responsibilities for the auditing of the Financial Statements section of my report. I perform my duties independently in accordance with the Federation of Accounting Professions' Code of Ethics for Professional Accountants together with the other ethical requirements that are relevant to the auditing of the financial statements. I have abided with other ethical responsibilities in accordance with these requirements. I believe that I have obtained the sufficient and appropriate evidence in order to use as reference for my opinion.

Key Audit Concern

I considers that it is the most significant part which I found during perform my duties to audit of the financial statements of the current period. I brought up these matters to review and give opinion and I shall not provide a separate opinion on these matters;.

- Impairment of assets

Risk of Asset Impairment

The high competitive market condition in restaurant business has impact to the operating result at some branches doesn't reach the budget forecast. The management team may consider to close the non-performing branches in the near future. This information implies that the impairment of the assets under the non-performing branches may be effected. The impairment of the assets comprises the soft renovation under the contract agreement, the operating supplies and equipment etc. The book value after deducting accumulated depreciation and before deducting allowance for impairment and the allowance for impairment as of December 31, 2017 was at Baht 94.70 million and Baht 43.48 million respectively. The consideration on asset impairment depends on the judgment and key assumptions used by the management team to estimate the allowance for asset impairment. I have identified that the measurement of assets used for soft renovation under the rental contract for non-performing branches is the risk which requires to reconsider carefully. The accounting policy relating to asset impairment, the amount of allowance for impairment and the assumption used for the calculation of the recoverable amount is disclosed in Note no. 3.9 and Note no. 9 in the note section under the financial statements, respectively.

Risk Responding by Auditor

Regarding my audit approach on such matter, I have examined the evidence supporting management consideration relating to the indication of asset impairment, as well as assessed the appropriateness of the valuation method and key assumptions used by the management to estimate the allowance for impairment of assets. Additionally, I have considered the appropriateness of the information disclosure in the financial statements and in the notes to the financial statements.

- Provisions for asset dismantling

Risk Provisions of Liabilities from Asset Demolition

The Company has provisions of liabilities from the asset demolition in the amount of Baht 26.17 million or 5.23% of total liabilities as at December 31, 2017. The Company has disclosed the accounting policy relating to provisions of liabilities from asset demolition under the Note no. 3.11, including disclosed the assumptions and money used for asset demolition under Note no. 19 of the financial statements. Such provision of liabilities may be affected by the change of key assumptions used for calculation such as discount rate, demolition rate, location adjustment rate, delivery rate, accommodation rate, transportation rate and inflation rate which the management team need to consider carefully in order to establish the proper assumption for calculation. I have identified that the provisions of liabilities from asset demolition is a significant risk that requires special attention in the audit.

Risk Responding by Auditor

My audit approach on such matter includes assessing the assumptions used by the management team to calculate the obligation value, determining the benchmark and analyzing the appropriateness of the change in various assumptions used in the calculation, reviewing the accuracy of calculation of the estimation comparing with the actual demolition cost and cost of estimated demolition to determine the correctness of the provisions. I have also considered the accuracy of the estimation of provision of the liabilities for asset demolition. Besides, I have considered the sufficiency and appropriateness of the information disclosure compliance with the accounting policy, including the related information and amount of money which consistent to the recognition of the provisions for asset demolition.

Other Information

The management team is responsible for the other information which comprises the information included in the annual report, but does not include the financial statements and my auditor's report. I expected to receive the annual report after the issued date of this auditor's report.

My opinion on the financial statements does not cover the other information and I will not grant any form of assurance on other information.

My responsibilities related to the auditing of the financial statements as such a reviewing and considering the statement which may causes the conflict of the financial statement or information obtained during the auditing, or other information which may conflict with the essential fact. Once I review the annual report and found that there's content which show the conflict with the fact in the annual report, I will report this matter direct to the authorized person. So that the authorized person shall investigate and revise the information appropriately.

Responsibilities of Management Team and Those who in charge to of the Financial Statements

Management team is responsible to prepare and propose the financial statements accurately and compliance with Thai Financial Reporting Standards, to manage the necessary internal control to prepare the financial statements that has no conflict with the fact either effect from the fraud or misconduct.

In financial statements preparation, management team is responsible for assessing the Company's performance, the operational result disclosure and using the accounting practice to support the operations to continue the operations effectively, unless the management team may attempt to close the business, pending the operations, or not continue the operations.

The authorized personnel is required to review and observe the practices of the Company's financial reporting process.

Auditor's Responsibilities for the Financial Statements

My auditing objectives is aim to build up the confident that the overall financial statement are reported reasonably without the conflict of the significant facts either from the fraud or misconduct. I have given my opinion into the Auditor Report. I have high confident with the reliability of the report. But it doesn't assure that the auditing standard procedure shall find the significant point of the conflict of interest and the information which may caused by the fraud or misconduct. The significant point of the conflict of interest either partially or fully may influence on the economic decision of the personnel who utilize these financial statements.

I am the professional in considering, observing and suspecting in accordance with Auditing Standard throughout the auditing period. My practices include;

- Identify and assessing the risks of statement which has conflict on the significant facts in the financial statements, whether caused by the fraud or error, implementing and performing the audit procedures in response to those risks, obtaining sufficient and appropriate audit evidence that can be used as reference for my comment. The risk of the conflict of the significant facts caused by the fraud is more intense than such a risk caused by misconduct due to the fraud can be done under cooperation among group of people, creating fake documents, avoiding to provide the information on purpose, providing the information which not relates to the fact or interfere the auditing system.
- Understanding of internal control system which relevant to the audit process in order to implement the audit procedures that match with the situation, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluating the appropriateness of accounting policies, the reasonableness of accounting estimation and disclosure of related information prepared by management team
- Summarizing on the appropriateness of accounting practices for continuing the operations of the management team and supported evidences received during auditing whether shall effect to the uncertainty of the situation which may cause the company's operating performance or not. In case I found the critical uncertainty point, I shall mention in the Auditing Report that I have suspected to the information disclosure relate to the financial statement, or insufficient information disclosure and my opinion may subject to change. My conclusion depends on the received evidence during the auditing term until the reporting period. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluating the overall presentation, the structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves the corrective of presentation or not.

I communicated with those personnel whom charge with corporate governance which covers the framework and timeframe of the auditing plan concerning with the significant point or error found during the auditing including the development area under the internal control system in case I may found during the auditing.

I affirmed to the authorized personnel who in charge of the corporate governance that I will perform my duties with relevant ethical requirements regarding with the independence practice. I communicate with them all involvement including other matters which I believe that the others may consider to impact with my independent including the practices I shall applied in order to protect myself to perform my duties independently.

Then I determined those matters that were the most significance in the auditing of the financial statements in the current period and are therefore the key audit matters. I described these matters in my auditor's report unless laws or regulations are prohibited. I may consider not to disclose that information in my report since the consequences of the disclosure shall create negative impact which was create more negative effect than the public interest benefits.

The auditor who responsible for this auditing and presentation is Mr. Thanawut Piboonsawat.



(Mr.Thanawut Piboonsawat)

Certified Public Accountant

Registration No. 6699

Dharmniti Auditing Company Limited

Bangkok, Thailand

February 28, 2018

14 Financial Statements and Notes

HOT POT PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2017

ASSETS

	Note	Baht	
		2017	2016
CURRENT ASSETS			
Cash and cash equivalents	5	10,705,989	16,045,358
Trade accounts receivable	6	2,406,812	543,781
Other accounts receivable		13,077,653	7,116,604
Inventories	7	44,511,957	53,042,235
Other current assets	8	21,741,120	19,451,323
TOTAL CURRENT ASSETS		92,443,531	96,199,301
NON-CURRENT ASSETS			
Fixed deposits pledged as collateral	13	3,000,000	3,000,000
Property, plant and equipment	9	292,769,504	443,568,818
Leasehold rights	10, 16	36,446,900	44,949,981
Intangible assets	11	4,112,267	5,109,006
Refundable deposits and others	28	104,394,983	102,650,158
TOTAL NON-CURRENT ASSETS		440,723,654	599,277,963
TOTAL ASSETS		533,167,185	695,477,264

Notes to the financial statements form an integral part of these statements.

HOT POT PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2017

LIABILITIES AND SHAREHOLDERS' EQUITY

	Note	Baht	
		2017	2016
CURRENT LIABILITIES			
Bank overdrafts and short-term loan from			
financial institutions	13	50,800,805	41,184,417
Trade accounts payable		128,239,056	167,944,121
Short-term loans	14	59,229,020	78,704,572
Other accounts payable	4	129,993,362	121,548,770
Account payable - purchases of assets		12,237,117	3,350,630
Current portion of long-term liabilities			
Long-term loan from financial institutions	16	18,000,000	22,750,000
Liabilities under finance lease agreements	17	2,530,158	3,718,817
Revenue Department payable		6,066,545	7,196,858
Other current liabilities		3,868,381	6,241,150
TOTAL CURRENT LIABILITIES		410,964,444	452,639,335
NON-CURRENT LIABILITIES			
Long-term loan from financial institutions	16	42,252,890	58,752,890
Liabilities under finance lease agreements	17	3,386,039	5,287,708
Deferred tax liabilities	12	14,280,891	10,768,325
Employee's benefit obligations	18	2,732,609	6,316,477
Provision for asset dismantling	19	26,166,233	38,375,967
TOTAL NON-CURRENT LIABILITIES		88,818,662	119,501,367
TOTAL LIABILITIES		499,783,106	572,140,702

Notes to the financial statements form an integral part of these statements.

HOT POT PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION (CONT.)
AS AT DECEMBER 31, 2017

LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)

	Note	Baht	
		2017	2016
SHAREHOLDERS' EQUITY			
Share capital	20		
Authorized share capital			
487,200,000 ordinary shares of Baht 0.25 each		<u>121,800,000</u>	
446,600,000 ordinary shares of Baht 0.25 each			<u>111,650,000</u>
Issued and paid-up share capital			
487,200,000 ordinary shares of Baht 0.25 each		121,800,000	
406,000,000 ordinary shares of Baht 0.25 each			101,500,000
Share premium account		307,550,162	199,343,291
Retained earnings (deficit)			
Appropriated			
Legal reserve		7,055,720	7,055,720
Unappropriated		(422,256,583)	(203,797,229)
Other components of equity		19,234,780	19,234,780
TOTAL SHAREHOLDERS' EQUITY		33,384,079	123,336,562
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		533,167,185	695,477,264

Notes to the financial statements form an integral part of these statements.

HOT POT PUBLIC COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2017

	Note	Baht	
		2017	2016
Revenues			
Revenues from sales		1,833,056,354	2,054,342,330
Other income		14,823,930	14,169,173
Total revenues		1,847,880,284	2,068,511,503
Expenses			
Cost of sales		899,617,754	1,000,240,640
Selling expenses		976,865,818	1,013,256,979
Administrative expenses	4	91,078,378	142,303,343
Impairment loss on assets	9	32,289,802	9,752,225
Other expense	9, 25	53,447,419	11,418,195
Finance costs	4	13,372,661	16,408,097
Total expenses		2,066,671,832	2,193,379,479
Profit (loss) before income tax expenses (tax income)		(218,791,548)	(124,867,976)
Tax expenses (tax income)	23	3,512,566	23,359,000
Profit (loss) for the year		(222,304,114)	(148,226,976)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Gain on land revaluation		-	24,043,475
Income tax relating to items that may be reclassified		-	(4,808,695)
		-	19,234,780
Items that will not be reclassified to profit or loss			
Actuarial gains (losses) on defined employee benefit plans		3,844,760	(17,237)
		3,844,760	(17,237)
Other comprehensive income for the year		3,844,760	19,217,543
Total comprehensive income (expense) for the year		(218,459,354)	(129,009,433)
Earnings (loss) per share	26		
Basic earning (loss) per share		(0.53)	(0.37)

Notes to financial statements form an integral part of these statements.

HOT POT PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017

รายการ	Note		
		Issued and paid-up share capital	Share premium account
Beginning balance as at January 1, 2016		101,500,000	199,343,291
Total comprehensive income (expense) for the year			
Profit (loss) for the year		-	-
Other comprehensive income for the year, net of tax			
Gain on land revaluation	9	-	-
Actuarial gains (losses) on defined employee benefit plans		-	-
Ending balance as at December 31, 2016		101,500,000	199,343,291
Increase in ordinary shares		20,300,000	-
Premium on ordinary shares		-	108,206,871
Total comprehensive income (expense) for the year			
Profit (loss) for the year		-	-
Other comprehensive income for the year, net of tax			
Actuarial gains (losses) on defined employee benefit plans		-	-
Ending balance as at December 31, 2017		121,800,000	307,550,162

Baht				
	Retained earnings (deficit)		Other components equity	Total shareholders' equity
	Appropriated legal reserve	Unappropriated	Capital surplus from land revaluation - net of tax	
	7,055,720	(55,553,016)	-	252,345,995
	-	(148,226,976)	-	(148,226,976)
	-	-	19,234,780	19,234,780
	-	(17,237)	-	(17,237)
	7,055,720	(203,797,229)	19,234,780	123,336,562
	-	-	-	20,300,000
	-	-	-	108,206,871
	-	(222,304,114)	-	(222,304,114)
	-	3,844,760	-	3,844,760
	7,055,720	(422,256,583)	19,234,780	33,384,079

HOT POT PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Baht	
	2017	2016
Cash flows from operating activities		
Profit (loss) for the year	(222,304,114)	(148,226,976)
Adjustment to reconcile profit (loss) for the year to net cash provided by		
(used in) operating activities :-		
Allowance for doubtful account (reversal)	-	(293,190)
Depreciation and amortization	114,391,354	134,995,332
Allowance for impairment of asset (reversal)	32,289,802	9,752,225
Loss from branches closing and renovation	43,682,066	10,990,022
Loss on write-off of assets	-	2,045
(Train) loss on sale of assets	5,576,822	(1,265,112)
Interest incomes	(57,471)	(136,211)
Employee's benefit expenses	1,030,662	2,382,293
Finance costs	13,372,661	16,408,097
Tax expense (tax income)	3,512,566	23,359,000
Profit from operation before changes in operating assets and liabilities	(8,505,652)	47,967,525
(Increase) decrease in operating assets		
Trade accounts receivable	(1,863,031)	(250,591)
Inventories	8,530,278	4,589,179
Other accounts receivable and other current assets	(9,533,781)	2,213,677

Notes to financial statements form an integral part of these statements.

HOT POT PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Baht	
	2017	2016
Increase (decrease) in operating liabilities		
Trade accounts payable	(39,705,065)	7,851,747
Other accounts payable	8,444,592	(4,069,783)
Other current liabilities	(3,503,082)	2,737,654
Employee's benefit obligation	(769,770)	(393,000)
Cash received (paid) from operating	(46,905,511)	60,646,408
Interest incomes received	57,225	139,296
Income tax paid	(262,978)	(246,225)
Net cash provided by (used in) operating activities	(47,111,264)	60,539,479
Cash flows from investing activities		
Cash payments for purchases of plant and equipment	(40,777,879)	(31,194,286)
Cash receipts from disposal of equipment	1,863,587	2,126,175
Cash payments for purchases of intangible assets	(7,654)	(293,590)
Cash payments for refundable deposits and others	(1,744,825)	4,746,399
Cash payment to accounts payable - purchases of assets	(3,197,159)	(8,727,094)
Net cash used in investing activities	(43,863,930)	(33,342,396)

Notes to financial statements form an integral part of these statements.

HOT POT PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

	Baht	
	2017	2016
Increase (decrease) in bank overdrafts and short-term loan		
from financial institution	9,616,388	(32,020,439)
Cash receipt from short-term loans	160,092,537	134,967,130
Cash payments for short-term loans	(185,000,000)	(60,000,000)
Cash receipt from short-term loan from related parties	68,000,000	-
Cash payments for short-term loan from related parties	(68,000,000)	(24,920,000)
Cash receipts from long-term loan from financial institutions	-	70,752,890
Cash payments for long-term loan from financial institutions	(21,250,000)	(96,752,890)
Cash payments for liabilities under finance lease agreements	(3,815,562)	(6,890,082)
Cash receipt from paid-up for share capital	128,506,871	-
Interest expenses paid	(2,514,409)	(13,191,311)
Net cash provided by (used in) financing activities	85,635,825	(28,054,702)
Net increase (decrease) in cash and cash equivalents	(5,339,369)	(857,619)
Cash and cash equivalents at beginning of year	16,045,358	16,902,977
Cash and cash equivalents at end of year	10,705,989	16,045,358

Supplementaly disclosures of cash flows information :

Non-cash transection		
The Company acquired fixed assets by means of		
Liabilities under finance lease agreements	725,234	1,495,024

Notes to financial statements form an integral part of these statements.

HOT POT PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

1. GENERAL INFORMATION

(a) Legal status and address

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

The Company has changed its 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.

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

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

On September 1, 2017, The registered office is moved to 18 Soi Sathorn 11 Yaek 9, TFD Building, Yannawa Sathorn, Bangkok 10120, Thailand.

Factory : 11/1 Moo 3, Liab Klong 7 Road, Bueng Kham Phroi, Lam Lukka, 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 Japanese grilled food and Steak. In addition, the Company also distributes and produces finished foods and beverage to serve within its restaurant business.

As at December 31, 2017 and 2016, the Company has 106 and 141 branches nationwide, respectively.

The Changes in transactions for the number of branches for the years ended December 31, 2017 and 2016 were as follows

Number of branches	Branches	
	2017	2016
Beginning balance	141	143
Currently opened	1	8
Currently closed	(36)	(10)
Ending balance	106	141

(C) Employees

The market condition of highly competitive restaurant business has resulted in the failure of the Company's revenue to meet the target and several shut down of restaurants that operate at less. The effect on the Company is to operate at loss in the previous period. However, the Company has an action plan that aims to resolve such losses by maintaining the branches with good financial performance, improving brand image, opening new branches with the focus on potential location, developing brand to penetrate the target customers, controlling cost and planning for the Company's capital increase.

HOT POT PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2017

(d) Operation of the Company

The market condition of highly competitive restaurant business has resulted in the failure of the Company's revenue to meet the target and several shut down of restaurants that operate at loss. The effect on the Company is to operate at loss in the previous period. However, the Company has an action plan that aims to resolve such losses by maintaining the branches with good financial performance, improving brand image, opening new branches with the focus on potential location, developing brand to penetrate the target customers, controlling cost and planning for the Company's capital increase.

2. BASIS FOR THE PREPARATION OF FINANCIAL STATEMENTS

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 Thai Financial Reporting Standards. The presentation of the financial statements has been made in compliance with the Notification 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.

2.2 The accounting standards are effective in the current year

The Federation of Accounting Professions (FAP) has issued Notifications to mandate the revised accounting standards, financial reporting standards, and interpretations of accounting and financial reporting standards, which are effective for the fiscal year beginning on or after January 1, 2017 are as follows:

TAS 1 (revised 2016)	Presentation of Financial Statements
TAS 2 (revised 2016)	Inventories
TAS 7 (revised 2016)	Statement of Cash Flows
TAS 8 (revised 2016)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2016)	Events After the Reporting Period
TAS 11 (revised 2016)	Construction Contracts

HOT POT PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2017

TAS 12 (revised 2016)	Income Taxes
TAS 16 (revised 2016)	Property, Plant and Equipment
TAS 17 (revised 2016)	Leases
TAS 18 (revised 2016)	Revenue
TAS 19 (revised 2016)	Employee Benefits
TAS 20 (revised 2016)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2016)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2016)	Borrowing Costs
TAS 24 (revised 2016)	Related Party Disclosures
TAS 26 (revised 2016)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2016)	Separate Financial Statements
TAS 28 (revised 2016)	Investments in Associates and Joint Ventures
TAS 29 (revised 2016)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2016)	Earnings Per Share
TAS 34 (revised 2016)	Interim Financial Reporting
TAS 36 (revised 2016)	Impairment of Assets
TAS 37 (revised 2016)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2016)	Intangible assets
TAS 40 (revised 2016)	Investment Property
TAS 41 (revised 2016)	Agriculture
TAS 104 (revised 2016)	Accounting for Trouble Debt Restructuring
TAS 105 (revised 2016)	Accounting for Investments in Debt and Equity Securities
TAS 107 (revised 2016)	Financial Instruments Disclosure and Presentation
TFRS 2 (revised 2016)	Share-Based Payment
TFRS 3 (revised 2016)	Business Combinations
TFRS 4 (revised 2016)	Insurance Contracts
TFRS 5 (revised 2016)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2016)	Exploration for and Evaluation of Mineral Resources
TFRS 8 (revised 2016)	Operating Segments

HOT POT PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2017

TFRS 10 (revised 2016)	Consolidated Financial Statements
TFRS 11 (revised 2016)	Joint Arrangements
TFRS 12 (revised 2016)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2016)	Fair Value Measurement
TSIC 10 (revised 2016)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (revised 2016)	Operating Leases - Incentives
TSIC 25 (revised 2016)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2016)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2016)	Service Concession Arrangements: Disclosure
TSIC 31 (revised 2016)	Revenue-Barter Transactions Involving Advertising Services
TSIC 32 (revised 2016)	Intangible Assets - Web Site Costs
TFRIC 1 (revised 2016)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2016)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2016)	Right to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2016)	Applying the Restatement Approach under TAS 29 (revised 2016) Financial Reporting in Hyperinflationary Economics
TFRIC 10 (revised 2016)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2016)	Service Concession Arrangements
TFRIC 13 (revised 2016)	Customer Loyalty Programmes
TFRIC 14 (revised 2016)	TAS 19 (revised 2016)-The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2016)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2016)	Distributions of Non - cash Assets to Owners
TFRIC 18 (revised 2016)	Transfers of Assets from Customers
TFRIC 20 (revised 2016)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21 (revised 2016)	Levies

HOT POT PUBLIC COMPANY LIMITED
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DECEMBER 31, 2017

TFRS 10 (revised 2016)	Consolidated Financial Statements
TFRS 11 (revised 2016)	Joint Arrangements
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HOT POT PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2017

The management of the Company evaluated that these revised accounting standards, financial reporting standard, accounting standard interpretations and financial reporting standards interpretations do not have any significant impact on the financial statements in current year.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Revenues

Revenue excludes value added taxes and other output tax. Sales is recognised in the amount after deduction of trade discounts.

Revenue is recognised in the statement of comprehensive income when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised, 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 recognised 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.

Subsidized income is recognised 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 recognised as revenue for the period in the comprehensive income statement on the accrual basis.

HOT POT PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2017

3.2 Expenses

Payments made under operating leases are recognised in the statement of comprehensive income on a straight line basis over the term of the lease. Lease incentives received are recognised 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 capitalised 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 recognised 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 base 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.

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 the sale.

HOT POT PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2017

3.6 Property plant and equipment

Land is stated at cost and adjusted its value from the assets valuation.

From 2016, the Company chooses to use the revaluation model for the land in fair market value by the independent appraiser with market approach. The Company has the policy to hire the independent appraiser to appraise the value such land every 5 years.

The Company recognized an increasing of assets's carrying amount as a result of a revaluation in other comprehensive income and accumulated in equity under the heading of revaluation surplus.

The Company will transfer the surplus from the revaluation of the land that is included in equity to the retained earnings directly when the Company is derecognized the assets items. All surplus from the revaluation of the assets are transferred to the retained earnings when the asset is retired or disposed of.

Land is 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.

Allowance for impairment loss of assets will be made when there is any event or circumstance indicating that the recoverable values of these assets are less than their carrying values.

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

	Years
Leasehold building improvements	Upon the period of lease contracts
Factory building	10 - 30 years
Other structure	10 years
Furniture, fixtures and office equipment	5 years
Vehicles	5 - 15 years
Operating equipment	12 - 15 years

HOT POT PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2017

Construction in progress is not depreciated.

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

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 are 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 license, 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 life are not amortized but are systematically tested for impairment at each the statement of finan

Software licenses	5 and 10 years
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Trademark	Unlimited useful life
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HOT POT PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2017

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.

3.10 Trade and other accounts payable

Trade and other accounts payable are stated at cost.

3.11 Provisions

A provision is recognised 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.

HOT POT PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2017

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 other comprehensive income a part of retained earnings.

3.13 Income tax

Income tax comprises current income tax and deferred tax.

Current tax

The Company records income tax expense, if any, based on the amount currently payable under the Revenue Code at the income tax rates of 20% of 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.

HOT POT PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2017

Deferred tax

Deferred tax assets and liabilities are provided on the temporary differences between the carrying amount and the tax bases of assets and liabilities at the end of the reporting period. Changes in deferred tax assets and liabilities are recognized as deferred tax income or deferred tax expense which are recognized in the profit or loss except to the extent that it relates to items recognized directly in shareholders' equity or in other comprehensive income.

The deductible temporary differences are recognized as deferred tax assets when it is probable that the Company will have future taxable profit to be available against which the deferred tax assets can be utilized. The taxable temporary differences on all taxable items are recognized as deferred tax liabilities.

Deferred tax assets and liabilities are measured at the tax rates that the Company and its subsidiaries expect to apply to the period when the deferred tax assets are realized or the deferred tax liabilities are settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

At the end of each reporting period, the carrying amount of deferred tax assets are reviewed and reduced the value when it is probable that the Company will have no longer the future taxable profit that is sufficient to be available against which all or some parts of deferred tax assets are utilized.

Deferred tax assets and deferred tax liabilities are offset when there is the legal right to settle on a net basis and they relate to income taxes levied by the same tax authority on the same taxable entity.

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.

HOT POT PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2017

3.15 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.

3.16 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.

3.17 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.

3.18 Financial instruments

Details of significant accounting policies and methods adopted, including criteria for recognition of revenues and

HOT POT PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2017

3.19 Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect amounts reported in the financial statements and disclosures and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement in evaluating the conditions and details of the agreement whether significant risk and rewards of ownership of the leased asset has been transferred.

Property, plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review the estimated useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record the impairment loss when it is determined that the recoverable amount is lower than the carrying amount. This requires judgement regarding forecast of future revenues and expenses relating to the assets subject to the review.

Intangible assets

In recording the initial recognition and measurement of intangible assets as at the acquired date and subsequent impairment testing, the management is required to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

HOT POT PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2017

Deferred tax assets

Deferred tax assets are recognized for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of estimated future taxable profits.

Provisions for asset dismantling

In estimating the provisions for asset dismantling, it requires management to exercise the judgment to estimate by the requirements of the lease agreement for the Company to carry out the dismantling and restore the leased property back to the original condition before handing back the leased property to the lessor upon the expiry of the lease agreement. This relies on various assumptions such as discount rate, demolition and adjustment fee rate, transportation rate, accommodation and traveling rate and inflation rate, etc.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

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 were as follows :

HOT POT PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2017

Name of Company / individual	Type of business	Type of relationship
Octopus Media Solutions Co., Ltd.	Multimedia	Shareholder and director
JC Kevin Development Co., Ltd.	Property Development	Co-director and shareholder
Ms. Sakuna Baicharoen	-	Shareholder
Mr. Sompon Roekwibunsi	-	Shareholder and director
Mr. Somchai Roekwibunsi	-	Shareholder and director (Until August 2016)
Mr. Apichai Taechaubol	-	Shareholder and director
Mr. Chotiwit Taechaubol		Director
Ms. Unthika Roekwibunsi	-	Shareholder and director

Transactions with related parties for the years ended December 31, 2017 and 2016 were summarized as follows:

	Baht	
	2017	2016
Administrative expenses		
Octopus Media Solutions Co., Ltd	3,547	374,372
JC Kevin Development Co., Ltd.	721,722	-
	<u>725,269</u>	<u>374,372</u>

Transactions with related parties for the years ended December 31, 2017 and 2016 were summarized as follows:

Pricing Policy			Baht	
			2017	2016
Administrative expenses				
Octopus Media Solutions Co., Ltd	The agreed contract price	1,209,760	3,332,165	
JC Kevin Development Co., Ltd.	The agreed contract price	3,125,967	-	
		4,335,727	3,332,165	
Interest expense				
Mr.Sompon Roekwibunsi	1.725%, 3.500% per annum	-	108,471	
Mr.Somchai Roekwibunsi	1.725%, 3.500% per annum	-	25,346	
Mr. Chotiwit Taechaubol	3.500 per annum	258,511	-	
		258,511	133,817	
Management benefit expenses				
Shot-term employee’s benefits		14,709,917	11,909,222	
Post-employment benefits		28,558	57,183	
		14,738,475	11,966,405	

MANAGEMENT BENEFIT EXPENSES

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

HOT POT PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2017

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents were consisted of :

	Baht	
	2017	2016
Cash in hand	1,684,000	2,066,000
Cash at Banks - current accounts	797,135	1,906,484
- savings accounts	8,224,854	12,072,874
Total	10,705,989	16,045,358

เงินฝากธนาคารบัญชีออมทรัพย์มีอัตราดอกเบี้ยร้อยละ 0.37 - 0.625 ต่อปี (ปี 2559 : ร้อยละ 0.37 - 0.625 ต่อปี)

6. TRADE ACCOUNTS RECEIVABLE

Trade accounts receivable were consisted of :

	Baht	
	2017	2016
Trade accounts receivable	3,581,272	1,718,241
<u>Less</u> Allowance for doubtful accounts	<u>(1,174,460)</u>	<u>(1,174,460)</u>
Trade accounts receivable - net	2,406,812	543,781

Trade accounts receivable classified by ages of account receivable consisted of :

	Baht	
	2017	2016
Not yet due	596,164	386,405
Over due :		
1 day to 30 days	44,894	157,376
31 days to 90 days	355,749	-
91 days to 365 days	1,410,005	-
Over 365 days	1,174,460	1,174,460
Total	3,581,272	1,718,241

HOT POT PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2017

Changes in allowance for doubtful accounts were as follows :

	Baht	
	2017	2016
Beginning balance	1,174,460	1,467,650
Addition	-	-
Bad debt	-	-
Reversal	-	(293,190)
Ending balance	1,174,460	1,174,460

7. INVENTORIES

Inventories were consisted of :

	Baht	
	2017	2016
Finished goods	40,771,155	49,663,228
Raw materials	3,740,802	3,379,007
Total	44,511,957	53,042,235

	Baht	
	2017	2016
Decline in value of inventory recognized as cost of goods sold for the years	7,931,368	10,944,246

8. OTHER CURRENT ASSETS

Other current assets were consisted of :

	Baht	
	2017	2016
Prepaid banner rental and other prepaid expenses	3,598,645	4,661,981
Undue input vat	4,750,864	2,641,969
Other supplies	4,438,938	3,881,864
Materials used in construction and branches	7,767,818	7,733,420
Other current assets	1,184,855	532,089
Total	21,741,120	19,451,323

HOT POT PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2017

9. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment were consisted of :

	Baht				
		Transactions during the year			
	Balance Dec. 31, 2016	Additions	Disposal/ write-off	Transfer in/(out)	Balance Dec. 31, 2017
<u>Cost/revaluation</u>					
Land/revaluation	55,608,000	-	-	-	55,608,000
Factory building and other structure	63,266,369	2,234,046	-	-	65,500,415
Leasehold building improvement	608,173,131	22,734,998	(134,348,640)	(4,870,311)	491,689,178
Furniture, fixtures and office equipment	54,985,463	3,761,110	(8,349,407)	-	50,397,166
Operating equipment	453,919,341	10,988,650	(60,844,446)	-	404,063,545
Vehicles	48,464,523	1,334,962	-	-	49,799,485
Work in progress	297,354	48,509,495	-	(40,840,994)	7,965,855
Total	1,284,714,181	89,563,261	(203,542,493)	(45,711,305)	1,125,023,644
<u>Accumulated depreciation</u>					
Factory building and other structure	(21,131,883)	(3,190,717)	-	-	(24,322,600)
Leasehold building improvement	(378,353,678)	(71,984,720)	86,014,579	-	(364,323,819)
Furniture, fixtures and office equipment	(46,537,067)	(3,741,562)	7,680,929	-	(42,597,700)
Operating equipment	(349,625,457)	(22,978,858)	52,369,397	-	(320,234,918)
Vehicles	(34,302,773)	(2,988,023)	-	-	(37,290,796)
Total	(829,950,858)	(104,883,880)	146,064,905	-	(788,769,833)
Allowance for impairmen	(11,194,505)	(43,484,307)	11,194,505	-	(43,484,307)
Property, plant and equipment-net	443,568,818				292,769,504

HOT POT PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2017

	Baht				
	Transactions during the year				
	Balance Dec. 31, 2015	Additions	Disposal/ write-off	Transfer in/ (out)	Balance Dec. 31, 2016
<u>Cost/revaluation</u>					
Land/revaluation	31,564,525	24,043,475	-	-	55,608,000
Factory building and other structure	63,266,369	-	-	-	63,266,369
Leasehold building improvement	624,728,597	21,106,671	(37,658,176)	(3,961)	608,173,131
Furniture, fixtures and office equipment	52,457,995	3,680,437	(1,170,726)	17,757	54,985,463
Operating equipment	443,772,795	11,851,843	(1,691,501)	(13,796)	453,919,341
Vehicles	50,530,055	7,000	(2,072,532)	-	48,464,523
Work in progress	568,271	35,897,168	-	(36,168,085)	297,354
Total	1,266,888,607	96,586,594	(42,592,935)	(36,168,085)	1,284,714,181
<u>Accumulated depreciation</u>					
Factory building and other structure	(17,962,679)	(3,169,204)	-	-	(21,131,883)
Leasehold building improvement	(316,495,357)	(85,943,150)	24,090,990	(6,161)	(378,353,678)
Furniture, fixtures and office equipment	(43,059,705)	(4,627,543)	1,151,243	(1,062)	(46,537,067)
Operating equipment	(322,907,418)	(27,986,543)	1,261,281	7,223	(349,625,457)
Vehicles	(32,708,662)	(3,563,542)	1,969,431	-	(34,302,773)
Total	(733,133,821)	(125,289,982)	28,472,945	-	(829,950,858)
Allowance for impairment	(1,442,280)	(11,194,505)	1,442,280	-	(11,194,505)
Property, plant and equipment-net	532,312,506				443,568,818

		Baht	
		2017	2016
Depreciation for the years	- cost of sale	2,740,822	2,666,699
	- selling and administrative expenses	102,143,058	122,623,283
Total		104,883,880	125,289,982
	(Loss) from branches closing and renovation	(43,682,066)	(10,990,022)
	(Loss) on impairment of assets	32,289,802	(9,752,225)
	(Loss) on write-off of assets	-	(2,045)
	Gain (loss) on sale of assets	(5,576,822)	1,265,112

HOT POT PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
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The Company hired a local independent appraiser namely; Grow Estimation Co., Ltd. to appraise the value of land again based on fair market value by using the market approach. The land has cost amounting to Baht 31.56 million and the reappraisal value amounting to Baht 55.60 million, which the value is higher than the book value of Baht 24.04 million. The Company has recognized the gain on land revaluation in other comprehensive income for year ended December 31, 2016. The increment on land valuation in the amount of Baht 24.04 million is presented as land revaluation surplus under the shareholders' equity amounting to Baht 19.23 million net of deferred tax liabilities of Baht 4.81 million.

As at December 31, 2017 and 2016, 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 358.12 million and Baht 344.39 million, respectively.

As at December 31, 2017 and 2016, the Company had land, factory building and other construction in the cost price of Baht 97.07 million and Baht 94.83 million, respectively, were used to guarantee the long-term loans from a local financial institution (Note 13 and 16).

As at December 31, 2017, 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, 2017 and 2016, 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 8.82 million and Baht 13.61 million, respectively.

HOT POT PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2017

Impairment of assets

The market condition of highly competitive restaurant business has resulted in the failure of the operations of some branches to meet the expectation. The outlook is that some branches may be closed down in the foreseeable future. This is a significant indication of impairment of branch assets. During the year 2017, the Company assessed the value of the recovery amount of fixed assets in the branch that has an indication of asset impairment which comprises building improvement under the lease agreement and equipment used in the operation. The recovery amount of the assets is equal to the fair value of the assets less selling cost or value-in-use, whichever is higher. The value in use of the asset is defined by the estimate of future cash flow expected to be received using the discount rate before tax at 12.89% per annum. From the assessment result, the recovery amount of the assets is lower than the book value. Therefore, the Company has recognized increase in the loss on impairment of such assets of Baht 32.29 million in the profit or loss for the year ended December 31, 2017 and the Company has an allowance for impairment of such assets as at December 31, 2017 in the amount of Baht 43.48 million in the statement of financial position.

10. LEASEHOLD RIGHTS

Leasehold rights were consisted of :

	Baht			
	Balance	Transactions during the year		Balance
	Dec. 31, 2016	Addition	Disposal / Write-off	Dec. 31, 2017
<u>Cost</u>				
Leasehold rights in space of Leasehold rights	110,654,451	-	-	110,654,451
<u>Less</u> accumulated amortization	(65,704,470)	(8,503,081)	-	(74,207,551)
Leasehold rights - net	44,949,981			36,446,900

HOT POT PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2017

	Baht			
	Balance	Transactions during the year		Balance
	Dec. 31, 2015	Addition	Disposal / Write-off	Dec. 31, 2016
<u>Cost</u>				
Leasehold rights in space of restaurant	110,654,451	-	-	110,654,451
<u>Less</u> accumulated amortization	(57,154,669)	(8,549,801)	-	(65,704,470)
Leasehold rights				
Leasehold rights - net	53,499,782			44,949,981

	Baht	
	2017	2016
Amortization cost for the years - selling expenses	8,503,081	8,549,801

As at December 31, 2016, leasehold rights on 8 Daidomon branches, which had book value in the amount of Baht 36.36 million, were used to guarantee the credit limit from the bank. Later, in the year 2017, the Company has removed such collateral because the long-term loan from the financial institution was fully paid. (Note 13 and 16)

11. INTANGIBLE ASSET

Intangible asset were consisted of :

	Baht				
	Balance	Transactions during the year			Balance
	Dec. 31, 2016	Addition	Disposal/ write-off	Transfer In (out)	Dec. 31, 2017
<u>Cost</u>					
Trademark	-	-	-	-	-
Software licenses	16,944,157	7,654	-	-	16,951,811
Software in progress	-	7,654	-	(7,654)	-
Total	16,944,157	15,308	-	(7,654)	16,951,811
<u>Less</u> Accumulated					
amortization					
Software licenses	(11,835,151)	(1,004,393)	-	-	(12,839,544)
Total	(11,835,151)	(1,004,393)	-	-	(12,839,544)
Intangible asset-net	5,109,006				4,112,267

HOT POT PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2017

	Baht			
	Balance	Transactions during the year		Balance
	Dec. 31, 2015	เพิ่มขึ้น	Disposal/ write-off	Dec. 31, 2016
			Transfer In (out)	
<u>Cost</u>				
Trademark	-	-	-	-
Software licenses	16,616,567	327,590	-	16,944,157
Software in progress	34,000	293,590	-	-
Total	16,650,567	621,180	-	16,944,157
<u>Less</u> Accumulated				
amortization				
Software licenses	(10,679,602)	(1,155,549)	-	(11,835,151)
Total	(10,679,602)	(1,155,549)	-	(11,835,151)
Intangible asset-net	5,970,965			5,109,006

		Baht	
		2017	2016
Amortization cost	- elling and administrative	1,004,393	1,155,549
for the years	expenses		

As at December 31, 2017 and 2016, the Company had intangible assets which were fully depreciated but still in use with the cost price of Baht 7.30 million and Baht 6.75 million, respectively.

12. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

Changes in deferred tax assets and deferred tax liabilities for the years ended December 31, 2017 and 2016 were summarized as follows:

	Baht		
	Balance	Income (expenses) during the year	Balance as
	as at		
	Dec. 31,	In profit or loss	In other
	2015	comprehensive	Dec. 31,
		income	2016
Deferred tax assets :			
Prepaid expenses	157,550	32,490	-
Capital surplus from land revaluation	4,808,695	-	-
Property, plant and equipment	5,729,178	(3,594,337)	-
Differences from the fair value			
adjustment of			
assets from acquiring Daidomon's	72,902	49,281	-
business			
Total	10,768,325	(3,512,566)	-
			14,280,891

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

DECEMBER 31, 2017

	Baht		
	Balance as at	Income (expenses) during the year	Balance as at
	Dec. 31, 2015	In profit or loss	In other comprehensive income
Deferred tax assets:			
Trade account receivables	293,530	(293,530)	-
Other accounts receivable	127,760	(127,760)	-
Allowance for impairment of asset	288,456	(288,456)	-
Accrued rental expense	750,519	(750,519)	-
Employee's benefit obligations	861,989	(861,989)	-
Assets retirement obligations	2,797,059	(2,797,059)	-
Unused tax losses	12,456,976	(12,456,976)	-
Total	17,576,289	(17,576,289)	-
Deferred tax liability:			
Prepaid expenses	54,464	(103,086)	-
Capital surplus from land revaluation	-	-	4,808,695
Property, plant and equipment	-	(5,729,178)	-
Differences from the fair value adjustment of assets from acquiring Daidomon's business	122,454	49,552	-
Total	176,918	(5,782,712)	4,808,695
Deferred tax assets (liabilities) - net	17,399,371		(10,768,325)

As at December 31, 2016, the Company has reduced the book value of deferred tax assets due to the uncertainty whether the Company will have adequate tax profit to utilize all deferred tax assets in the amount of Baht 17.58 million (Note 23.2).

HOT POT PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2017

13. BANK OVERDRAFTS AND SHORT-TERM LOAN FROM FINANCIAL INSTITUTIONS

Bank overdrafts and short-term loan from financial institution were consisted of :

	Baht	
	2017	2016
Bank overdrafts	20,800,805	11,184,417
Short-term loan in the form of promissory note	30,000,000	30,000,000
Total	50,800,805	41,184,417

As at December 31, 2017 and 2016, the Company had credit facilities with some local commercial banks under the total credit facilities of Baht 155.90 million and Baht 275.90 million, respectively, as follows:

Types of credit limit	Interest rate (% per annum)	Million Baht	
		2017	2016
(1) Bank overdrafts	MOR	26.00	30.00
(2) Letter of credit/Trust Receipt	-	4.00	-
(3) Short-term loan in the form of promissory note	MLR	30.00	30.00
(4) Long-term loan (Note 16)	MLR - MLR-1.30	70.90	190.90
(5) Bank guarantee	-	25.00	25.00
Total		155.90	275.90

In the year 2017, the Company opened the letter of credit and/or trust receipt (L/C, T/R) in the amount of Baht 4.00 million by reducing the credit limit of overdraft with a local bank. The outstanding balance of bank overdraft is Baht 26.00 million.

As at December 31, 2016, the credit limits were secured by a mortgage of land and buildings under the ownership of the Company, fixed deposit account of Baht 3.00 million and the leaseholds on 8 Daidomon branches owned by the Company and were guaranteed by the Company's directors. Later, in 2017, the Company has removed the leasehold collateral of such Daidomon branches since the Company has already paid the long-term loan in the full amount.

As at December 31, 2017, the credit limits were secured by a mortgage of land and buildings under the ownership of the Company, fixed deposit account of Baht 3.00 million.

14. SHORT-TERM LOANS

	Baht	
	2017	2016
Bill of exchanges (par value)	60,000,000	80,000,000
<u>Less</u> Deferred discount	(770,980)	(1,295,428)
Bill of exchange - net	59,229,020	78,704,572

15. SHORT-TERM LOAN FROM RELATED PARTIES

	Baht	
	2017	2016
Beginning balance	-	24,920,000
Additional loan during the year	68,000,000	-
Deduction from payment during the year	(68,000,000)	(24,920,000)
Ending balance	-	-

In 2016, the Company has loan from a related party in the form of promissory note with the interest rate at 3.50% per annum (reference rate to the yield rate of government bond 1 year plus average spread rating BBB bond under 3 years). During the quarter 1 in 2016, the principal and interest have been paid in the amount of Baht 25,572,811

HOT POT PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
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16. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS

Long-term loans from financial institutions were consisted of :

Loan	Year	Amount (million Baht)		Withdrawn (million Baht)		Interest rate (%)	Monthly repayment schedule of principal and interest (million Baht)	Outstanding principal (Baht)	
		2017	2016	2017	2016			2017	2016
1	2012	-	50.00	-	50.00	MLR-1.25	- No. 1 - 6, only interest - No. 7 - 29, each installment 1.65 - No. 30 - 32, each installment 0.41 - No. 33 - 41, only interest - No. 42 - 47, each installment 1.65 - No. 48, remaining portion	-	3,012,500
2	2013	-	70.00	-	70.00	MLR-1.25	- No. 1 - 6, only interest - No. 7 - 24, each installment 2.35 - No. 25 - 27, each installment 0.59 - No. 28 - 36, only interest - No. 37 - 46, each installment 2.35 - No. 47, remaining portion	-	7,737,500
3	2016	70.90	70.90	70.75	70.75	MLR- 1.30	- No. 1 - 12, only interest - No. 13 - 59, each installment 1.50 - No. 60, remaining portion	60,252,890	70,752,890
Total		70.90	190.90	70.75	190.75			60,252,890	81,502,890
Less current portion								(18,000,000)	(22,750,000)
Long-term loans from financial institutions - net								42,252,890	58,752,890

As at December 31, 2017 and 2016, the Company had credit limit of long-term loans with such two commercial banks at the total principal of Baht 70.90 million and Bath 190.90 million which had been withdrawn the loan amounting to Baht 70.75 million and Baht 190.75 million, respectively.

- Loans No. 1 and 2

Long-term loans are guaranteed by the transfer of leasehold in 8 branches (Note 10) and has been guaranteed by 2 directors of the company. According to the loan agreement, the Company has to comply with the significant conditions below.

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

In 2017, the Company closed the long-term loans under credit lines No.1 and 2 as full payment of the long-term loans had been made and such security assets were removed.

- Loan No. 3

Long-term loan is secured by the mortgaging of lands, factory buildings, other construction of the Company. As such, the Company has to comply with other significant conditions as follows:

- (1) The Company has to maintain the debt to equity ratio in the rate not exceeding 2.0:1. Debt means total debts deduct with the loans from directors or shareholders, and equity means total equity combined with the loans from directors or shareholders.
- (2) The Company has to maintain the debt service coverage ratio in the rate not less than 1.5:1.

As at December 31, 2017, the Company is unable to maintain the financial ratio by the requirements and conditions of the agreement. However, after December 31, 2017 a bank sent a notifying letter to accommodate the Company that it needs not maintain the financial ratio by the requirements and conditions of the agreement. It will not be treated as violation or default under the loan agreement.

17. LIABILITIES UNDER FINANCE LEASE AGREEMENTS

Liabilities under finance lease agreements were consisted of :

	Baht	
	2017	2016
Liabilities under finance lease agreements	6,648,916	10,271,062
<u>Less</u> deferred interest	(535,584)	(916,927)
deferred value added tax	(197,135)	(347,610)
	5,916,197	9,006,525
<u>Less</u> current portion	(2,530,158)	(3,718,817)
Liabilities under finance lease agreements - net	<u>3,386,039</u>	<u>5,287,708</u>

HOT POT PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
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	Baht							
	2017				2016			
	Principal	Deferred interest	Deferred VAT	Total	Principal	Deferred interest	Deferred VAT	Total
1 - 5 years	3,386,039	209,567	89,744	3,685,350	5,287,708	450,444	147,180	5,885,332
Over 5 years	-	-	-	-	-	-	-	-
Total	3,386,039	209,567	89,744	3,685,350	5,287,708	450,444	147,180	5,885,332

The Company has liabilities under the finance lease agreements which consist of several agreements to supply equipment, furnitures, fixtures and office equipment, equipment used in the operation and vehicles for operation with several local leasing companies.

17.1 Hire-purchase agreements

As at December 31, 2017, the Company had hire-purchase agreements for the vehicles with the total contract value amounting Baht 0.89 million. The rental is monthly due in 48 installments at Baht 0.02 million per month. Under the terms of the agreement, the Company is required to comply with the conditions and restrictions as set forth in the agreement. The ownership of the assets under this hire-purchase agreement will be transferred to the Company upon the final payment.

17.2 Long-term lease agreements

As at December 31, 2017, the Company had agreements to lease the vehicles and the equipment used in the operation in the form of finance lease with the total contract value amounting Baht 12.28 million. The rental is monthly due in 48 - 60 installments at Baht 0.23 million per month. Under the terms of the agreement, the Company is required to comply with the conditions and restrictions as set forth in the agreement. The Company, under the terms of the agreement, has an option to purchase the assets upon the expiry of the lease amounting Baht 0.67 million, and the Company must comply with certain conditions and restrictions as defined in the agreement.

For the years ended December 31, 2017 and 2016, the Company paid the liabilities under finance lease agreements in amount of Baht 4.52 million and Baht 8.14 million, respectively.

HOT POT PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
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18. EMPLOYEE'S BENEFIT OBLIGATIONS

The statements of financial position as at December 31, 2017 and 2016 were as follows :

	Baht	
	2017	2016
Beginning balance defined benefit obligations	6,316,477	4,309,947
Current service costs and interest	1,030,662	2,382,293
Actuarial loss	(3,844,760)	17,237
Benefits paid by the plan	(769,770)	(393,000)
Ending balance defined benefit obligations	2,732,609	6,316,477

The statements of comprehensive income for the years ended December 31, 2017 and 2016 are as follows :

	Baht	
	2017	2016
Current service costs		
Cost of sales	65,032	353,716
Selling expenses	819,664	1,755,829
Administrative expenses	62,436	141,401
Directors and management benefit expenses	28,558	54,679
Total	975,690	2,305,625
Interest on obligation	54,972	76,668
Total	1,030,662	2,382,293

Principal actuarial assumptions at the reporting date for the year ended December 31, 2017 and 2016 are as follow :

	Percentage	
	2017	2016
Discount rate	1.93	1.95
Salary increase rate	4	4
Employee turnover rate	23 - 47	24 - 44
Mortality rate	Thai Mortality Ordinary Table 2017	Thai Mortality Ordinary Table 2008

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NOTES TO THE FINANCIAL STATEMENTS (CONT.)
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Sensitivity analysis

The results of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations as at December 31, 2017 and 2016 are summarized below:

	Baht			
	2017		2016	
	1% increase	1% decrease	1% increase	1% decrease
Discount rate	(96,137)	104,859	(124,384)	132,260
Salary increase rate	100,796	(94,377)	128,303	(123,161)
Turnover rate	(129,173)	141,675	(173,641)	184,699
จำนวนพนักงาน				

19. PROVISION FOR ASSET DISMANTLING

Changes in provision for asset dismantling were summarized as follows :

	Baht	
	2017	2016
Balance, beginning of year	38,375,967	39,286,865
Increase from provisions an interest	1,070,000	1,598,989
Decrease from assumptions change	(4,870,311)	-
Decrease from dismantled asset	(8,409,423)	(2,509,887)
Balance, end of year	26,166,233	38,375,967

The provisions from assets dismantling of the Company had been estimated according to regulation under the lease required the Company to dismantle and restore the area back to the same condition before returning the rental space to the lessor at the end of the lease. The calculation was based on discount rate, demolition and area adjustment fee rate, transportation rate, accommodation and traveling rate and inflation rate.

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NOTES TO THE FINANCIAL STATEMENTS (CONT.)
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Key assumptions used in estimating the provisions for asset demolition are as follows:

As at December 31, 2017

Key assumption	Value	Valuation method
- Discount rate	Maximum not over 3.92%	Reference rate to government bond
- Demolition and area adjustment fee rate	Baht 1,100 per square meter	According to agreement
- Transportation rate	Maximum not over Baht 19,000 (depends on the distance)	Market transportation rate
- Accommodation rate	Baht 600 per da	Experience
- Allowance rate	Baht 250 per da	Experience
- Traveling rate	Baht 3.20 per kilometer	Experience
- Inflation rate	Approximately 1%	Current inflation rate

As at December 31, 2016

Key assumption	Value	Valuation method
- Discount rate	Maximum not over 12.55%	Reference rate to government bond
- Labor rate	Maximum not over Baht 675 per day per person (average 15 persons : branch, maximum not over 25 days)	Labor rate in the market and experience
- Transportation rate	Maximum not over Baht 73,000 (depends on the site of the branch and distance)	Market transportation rate and experience
- Accommodation and traveling rate	Maximum not over Baht 20,100 (depends on the site of the branch and distance)	Experience
- Inflation rate	Approximately 3 %	Current inflation rate

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20. SHARE CAPITAL

20.1 According to the General Shareholders' Meeting No.1/2017 dated April 27, 2017, the shareholders had the resolution to approve the significant matters as follows:

20.1.1 To decrease the Company's registered capital of Baht 10,150,000 from the registered capital Baht 111,650,000 to Baht 101,500,000.

20.1.2 To increase the registered capital of the company by General Mandate for Baht 20,300,000 from the registered capital Baht 101,500,000 to Baht 121,800,000 by issuing the ordinary shares of 81,200,000 shares at Baht 0.25 per share.

20.1.3 To allocate the ordinary shares increase by General Mandate for 81,200,000 shares at Baht 0.25 per share by offering to the existing shareholders (Right Offering) for 40,600,000 shares and private placement 40,600,000 shares.

20.1.4 To issue and offer debenture for sale with maturity not over 4 years in the amount not over Baht 500,000,000.

20.2 According to the minutes of the Board of Directors' Meeting

No. 7/2017 dated August 22, 2017, the board had the resolution to approve the significant matters as follows:

20.2.1 The approval of ordinary share capital increase by General Mandate for 40,600,000 shares to the existing shareholders by right offering in 10 ordinary shares to 1 capital increase ordinary share at the offering price Baht 1.50 per share in the total amount Baht 60.90 million, by closing share register on October 2-6, 2017 as approved from the General Shareholder's Meeting for 2017 of the company dated April 27, 2017.

20.3 Increase of registered capital of the Company

The shareholders have a resolution to approve the increase of registered capital of the Company from Baht 101,500,000 to Baht 121,800,000. The increase of registered capital in the amount of Baht 20,300,000 has been issued into 81,200,000 new capital increase shares at the par value of Baht 0.25 per share. Such increase of registered capital is to support the allocation of the capital increase shares for general mandate at 40,600,000 shares to the existing shareholders according to the right offering at the ratio 10 existing ordinary shares to 1 new capital increase ordinary share at the offering price Baht 1.50 per share in the amount of Baht 60.90 million and to offer to the private placement for 40,600,000 shares at the offering price Baht 1.70 per share in the amount of Baht 69.02 million.

The Company has registered the change of the increase of registered capital with the Department of Business Development, Ministry of Commerce in November 2017. As a result, the Company has 487,200,000 ordinary shares at the par value of Baht 0.25 per share. The total registered and paid-up capital is Baht 121,800,000 and the increase in the premium on ordinary shares is Baht 108,206,871.

21. 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.

22. 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 statement of financial position as at December 31, 2017 and 2016, the Company's debt to equity ratios are 14.97: 1 and 4.64 : 1, respectively.

23. TAX EXPENSE (INCOME)

23.1 Major components of tax expense (income)

For the years ended December 31, 2017 and 2016 consisted of:

	Baht	
	2017	2016
Income tax expense (income) shown in profit or loss :		
Current tax expense:		
Income tax expense for the years	-	-
Deferred tax expense (income):		
Changes in temporary differences relating to the original recognition and reversal	3,512,566	23,359,000
Total	3,512,566	23,359,000
Income tax relating to components of other comprehensive income :		
Deferred tax relating to :		
Gain on land revaluation	-	4,808,695
Total	-	4,808,695

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NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2017

23.2 numerical reconciliation between tax expense (income) and the product of accounting profit multiplied by the applicable tax rate.

For the years ended December 31, 2017 and 2016, which were summarized as follows:

	Baht	
	2017	2016
Accounting profit (loss) for the years	(218,791,548)	(124,867,976)
The applicable tax rate (%)	20%	20%
Tax expense (income) at the applicable tax rate	(43,758,310)	(24,973,595)
Reconciliation items:		
Tax effect of expenses that are not deductible in determining tax profit:		
- Expenses not allowed as expenses in determining taxable profit	8,439,982	3,268,561
Tax effect of income or profit that are not required in determining taxable profit:		
- อื่นๆ	22,289	-
Unrecognized tax losses on deferred tax assets	38,808,605	27,487,745
Deferred tax expense arising from the write-down of deferred tax assets	-	17,576,289
Total reconciliation items	47,270,876	48,332,595
Total tax expense (income)	3,512,566	23,359,000

As at December 31, 2017, the Company had an accumulated loss (in tax) from 2014 - 2017 that was still unused of approximately Baht 479.72 million. The Company did not record deferred tax assets from such loss because there was an uncertainty whether the Company would have enough profit to utilize the benefits from deferred tax assets or not.

HOT POT PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2017

23.3 numerical reconciliation between the average effective tax rate and the applicable tax rate.

For the years ended December 31, 2017 and 2016 were summarized as follows:

	2017		2016	
	Tax amount	Tax rate	Tax amount	Tax rate
	(Baht)	(%)	(Baht)	(%)
Accounting profit (loss) before tax expense for the years	(218,791,548)		(124,867,976)	(%)
Tax expense (income) at the applicable tax rate	(43,758,310)	(20.00)	(24,973,595)	(20.00)
Reconciliation items	47,270,876	21.61	48,332,595	38.71
Tax expense (income) at the average effective tax rate	3,512,566	1.61	23,359,000	18.71

24. OPERATING SEGMENT

The Company operates in one main reportable operating segment which comprises of the restaurant business in both a la carte and buffet menu featuring Sukiyaki Japanese and steak menu. The Company's restaurant branches in single geographical area is Thailand. The operating segment's performance is regularly reviewed by the chief operating decision maker who is the Executive Directors in order to make decisions about the allocation of resources to the segment and assess its performance. The Company assesses the performance of operating segment by using operating profit or loss, on a basis consistent with that used to assess operating profit or loss in the financial statements, therefore all the revenues, operating profits and assets as reflected in the financial statements are the reporting of the reportable operating segment.

Other expense is the loss from closing down the restaurant branches due to incurring continual losses. The losses from the closing down of the branches for years ended December 31, 2017 and 2016 are summarized as follows :

	Baht	
	2017	2016
Loss from writing off leasehold building improvement and equipment (Note 9)	43,682,066	10,990,022
Others	9,765,353	428,173
	<u>53,447,419</u>	<u>11,418,195</u>

HOT POT PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2017 25. OTHER EXPENSE

26. BASIC EARNINGS (LOSS) PER SHARE

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

	<u>2017</u>	<u>2016</u>
Profit (loss) for the years (Baht)	(222,304,114)	(148,226,976)
Weighted average number of ordinary shares (Shares)	421,906,302	406,000,000
Basic earnings (loss) per share (Baht per share)	(0.53)	(0.37)

27. 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 :

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.

As at December 2017 and 2016, the significant financial assets and financial liabilities classified by types of interest rates were as follows :

HOT POT PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2017

	Baht			
	As at December 31, 2017			
	Floating interest rate	Floating interest rate	Interest - free	Total
<u>Financial assets</u>				
Cash and cash equivalents	8,224,854	-	2,481,135	10,705,989
Trade accounts receivable	-	-	2,406,812	2,406,812
Other accounts receivable	-	-	13,077,653	13,077,653
Refundable deposits and others	-	-	104,394,983	104,394,983
<u>Financial liabilities</u>				
Bank overdrafts and short-term loan from financial institutions	50,800,805	-	-	50,800,805
Trade accounts payable	-	-	128,239,056	128,239,056
Short-term loans	-	59,229,020	-	59,229,020
Other accounts payable	-	-	129,993,362	129,993,362
Asset purchased payable	-	-	12,237,117	12,237,117
Long-term loans from financial institutions	60,252,890	-	-	60,252,890
Liability under finance lease agreements	-	5,916,197	-	5,916,197

HOT POT PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2017

	Baht			
	As at December 31, 2016			
	Floating interest rate	Floating interest rate	Interest - free	Total
<u>Financial assets</u>				
Cash and cash equivalents	12,072,874	-	3,972,484	16,045,358
Trade accounts receivable	-	-	543,781	543,781
Other accounts receivable	-	-	7,116,604	7,116,604
Refundable deposits and others	-	-	102,650,157	102,650,157
<u>Financial liabilities</u>				
Bank overdrafts and short-term loan from financial institutions	41,184,417	-	-	41,184,417
Trade accounts payable	-	-	167,944,121	167,944,121
Short-term loans	-	78,704,572	-	78,704,572
Other accounts payable	-	-	121,548,770	121,548,770
Asset purchased payable	-	-	3,350,630	3,350,630
Long-term loans from financial institutions	81,502,890	-	-	81,502,890
Liability under finance lease agreements	-	9,006,525	-	9,006,525

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.

HOT POT PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2017

(Foreign currency risk)

The Company has no exposure to foreign currency risk because its major 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 are 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.

28. COMMITMENT ON OPERATING LEASE AND SERVICE AGREEMENT

The Company entered into a lease and service agreement with a local company for its office use and with several department stores for restaurant branches. The agreement has a period of 3 - 6 years. The Company has to pay the monthly rental and service fees at Baht 24.03 million per month. It can renew the agreement upon the expiry of the agreement. Furthermore, some agreements require the Company to demolish and restore the area back to the same condition before returning the rental space to the lessor at the end of the lease.

As at December 31, 2017 and 2016, the Company had lease retention under the lease and service agreement above totaling Baht 104.39 million and Baht 102.65 million, respectively.

As at December 31, 2017 and 2016 the Company had commitment to pay the minimum rental and service fees under the building space lease and service agreement as follows:

	Baht	
	2017	2016
Payable within		
Not over 1 year	181,715,168	229,025,294
1 - 5 years	118,718,147	174,840,215
Over 5 years	5,076,262	26,812,928

HOT POT PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2017

29. EXPENSES BY NATURE

Significant expenses by nature are as follows :

	Baht	
	2017	2016
Changes in inventories of finished goods and work in process	8,892,073	3,181,862
Raw materials and consumables used	870,229,136	974,646,483
Rental and service charge	300,393,060	307,482,060
Expenses employee	439,213,625	464,032,222
Depreciation and amortization	114,391,354	134,995,332
Advertising and promotion expenses	31,559,770	45,677,493
Impairment loss on assets	32,289,802	9,752,225
Other expense*	53,447,419	11,418,195

**Other expense were consisted of loss from branches closing and renovation, loss on fixed assets write of, loss on fixed assets disposal and loss from non-refundable rental guarantee.*

30. CONTINGENT LIABILITIES

As at December 31, 2017 and 2016, 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 18.11 million and Baht 18.11 million, respectively.

31. EVENT AFTER THE REPORTING PERIOD

According to the minutes of the Board of Directors' Meeting No. 1/2018 dated February 28, 2018, the board had the resolution to approve the significant matters as follows:

1.To increase the registered capital of the company in the amount of Baht 73,080,000 from the registered capital Baht 121,800,000 to Baht 194,880,000 by issuing the ordinary shares of 292,320,000 shares at the par value of Baht 0.25 per share.

2.To allocate the ordinary shares by specific purpose for 243,600,000 shares at the par value of Baht 0.25 per share by offering to the existing shareholders (Right Offering) at the ratio 2 existing shares to 1 new ordinary share at the offer price of Baht 1.30 per share.

HOT POT PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2017

3. To allocate the ordinary shares increase by General Mandate for 48,720,000 shares at the par value of Baht 0.25 per share by offering to the existing shareholders by private placement, the offer price will be not less than Baht 1.30 per share and not less than 90 percent of the market price on the subscription date.

The significant matter will be proposed to the next Annual General Shareholders' Meeting for approval.

32. THE REVISED ACCOUNTING STANDARDS ARE NOT YET EFFECTIVE IN THE CURRENT YEAR

The Federation of Accounting Professions (FAP) has issued Notifications to mandate the use of accounting standards, financial reporting standards, and interpretations of accounting and financial reporting standards that are revised.

These revised accounting standards which are effective for the fiscal year beginning on or after January 1, 2018 are as follows:

TAS 1 (revised 2017)	Presentation of Financial Statements
TAS 2 (revised 2017)	Inventories
TAS 7 (revised 2017)	Statement of Cash Flows
TAS 8 (revised 2017)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2017)	Events After the Reporting Period
TAS 11 (revised 2017)	Construction Contracts
TAS 12 (revised 2017)	Income Taxes
TAS 16 (revised 2017)	Property, Plant and Equipment
TAS 17 (revised 2017)	Leases
TAS 18 (revised 2017)	Revenue
TAS 19 (revised 2017)	Employee Benefits
TAS 20 (revised 2017)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2017)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2017)	Borrowing Costs
TAS 24 (revised 2017)	Related Party Disclosures
TAS 26 (revised 2017)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2017)	Separate Financial Statements
TAS 28 (revised 2017)	Investments in Associates and Joint Ventures
TAS 29 (revised 2017)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2017)	Earnings Per Share
TAS 34 (revised 2017)	Interim Financial Reporting
TAS 36 (revised 2017)	Impairment of Assets
TAS 37 (revised 2017)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2017)	Intangible assets
TAS 40 (revised 2017)	Investment Property

HOT POT PUBLIC COMPANY LIMITED
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DECEMBER 31, 2017

TAS 41 (revised 2017)	Agriculture
TFRS 2 (revised 2017)	Share-Based Payment
TFRS 3 (revised 2017)	Business Combinations
TFRS 4 (revised 2017)	Insurance Contracts
TFRS 5 (revised 2017)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2017)	Exploration for and Evaluation of Mineral Resource
TFRS 8 (revised 2017)	Operating Segments
TFRS 10 (revised 2017)	Consolidated Financial Statements
TFRS 11 (revised 2017)	Joint Arrangements
TFRS 12 (revised 2017)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2017)	Fair Value Measurement
TSIC 10 (revised 2017)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (revised 2017)	Operating Leases - Incentives
TSIC 25 (revised 2017)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2017)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2017)	Service Concession Arrangements: Disclosure
TSIC 31 (revised 2017)	Revenue-Barter Transactions Involving Advertising Services
TSIC 32 (revised 2017)	Intangible Assets - Web Site Costs
TFRIC 1 (revised 2017)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2017)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2017)	Right to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2017)	Applying the Restatement Approach under TAS 29 (revised 2017)
	Financial Reporting in Hyperinflationary Economics
TFRIC 10 (revised 2017)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2017)	Service Concession Arrangements
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 14 (revised 2017)	TAS 19 (revised 2017)-The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2017)	Distributions of Non - cash Assets to Owners
TFRIC 18 (revised 2017)	Transfers of Assets from Customers
TFRIC 20 (revised 2017)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21 (revised 2017)	Levies

HOT POT PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2017

The management of the Company believe that these accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standards interpretations which are revised will not have any significant impact on the financial statements for the year when they are initially applied.

33. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Board of Directors of the Company on February 28, 2018.

General Information

Company	: Hot Pot Public Company Limited
Nature of Business	: Hot Pot Public Company Limited (“the Company”) operates the restaurant business comprising Suki and Shabu served with superb traditional dipping sauce originated by Hot Pot, Japanese style Grill and Shabu, Steak & Fusion Food as well as Italian foods. Most of the Company’s restaurants are operated in buffet style but there are also A La Carte restaurants style as well as Casual Dining restaurants style consisting of Suki Shabu buffet restaurants offering the concept of “all-you-can-eat” under the brand “Hot Pot Inter Buffet”, Japanese style Grill and Shabu restaurants under the brand “Daidomon”, Suki Shabu A La Carte restaurants serving roasted duck and superb “authentic recipe” dipping sauce under the brand “Hot Pot Suki Shabu”, Casual Dining restaurants serving Steaks and Fusion dishes under the brand “Signature” and latest brand “Toomato Italian Kitchen”, traditional Italian restaurant selecting premium ingredients directly from Napoli, Italy.
Office Location	: Head office is located on 18Soi Sathorn 11 Yaek 9, TFD Building, Yannawa, Sathorn, Bangkok 10120
Registration Number	: 0107554000160
Registered Capital	: 487,200,000 ordinary shares at the par value of 0.25 per share, total amount of Baht 121,800,000
Paid-up Capital	: 487,200,000 ordinary shares at the par value of 0.25 per share, total amount of Baht 121,800,000
Accounting Period	: January 1 – December 31
Website	: www.hotpot.co.th
Telephone	: 0-2286-9959
Facsimile	: 0-2286-9960
Investor Relations	: Miss Vipavadee Vanamethin (66-2) 2286-9959 Ext. 2105, ir@hotpot.co.th
References	
Certified Public Accountant	: Mr. Thanawut Piboonsawat, Authorized Audit Registration No. 6699 Dharmniti Auditing Co., Ltd. 178 Dharmniti Building, 6th- 7th Floor, Soi Permsap (Prachachuen 20) Prachachuen Road, Bangsue Sub-district, Bangsue District, Bangkok 10800 Telephone : (66-2) 596-0500 Facsimile: (66-2) 596-0562 Website : www.daa.co.th www.dharmniti.co.th/corporate_profile
Internal Audit	: Miss Ratchaneeporn Thongsunsara Quantum Point Consulting Co., Ltd. 256/194 Moo 4, Soi Watcharapol 3 Yaek 1 Klongtanon Sub-district, Saimai District, Bangkok 10220 Telephone/Facsimile: (66-2) 994-2092 Website : -
Registrar of Securities	: Thailand Securities Depository Co., Ltd. 93 Ratchadapisek 10400 Telephone: (66-2) 009-9000 Facsimile: (66-2) 009-9991 Website : www.set.or.th/tsd

“ทุกอย่างจัดเต็มด้วยใจ”



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