

## **REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

### **TO THE SHAREHOLDERS AND THE BOARD OF DIRECTORS**

#### **S&P SYNDICATE PUBLIC COMPANY LIMITED**

We have audited the consolidated financial statements of S&P Syndicate Public Company Limited and its subsidiaries and the separate financial statements of S&P Syndicate Public Company Limited, which comprise the consolidated and separate statements of financial position as at December 31, 2012, and the related consolidated and separate statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Financial Statements**

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

#### **Auditor's Responsibility**

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the aforementioned consolidated and separate financial statements present fairly, in all material respects, the financial position of S&P Syndicate Public Company Limited and its subsidiaries and of S&P Syndicate Public Company Limited as at December 31, 2012, and financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

**BANGKOK**  
February 26, 2013

Thanawan Anuratbodee  
Certified Public Accountant (Thailand)  
Registration No. 3440  
**DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.**

**S&P SYNDICATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES**

**STATEMENTS OF FINANCIAL POSITION**

**AS AT DECEMBER 31, 2012 AND 2011**

**UNIT : BAHT**

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2012	2011	2012	2011
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	5	443,457,851	672,788,572	313,295,311	563,499,281
Temporary investments	6	831,527,004	375,738,267	825,090,407	369,443,164
Trade and other receivables	7 and 16	254,983,793	219,811,352	232,519,811	192,100,729
Short-term loans to related parties	8 and 16	7,500,000	-	7,500,000	-
Inventories	9	270,787,396	239,509,700	261,139,000	227,837,774
Other current assets		14,228,916	22,140,445	9,311,037	13,058,487
Total Current Assets		<u>1,822,484,960</u>	<u>1,529,988,336</u>	<u>1,648,855,566</u>	<u>1,365,939,435</u>
<b>NON-CURRENT ASSETS</b>					
Deposits used as collateral	10	24,338,760	20,583,660	20,583,660	20,583,660
Investments in associates	11 and 16	57,353,117	42,308,582	48,998,000	48,998,000
Investments in subsidiaries	11 and 16	-	-	50,998,700	40,999,300
Other long-term investment	12	10,000,000	-	10,000,000	-
Property, plant and equipment	13	1,222,471,723	1,162,085,209	975,652,424	915,015,605
Leasehold right	14	87,411,313	98,135,714	69,982,080	79,278,215
Intangible assets	15	8,102,950	3,894,976	8,102,950	3,894,976
Long-term deposits		168,247,941	148,997,515	126,460,783	113,792,947
Deferred tax assets	17	18,603,956	15,189,023	18,525,797	15,130,673
Other non-current assets		29,149,966	18,025,290	11,976,765	17,795,567
Total Non-current Assets		<u>1,625,679,726</u>	<u>1,509,219,969</u>	<u>1,341,281,159</u>	<u>1,255,488,943</u>
<b>TOTAL ASSETS</b>		<u><u>3,448,164,686</u></u>	<u><u>3,039,208,305</u></u>	<u><u>2,990,136,725</u></u>	<u><u>2,621,428,378</u></u>

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

**S&P SYNDICATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES**

**STATEMENTS OF FINANCIAL POSITION (CONTINUED)**

**AS AT DECEMBER 31, 2012 AND 2011**

**UNIT : BAHT**

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2012	2011	2012	2011
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
Bank overdraft	18	-	1,579,573	-	-
Trade and other payables	16 and 19	834,502,025	710,399,935	731,282,654	629,197,616
Current portion of long-term borrowings					
from financial institutions	20	35,103,805	29,502,639	-	-
Current portion of financial lease liabilities	21	3,440,248	3,177,992	3,440,248	3,177,992
Current income tax payable		130,770,440	153,780,303	122,049,612	148,156,689
Provision for customer loyalty programmes		3,161,274	1,762,842	3,161,274	1,762,842
Other current liabilities					
Value added tax payable		43,932,140	43,907,675	24,546,624	24,421,490
Others		22,374,374	13,585,246	14,032,584	10,872,911
Total Current Liabilities		<u>1,073,284,306</u>	<u>957,696,205</u>	<u>898,512,996</u>	<u>817,589,540</u>
<b>NON-CURRENT LIABILITIES</b>					
Long-term borrowings from					
financial institutions	20	78,295,475	90,114,641	-	-
Financial lease liabilities	21	3,179,535	2,490,134	3,179,535	2,490,134
Deferred tax liabilities	17	1,702,867	1,711,181	-	-
Employee benefit obligation	22	95,100,663	73,149,848	88,827,904	66,952,095
Other non-current liabilities		3,817,703	3,775,923	-	-
Total Non-current Liabilities		<u>182,096,243</u>	<u>171,241,727</u>	<u>92,007,439</u>	<u>69,442,229</u>
<b>TOTAL LIABILITIES</b>		<u>1,255,380,549</u>	<u>1,128,937,932</u>	<u>990,520,435</u>	<u>887,031,769</u>

**S&P SYNDICATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES**

**STATEMENTS OF FINANCIAL POSITION (CONTINUED)**

**AS AT DECEMBER 31, 2012 AND 2011**

**UNIT : BAHT**

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2012	2011	2012	2011
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED)</b>					
SHAREHOLDERS' EQUITY					
SHARE CAPITAL					
Authorized share capital					
104,686,273 ordinary shares of Baht 5 each		523,431,365	523,431,365	523,431,365	523,431,365
Issued and paid-up share capital					
104,686,273 ordinary shares of Baht 5 each, fully paid		523,431,365	523,431,365	523,431,365	523,431,365
PREMIUM ON ORDINARY SHARES		689,980,549	689,980,549	689,980,549	689,980,549
RETAINED EARNINGS					
Appropriated					
Legal reserve	23	52,343,137	52,343,137	52,343,137	52,343,137
Treasury shares reserve	24	250,951,475	250,951,475	250,951,475	250,951,475
Unappropriated		894,293,806	612,463,400	732,254,003	468,641,558
OTHER COMPONENTS OF SHAREHOLDERS' EQUITY		(33,215,222)	(37,148,694)	1,607,236	-
TOTAL ATTRIBUTIONS TO OWNERS OF THE PARENT		2,377,785,110	2,092,021,232	2,250,567,765	1,985,348,084
TREASURY SHARES	24	(250,951,475)	(250,951,475)	(250,951,475)	(250,951,475)
NON-CONTROLLING INTERESTS		65,950,502	69,200,616	-	-
TOTAL SHAREHOLDERS' EQUITY		2,192,784,137	1,910,270,373	1,999,616,290	1,734,396,609
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		3,448,164,686	3,039,208,305	2,990,136,725	2,621,428,378

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

**S&P SYNDICATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES**

**STATEMENTS OF COMPREHENSIVE INCOME**

**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

UNIT : BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2012	2011	2012	2011
Revenues from sales and services		6,526,636,529	5,878,501,443	5,663,165,823	5,117,263,002
Cost of sales and services		(3,464,754,481)	(3,246,049,768)	(3,242,804,296)	(3,043,123,017)
Gross profit		3,061,882,048	2,632,451,675	2,420,361,527	2,074,139,985
Other incomes					
Gain on exchange rate - net		1,001,221	4,155,793	420,973	2,118,827
Dividend income		-	-	3,389,860	2,447,450
Gain on sale of investment of a subsidiary		19,046,296	-	-	-
Unrealised gain on revaluation of temporary investments		13,877,216	2,587,144	13,877,276	2,587,144
Interest income		16,177,590	10,984,852	15,755,571	10,640,391
Others		57,994,884	44,990,213	45,811,037	28,438,703
Profit before expenses		3,169,979,255	2,695,169,677	2,499,616,244	2,120,372,500
Selling expenses		(206,443,559)	(183,358,513)	(205,067,886)	(183,358,513)
Administrative expenses		(1,992,742,812)	(1,757,734,534)	(1,352,606,686)	(1,192,541,991)
Management benefit expenses		(52,425,198)	(54,498,405)	(42,932,027)	(39,583,088)
Finance costs		(4,646,930)	(3,887,133)	(8,317)	(727)
Total expenses		(2,256,258,499)	(1,999,478,585)	(1,600,614,916)	(1,415,484,319)
Share of profit (loss) of an associate		18,434,395	(417,373)	-	-
Profit before income tax expenses		932,155,151	695,273,719	899,001,328	704,888,181
Income tax expenses	17	(219,608,912)	(240,939,686)	(210,505,591)	(231,239,141)
<b>PROFIT FOR THE YEAR</b>		712,546,239	454,334,033	688,495,737	473,649,040
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>					
Exchange differences on translation of financial statements		4,794,996	8,180,910	-	-
Unrealized gain on revaluation of available-for-sales securities		141,248	127,879	-	-
Income tax relating to components of other comprehensive income (loss)		1,588,486	(27,336)	1,607,236	-
Actuarial loss on defined employee benefit plan		(9,128,411)	-	(8,036,182)	-
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>					
<b>FOR THE YEAR, NET OF TAX</b>		(2,603,681)	8,281,453	(6,428,946)	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		709,942,558	462,615,486	682,066,791	473,649,040

**S&P SYNDICATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

UNIT : BAHT

	Notes	CONSOLIDATED		SEPARATE		
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS		
		2012	2011	2012	2011	
<b>PROFIT ATTRIBUTABLE TO:</b>						
Owners of the Parent		707,805,927	453,811,491	688,495,737	473,649,040	
Non-controlling interests		4,740,312	522,542	-	-	
		<u>712,546,239</u>	<u>454,334,033</u>	<u>688,495,737</u>	<u>473,649,040</u>	
<b>TOTAL COMPREHENSIVE INCOME</b>						
<b>ATTRIBUTABLE TO:</b>						
Owners of the Parent		702,610,988	453,591,851	682,066,791	473,649,040	
Non-controlling interests		7,331,570	9,023,635	-	-	
		<u>709,942,558</u>	<u>462,615,486</u>	<u>682,066,791</u>	<u>473,649,040</u>	
<b>BASIC EARNINGS PER SHARE</b>	<b>BAHT</b>	25	7.22	4.63	7.02	4.83
<b>WEIGHTED AVERAGE NUMBER</b>						
<b>OF ORDINARY SHARES</b>	<b>SHARES</b>	25	98,081,673	98,081,673	98,081,673	98,081,673

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

**S&P SYNDICATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**  
**CONSOLIDATED FINANCIAL STATEMENTS**

UNIT : BAHT

Notes	Equity attributable to owners of the parent								Non-controlling interests	Total shareholders' equity		
	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Other components of shareholders' equity			Total attributions to owners of the parent			Treasury shares	
			Appropriated	Unappropriated	Other comprehensive income (loss)							
			Legal reserve	Treasury shares	Exchange differences on translation of financial statements	Unrealized gain on revaluation of available-for-sale securities	Income tax relating to components of other comprehensive income (loss)					
				reserve								
BEGINNING BALANCE AS AT JANUARY 1, 2011	523,431,365	689,980,549	52,343,137	250,951,475	477,417,346	(37,045,144)	154,786	(38,696)	1,957,194,818	-250,951,475	74,768,710	1,781,012,053
Total comprehensive income (loss)												
for the year ended December 31, 2011	-	-	-	-	453,811,491	(320,183)	127,879	(27,336)	453,591,851	-	9,023,635	462,615,486
Dividend paid	26	-	-	-	(318,765,437)	-	-	-	(318,765,437)	-	(14,591,729)	(333,357,166)
<b>ENDING BALANCE AS AT DECEMBER 31, 2011</b>	<b>523,431,365</b>	<b>689,980,549</b>	<b>52,343,137</b>	<b>250,951,475</b>	<b>612,463,400</b>	<b>(37,365,327)</b>	<b>282,665</b>	<b>(66,032)</b>	<b>2,092,021,232</b>	<b>(250,951,475)</b>	<b>69,200,616</b>	<b>1,910,270,373</b>

**S&P SYNDICATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**  
**CONSOLIDATED FINANCIAL STATEMENTS**

UNIT : BAHT

Notes	Equity attributable to owners of the parent									Non-controlling interests	Total shareholders' equity	
	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Other components of shareholders' equity			Total attributions to owners of the parent	Treasury shares			
			Appropriated	Unappropriated	Other comprehensive income (loss)							
			Legal reserve		Treasury shares reserve	Exchange differences on translation of financial statements	Unrealized gain on revaluation of available-for-sale securities					Income tax relating to components of other comprehensive income (loss)
BEGINNING BALANCE												
AS AT JANUARY 1, 2012	523,431,365	689,980,549	52,343,137	250,951,475	612,463,400	(37,365,327)	282,665	(66,032)	2,092,021,232	(250,951,475)	69,200,616	1,910,270,373
Total comprehensive income												
for the year ended December 31, 2012	-	-	-	-	698,677,516	2,203,738	141,248	1,588,486	702,610,988	-	7,331,570	709,942,558
Dividend paid	26	-	-	-	(416,847,110)	-	-	-	(416,847,110)	-	-	(416,847,110)
Dividend paid to non-controlling interests		-	-	-	-	-	-	-	-	-	(4,813,113)	(4,813,113)
Decrease in non-controlling interests resulting from sale of investment of a subsidiary		-	-	-	-	-	-	-	-	-	(5,768,571)	(5,768,571)
ENDING BALANCE												
AS AT DECEMBER 31, 2012	523,431,365	689,980,549	52,343,137	250,951,475	894,293,806	(35,161,589)	423,913	1,522,454	2,377,785,110	(250,951,475)	65,950,502	2,192,784,137

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

**S&P SYNDICATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**  
**SEPARATE FINANCIAL STATEMENTS**

UNIT : BAHT

Notes	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings			Other components of shareholders' equity Other comprehensive income Income tax relating to components of other comprehensive income	Treasury shares	Total Shareholders' equity
			Legal reserve	Treasury shares reserve	Unappropriated			
BEGINNING BALANCE AS AT JANUARY 1, 2011	523,431,365	689,980,549	52,343,137	250,951,475	313,757,955	-	(250,951,475)	1,579,513,006
Total comprehensive income for the year ended December 31, 2011	-	-	-	-	473,649,040	-	-	473,649,040
Dividend paid	26	-	-	-	(318,765,437)	-	-	(318,765,437)
<b>ENDING BALANCE AS AT DECEMBER 31, 2011</b>	<b>523,431,365</b>	<b>689,980,549</b>	<b>52,343,137</b>	<b>250,951,475</b>	<b>468,641,558</b>	<b>-</b>	<b>(250,951,475)</b>	<b>1,734,396,609</b>
BEGINNING BALANCE AS AT JANUARY 1, 2012	523,431,365	689,980,549	52,343,137	250,951,475	468,641,558	-	(250,951,475)	1,734,396,609
Total comprehensive income for the year ended December 31, 2012	-	-	-	-	680,459,555	1,607,236	-	682,066,791
Dividend paid	26	-	-	-	(416,847,110)	-	-	(416,847,110)
<b>ENDING BALANCE AS AT DECEMBER 31, 2012</b>	<b>523,431,365</b>	<b>689,980,549</b>	<b>52,343,137</b>	<b>250,951,475</b>	<b>732,254,003</b>	<b>1,607,236</b>	<b>(250,951,475)</b>	<b>1,999,616,290</b>

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

**S&P SYNDICATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

**UNIT : BAHT**

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2012	2011	2012	2011
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Profit before income tax expenses		932,155,151	695,273,719	899,001,328	704,888,181
Adjustments :					
Depreciation and amortization		260,492,459	263,719,237	217,593,590	229,014,936
Unrealized gain on exchange rate		(694,782)	-227,185	(14,577)	-227,185
Unrealized gain on revaluation of temporary investments		(14,159,941)	-1,836,948	(13,877,276)	-1,836,887
Doubtful account-cash advance to a related company		-	-	-	3,178,285
Share of (profit) loss of an associate		(18,434,395)	417,373	-	-
Gain on sale of investment of a subsidiary		(19,046,296)	-	-	-
Loss on impairment of property, plant and equipment		1,000,000	-	1,000,000	-
Loss on write-off of property, plant and equipment		15,496,078	7,623,874	3,917,696	5,503,315
Gain on sales of temporary investments		-	-750,257	-	-750,257
Gain on sales of property, plant and equipment		(593,450)	-362,726	(593,450)	-362,726
Dividend received from an associated company		-	-	(3,389,860)	-2,447,450
Employee benefit obligation expenses		15,592,543	12,761,203	14,838,766	11,884,198
Interest income		(16,177,590)	-10,984,852	(15,755,571)	-10,640,391
Interest expense		4,646,930	3,887,133	8,317	727
Profit from operations before changes in operating assets and liabilities		1,160,276,707	969,520,571	1,102,728,963	938,204,746
Operating assets (increase) decrease					
Trade and other receivables		-41,992,214	-9,786,689	(47,919,082)	-9,201,439
Inventories		(31,277,696)	-36,256,148	(33,301,226)	-33,745,321
Other current assets		5,884,497	-8,389,398	1,720,418	-2,521,545
Long-term deposits		(14,844,405)	-17,060,284	(12,667,836)	-10,825,646
Other non-current assets		(11,124,676)	-15,980,329	5,818,802	-17,120,505
Operating liabilities increase (decrease)					
Trade and other payables		101,225,790	41,659,149	98,145,544	16,420,498
Provision for customer loyalty programmes		1,398,432	-2,083,993	1,398,432	-2,083,993
Value added tax payable		24,465	9,817,499	125,134	4,454,190
Other current liabilities		8,789,126	-823,712	3,159,670	3,562,822
Other-non current liabilities		41,780	782,443	-	-
Cash received from operations		1,178,401,806	931,399,109	1,119,208,819	887,143,807
Cash received for interest		18,204,622	7,013,381	17,782,603	6,668,920
Cash paid for employee benefit		(2,770,139)	-2,366,000	(999,138)	-2,366,000
Cash paid for interest		(4,646,930)	-3,887,133	(8,317)	-727
Cash paid for income tax		(244,453,535)	-190,650,136	(238,400,556)	-179,524,135
Net cash provided by operating activities		944,735,824	741,509,221	897,583,411	711,921,865

**S&P SYNDICATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES**

**STATEMENTS OF CASH FLOWS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

**UNIT : BAHT**

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2012	2011	2012	2011
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Increase in deposit used as collateral		(3,755,100)	-	-	-
Cash payments for investment in temporary investments		(441,487,548)	(903,721,500)	(441,769,966)	(900,721,500)
Cash received from sales of temporary investments		-	750,924,791	-	750,924,791
Dividend received from an associate		3,389,860	-	3,389,860	2,447,450
Cash payment for investment in a subsidiary		-	-	(9,999,400)	-
Cash received from sale of investment of a subsidiary		19,360,012	-	-	-
Cash payment for other long-term investment		(10,000,000)	-	(10,000,000)	-
Cash payment for purchases of property, plant and equipment		(291,740,303)	(334,808,356)	(263,507,698)	(242,336,791)
Proceeds from sales of property, plant and equipment		1,128,304	433,200	1,128,304	433,200
Cash payments for purchases of intangible assets		(5,501,540)	(2,072,000)	(5,501,540)	(2,072,000)
Cash payments for purchases of leasehold right		(2,245,868)	(17,686,977)	-	-
Net cash used in investing activities		<u>(730,852,183)</u>	<u>(506,930,842)</u>	<u>(726,260,440)</u>	<u>(391,324,850)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Cash received from bank overdraft		(1,579,573)	1,579,573	-	-
Cash repayments for short-term borrowings from financial institutions		-	-3,746,539	-	-
Cash repayments for long-term borrowings from financial institutions		(16,649,000)	(22,360,850)	-	-
Cash received from long-term borrowings from financial institutions		10,431,000	62,093,510	-	-
Dividend paid to non-controlling interests		(4,813,113)	-	-	-
Cash repayments for financial lease liabilities		(4,710,247)	(4,439,304)	(4,710,247)	(4,439,304)
Dividend paid		(416,831,271)	(322,413,972)	(416,831,271)	(322,413,972)
Net cash used in financing activities		<u>(434,152,204)</u>	<u>(289,287,582)</u>	<u>(421,541,518)</u>	<u>(326,853,276)</u>
Unrealized exchange loss of cash and cash equivalents		14,556	227,185	14,577	227,185
Differences on translation of financial statements		(9,076,714)	(14,930,076)	-	-
Net decrease in cash and cash equivalents		<u>-229,330,721</u>	<u>-69,412,094</u>	<u>-250,203,970</u>	<u>-6,029,076</u>
Cash and cash equivalents as at January 1,		<u>672,788,572</u>	<u>742,200,666</u>	<u>563,499,281</u>	<u>569,528,357</u>
<b>CASH AND CASH EQUIVALENTS</b>					
<b>AS AT DECEMBER 31,</b>	5	<u>443,457,851</u>	<u>672,788,572</u>	<u>313,295,311</u>	<u>563,499,281</u>

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

**S&P SYNDICATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

**1. GENERAL INFORMATION**

On October 14, 1973, S&P Syndicate Public Company Limited (“the Company”) was incorporated under the Civil and Commercial Code of Thailand as a limited company. Subsequently in May 1989, the Stock Exchange of Thailand registered the Company’s common shares as a listed security and the Company was transformed to Public Company Limited on April 20, 1994. The location of its head office is at 457- 457/6 Soi Sukhumvit 55 (Soi Thonglor), Sukhumvit Road, Klongtonnua, Vadhana, Bangkok 10110.

S&P Syndicate Public Company Limited is the parent company within the group of companies. The core business is the operation of a nationwide and international chain of restaurants and bakery shops, the production of bakery, frozen foods and other food products and food-service related business such as outside catering.

**2. BASIS FOR PREPARATION AND PRESENTATION OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**

**2.1 Basis for preparation and presentation of the financial statements**

The consolidated and the separate financial statements are prepared in Thai Baht and are prepared in compliance with the Notification of the Department of Business Development dated September 28, 2011 regarding “The Brief Particulars in the Financial Statements B.E. 2554” and in accordance with the Regulation of the Stock Exchange of Thailand dated January 22, 2001, regarding the preparation and submission of financial statements and reports for the financial position and results of operations of the listed companies B.E. 2554, and in accordance with Thai Financial Reporting Standards and practices generally accepted in Thailand.

For the convenience of readers, an English translation of the financial statements has been prepared from the Thai language statutory financial statements which are issued for domestic financial reporting purposes.

The Federation of Accounting Professions has issued the Notifications regarding the new and revised Thai Accounting Standards (“TAS”), Thai Financial Reporting Standards (“TFRS”), Thai Accounting Standards Interpretation (“TSI”), Thai Financial Reporting Interpretations (“TFRI”) and Guideline on Accounting as follows:

- 1) The following TAS, TFRS, TSI and Guideline on Accounting which are effective on January 1, 2013:

<u><b>TAS</b></u>	
TAS 12	Income Taxes
TAS 20	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2009)	The Effects of Changes in Foreign Exchange Rates

<b><u>TFRS</u></b>	
TFRS 8	Operating Segments
<b><u>TSI</u></b>	
TSI 10	Government Assistance - No Specific Relation to Operating Activities
TSI 21	Income Taxes - Recovery of Revalued Non - Depreciable Assets
TSI 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

**Guideline on Accounting**

Guideline on Accounting regarding Transferring and Accepting Transfer of Financial Assets

- 2) The following TSI and TFRI which are effective on January 1, 2014:

<b><u>TSI</u></b>	
TSI 29	Disclosure - Service Concession Arrangements
<b><u>TFRI</u></b>	
TFRI 4	Determining Whether an Arrangement Contains a Lease
TFRI 12	Service Concession Arrangements
TFRI 13	Customer Loyalty Programmes

The Company's management will adopt the above relevant TAS, TFRS, TSI, TFRI and Guideline on Accounting in the preparation of the Company's and its subsidiaries' financial statements when they become effective, except TAS 20, TSI 10, TSI 21, TSI 25, TSI 29, TFRI 12 and Guideline on Accounting regarding Transferring and Accepting Transfer of Financial Assets which are not applicable to the Company's and its subsidiaries' business activities. The management is currently assessing the full impact on the Company's and its subsidiaries' financial statements in the period of initial application. However, the Company have elected to early adopt TAS 12 "Income Taxes" and TFRI 13 "Customer Loyalty Programmes" since the year ended December 31, 2011.

2.2 Basis for preparation of consolidated financial statements

The consolidated financial statements for the years ended December 31, 2012 and 2011, include the financial statements of the Company and its subsidiaries in which the Company has controlled or invested over 50% of their voting rights. These subsidiaries are detailed as follows:

	Business type	Country of registration	Percentage of holdings (%)	
			As at December 31, 2012	2011
<b>Subsidiaries</b>				
S&P Global Co., Ltd.	Investment in other companies	Thailand	80.00	80.00
S&P Asset Co., Ltd.	Office rental	Thailand	99.93	99.93
S&P Food Solution Co., Ltd.	Restaurant	Thailand	99.99	99.99
S&P International Foods Co., Ltd. <sup>(1)</sup>	(Ceased operation) Restaurant	Thailand	99.99	-

- (1) On July 5, 2012, the Board of Executive Directors' Meeting of S&P Syndicate Public Co., Ltd., passed a resolution to approve an investment in S&P International Foods Co., Ltd., with the registered share capital of Baht 10,000,000. S&P Syndicate Public Co., Ltd. holds 99.99% of the S&P International Foods Co., Ltd.'s share capital.

Additionally, the consolidated financial statements include the results from the financial statements of overseas subsidiaries, in which S&P Global Co., Ltd., a subsidiary, has a shareholding, as such subsidiary has been given authority to provide technical assistance to, and management of overseas Thai food restaurants owned by the subsidiary under agreements as follows:

	Business type	Country of registration	Percentage of holdings (%)	
			As at December 31, 2012	2011
<b>Shares held directly by S&amp;P Global Co., Ltd.</b>				
S&P Restaurant Limited	Restaurant	England	96.00	96.00
Patara (Geneva) SA	Restaurant	Switzerland	62.00	62.00
Theme Foods Pte. Ltd.	Restaurant	Singapore	50.00	50.00
SK Catering Pte. Ltd.	Restaurant	Singapore	50.00	50.00
Patara Taiwan Company Limited <sup>(1)</sup>	Restaurant	Taiwan	50.00	50.00
	(Ceased operation)			
Patio International Limited <sup>(1)</sup>	Restaurant	Taiwan	60.00	60.00
	(Ceased operation)			
Patara International Restaurant Management (Beijing) Co., Ltd.	Restaurant	The People's Republic of China	91.25	91.25
Thai Development SA <sup>(2)</sup>	Restaurant	Switzerland	-	45.00
Patara Restaurant, Vienna GmbH <sup>(3)</sup>	Restaurant	Austria	52.30	50.00
<b>Shares held indirectly by Theme Foods Pte. Ltd.</b>				
Siam Kitchen Sdn. Bhd. <sup>(4)</sup>	Restaurant	Malaysia	99.99	99.99
	(Ceased operation)			
<b>Shares held indirectly by S&amp;P Restaurant Limited and Thai Development SA</b>				
Patara Restaurant, Vienna GmbH <sup>(3)</sup>	Restaurant	Austria	-	43.05
<b>Shares held indirectly by S&amp;P Restaurant Limited</b>				
Patara Fine Thai Cuisine Limited <sup>(5)</sup>	Restaurant	England	96.00	96.00
	(No operation)			
Suda Limited <sup>(5)</sup>	Restaurant	England	96.00	96.00
	(No operation)			
Patara Restaurant, Vienna GmbH <sup>(3)</sup>	Restaurant	Austria	40.80	-
<b>Shares held indirectly by SK Catering Pte. Ltd.</b>				
Bangkok Jam Co., Ltd.	Restaurant	Taiwan	50.00	50.00
Bangkok Jam Sdn. Bhd. <sup>(6)</sup>	Restaurant	Malaysia	50.00	-

(1) During the year 2007, Patara Taiwan Company Limited has ceased its operation and its assets had been transferred to Patio International Limited.

In October 2011, Patio International Limited has ceased its operation and its fixed assets had been sold to Bangkok Jam Co., Ltd.

(2) On August 31, 2012, S&P Global Co., Ltd. sold all shares of Thai Development SA., which operated as a Thai restaurant under "THAI" brand in Switzerland to a third party of 90 shares (with a par value of CHF 1,000 per share) which was 45% of the issued and paid-up share capital. Total value of the sale price is of CHF 731,250 (CHF 8,125 per share) or equivalent of Baht 23.77 million. After the disposal of the shares, Thai Development SA. will no longer a subsidiary of S&P Global Co., Ltd.

Therefore, the consolidated statement of financial position as at December 31, 2012 did not include the statement of financial position of such subsidiary and included the results of operations of such subsidiary until August 31, 2012 in the consolidated statement of comprehensive income for the year ended December 31, 2012.

- (3) During August 2012, Thai Development SA transferred its shares in Patara Restaurant, Vienna GmbH of 16,000 shares or equivalent to 2.3% of paid-up share capital to S&P Global Co., Ltd. As a result, S&P Global Co., Ltd. directly held the shares of Patara Restaurant, Vienna GmbH increased from 50% to 52.3%.

In addition, the result of the disposal of the shares of Thai Development SA held by S&P Global Co., Ltd. has effected the portion of shares indirectly held by S&P Global Co., Ltd. in Patara Restaurant, Vienna GmbH to be decreased from 43.05% to 40.80%.

- (4) During the year 2005, Siam Kitchen Sdn. Bhd. has ceased its operations in Malaysia and is in process of dissolution.
- (5) S&P Restaurant Limited invested in Patara Fine Thai Cuisine Limited in 2006 and invested in SUDA Limited in 2010 in the amount of Pound 1 in each company, which is 100% holding of issued and paid-up share capital of each company. Those companies have never been operated. As a result, S&P Global Co., Ltd. indirectly held the shares of Patara Fine Thai Cuisine Limited and SUDA Limited by 96%.
- (6) On December 3, 2011, the Board of Directors' Meeting of SK Catering Pte. Ltd., passed a resolution to approve an investment in Bangkok Jam Sdn. Bhd., which has registered share capital of MYR 100,000, and has issued and paid-up share capital of MYR 2 SK Catering Pte. Ltd. invested amounting to 1 MYR or at 50% of paid-up share capital.

In February 2012, Bangkok Jam Sdn. Bhd. increased its registered share capital from MYR 100,000 to MYR 500,000. SK Catering Pte. Ltd. additionally invested amounting to MYR 349,998. As a result, total issued and paid-up share capital of Bangkok Jam Sdn. Bhd. is MYR 350,000. Thus, SK Catering Pte. Ltd. has the portion of investment increasing from 50% to 100%. Therefore, S&P Global Co., Ltd. indirectly held shares of Bangkok Jam Sdn. Bhd. at 50%.

Significant intercompany transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.

The consolidated financial statements for the years ended December 31, 2012 and 2011, do not include the financial statements of Siam Kitchen Sdn. Bhd., which is a subsidiary registered in Malaysia which is owned by Theme Foods Pte. Ltd. as the amount is immaterial. As at December 31, 2012 and 2011, the carrying value of such investment is nil.

The consolidated financial statements for the years ended December 31, 2012 and 2011, include the financial statements of Bangkok Jam and Patara Fine Thai Cuisine, which are sole proprietorship entities registered under the laws of Singapore which are under the control of SK Catering Pte. Ltd. and Theme Foods Pte. Ltd., respectively.

Assets and investments recorded by the equity method as at December 31, 2012 and 2011, revenues and the share of profit (loss) from investments recorded by the equity method in associates for the years ended December 31, 2012 and 2011 accounted for by the percentage of total assets, net assets (total assets net of total liabilities), consolidated revenues and total net profit, respectively, in the consolidated financial statements are summarized below:

Company's name	CONSOLIDATED FINANCIAL STATEMENTS							
	Assets of subsidiaries as percentage of total assets As at December 31,		Investments recorded by the equity method as percentage of net assets As at December 31,		Revenues as percentage of consolidated revenues for the years ended December 31,		Share of profit (loss) as percentage of net profit for the years ended December 31,	
	2012	2011	2012	2011	2012	2011	2012	2011
<b>Shares held by S&amp;P Syndicate Public Company Limited</b>								
<b>Subsidiaries:</b>								
S&P Global Co., Ltd. and subsidiaries (Proportion of subsidiaries of S&P Global Co., Ltd. are presented below)	13.43	14.85	-	-	12.86	12.75	-	-
S&P Asset Co., Ltd.	0.45	0.42	-	-	0.14	0.14	-	-
S&P Food Solution Co., Ltd.	0.01*	0.01*	-	-	-	-	-	-
S&P International Foods Co., Ltd.	0.78	-	-	-	0.09	-	-	-
<b>Associates:</b>								
HD Distributors (Thailand) Co., Ltd.	-	-	2.62*	2.22*	-	-	2.60*	(0.09)*
Foodhouse Catering Service Co., Ltd. (**)	-	-	-	-	-	-	-	-
	<u>14.67</u>	<u>15.28</u>	<u>2.62</u>	<u>2.22</u>	<u>13.09</u>	<u>12.89</u>	<u>2.60</u>	<u>(0.09)</u>
<b>Shares held directly by S&amp;P Global Co., Ltd.</b>								
S&P Restaurant Limited	5.41	6.07	-	-	4.66	4.39	-	-
Patara (Geneva) SA	0.53*	0.80*	-	-	1.12*	1.34*	-	-
Theme Foods Pte. Ltd.	0.34*	0.55*	-	-	0.81*	0.83*	-	-
SK Catering Pte. Ltd.	2.81*	1.44*	-	-	3.34*	3.04*	-	-
Patara Taiwan Company Limited	0.01*	0.01*	-	-	-	-	-	-
Patio International Limited	-	0.01*	-	-	-	0.24*	-	-
Thai Developments SA	-	0.94*	-	-	0.89*	1.58*	-	-
Patara International Restaurant Management (Beijing) Co., Ltd.	0.39*	0.53*	-	-	0.25*	0.22*	-	-
Patara Restaurant, Vienna GmbH	1.91*	2.54*	-	-	0.77*	0.80*	-	-
	<u>11.40</u>	<u>12.89</u>	<u>-</u>	<u>-</u>	<u>11.84</u>	<u>12.44</u>	<u>-</u>	<u>-</u>
<b>Shares held directly by SK Catering Pte. Ltd.</b>								
Bangkok Jam Co., Ltd.	0.75*	0.85*	-	-	0.79*	0.31*	-	-
Bangkok Jam Sdn. Bhd	0.37*	-	-	-	0.23*	-	-	-
	<u>12.52</u>	<u>13.74</u>	<u>-</u>	<u>-</u>	<u>12.86</u>	<u>12.75</u>	<u>-</u>	<u>-</u>

\* Information, which was provided by the management, was not audited or reviewed by an auditor.

\*\* The Company has fully recorded allowance for impairment of investment in Foodhouse Catering Services Co., Ltd. since 2010.

### 3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared under the measurement basis of historical cost except as disclosed in the accounting policies as follows:

#### 3.1 Cash and cash equivalents

Cash and cash equivalents are cash on hand, deposits at banks' savings accounts and current accounts, and short-term highly liquid investments with maturities within three months, excluding cash at banks used as collateral.

#### 3.2 Temporary investments

Temporary investments consist of investment in trading securities, available-for-sale securities, time deposits with maturity term over 3 months up to 12 months and held-to-maturity debt security due within 12 months and without obligation.

Investment in trading securities are carried at fair value. Realized gains and losses from the sales of trading securities and unrealized gain and loss on the changes in fair values are recognized in statements of comprehensive income.

Investments in available-for-sales securities are carried at fair value, differences between book value and fair value of available-for-sales securities are recorded as unrealized gain (loss) on revaluation of investments under shareholders' equity.

#### 3.3 Allowance for doubtful accounts

Allowance for doubtful accounts is provided at the estimated collection losses on receivables. Such estimate based on the Company's collection experiences of each receivable.

#### 3.4 Inventories

Inventories of the Company and its subsidiaries are carried at the lower of cost or net realizable value. The cost of inventories of the Company and its four subsidiaries are calculated by using the weighted average cost method and of the other three subsidiaries are calculated by using the first-in, first-out method.

#### 3.5 Investments in associates and subsidiaries

Investments in associates and subsidiaries are presented by the cost method in the separate financial statements.

Investments in associates are presented by the equity method in the consolidated financial statements.

In the case where impairment of investment is occurred, the impairment loss of investment will be charged to the statement of comprehensive income.

### 3.6 Other long-term investment

Other long-term investment is debt security which the Company has the intent and ability to hold it until maturity is classified as held-to-maturity and carried at the amortized cost, net of valuation allowances for impairment, if any.

### 3.7 Property, plant and equipment

Land of the Company is stated at cost less provision for impairment, if any.

Plant and equipment of the Company and its domestic and overseas subsidiaries are stated at cost, less accumulated depreciation and provision for impairment, if any.

Depreciation of plant and equipment of the Company and its domestic subsidiaries is calculated by the straight-line method over the estimated useful lives of the assets as follows:

Buildings and building improvements	5 - 30 years
Factory buildings	5 - 30 years
Machinery and equipment	5 - 15 years
Office furniture and equipment	3 - 5 years
Vehicles	5 years

Depreciation of equipment of overseas subsidiaries is calculated by the straight-line and the declining balance methods over the estimated useful lives of the assets of 4 - 5 years.

In the case where impairment of property, plant and equipment is occurred, the loss on impairment will be charged to the statement of comprehensive income.

### 3.8 Intangible asset

Intangible asset consists of software development cost.

Intangible asset is stated at costs less accumulated amortization.

Amortization is calculated by the straight-line method, based on the estimated useful lives of the assets as follows:

Software development costs	5 years
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### 3.9 Leasehold right

Leasehold right of the Company and its subsidiaries is stated at cost, less accumulated amortization.

Leasehold right amortization of the Company and its subsidiaries is being amortized by using the straight-line method over the lease periods as follows:

Leasehold right of the Company	3 - 30 years
Leasehold right of subsidiaries	15 - 20 years

### 3.10 Provision for customer loyalty programm

The provision for customer loyalty programm represents current obligations arising from reward point program granted to the Company's customers, which is calculated based on the estimates of redemption rate of the accumulated points used by the customers for the rewards and the average prices of the rewards and is presented as current liabilities in the statement of financial position.

### 3.11 Employee benefit obligation

The Company and its subsidiaries have accounted for post-employment benefits obligation under the Thai Labor Protection Act based on actuarial assumptions using Projected Unit Credit Method at the end of reporting period, such as discount rates, inflation rates, expected rates of salary increase and turnover rates.

The expense for defined employee benefit plans is recognized as personnel expenses in the statement of comprehensive income.

The actuarial gains (losses) are recognized in other comprehensive income and transferred immediately to the retained earnings in the period in which they arise.

### 3.12 Lease

#### Operating lease

Long-term lease for assets which a significant portion of the risks and rewards of ownership are still retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

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

#### Finance lease

Lease in which substantially all the risks and rewards of ownership other than legal title are transferred to the Company is accounted for as a finance lease. The Company capitalizes the equipment at the lower of fair value of the equipment at the contractual date or estimated present value of the underlying lease payments. The leased assets are depreciated using the straight-line method over their estimated useful lives. Interest or financial charge is recognized by effective interest rate method over the term of contracts. Interest or financial charge and depreciation are recognized as expenses in the statement of comprehensive income.

### 3.13 Provident fund

The contribution paid by the Company and its domestic subsidiaries to the provident funds of employees is recognized as an expense when the transactions occurred.

### 3.14 Foreign currency transactions

Transactions in foreign currencies occurred during the year are converted into Baht at the rates of exchange prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies outstanding at the end of the year are converted into Baht at the exchange rates prevailing on that date as determined by the Bank of Thailand. Gains or losses on conversion are included in the statement of comprehensive income.

The translation of foreign financial statements into Baht for the purpose of preparing the consolidated financial statements is determined by using the following rates:

- a. Assets and liabilities are converted at the closing rate at the statements of financial position date.
- b. Shareholders' equity is converted at the rates prevailing on the transaction dates.
- c. Revenues and expenses are converted at the average rate during the period.

Gain (loss) on translation of foreign financial statements is shown under shareholders' equity.

### 3.15 Recognition of revenues and expenses

Revenues from the sales of goods are recognized as revenue when the significant risks and rewards of ownership are transferred to the buyer. For domestic sales, title is considered to have passed when goods are dispatched to customers. For export sales, title is passed to the buyer when the Company delivers the goods to the common carrier who acts as an agent for the buyer.

Revenues from services are recognized as revenue when the services are rendered.

Revenues from dividend from investments are recognized as income when the dividend is declared.

Other income are recognized on an accrual basis.

### 3.16 Income tax

Income tax - income (expense) represent the sum of the tax currently payable and deferred tax.

#### 3.16.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because it includes items of expenses that are tax deductible and if further excludes items of income or expense that are not taxable or non-deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the statement of financial position date.

### 3.16.2 Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit (tax base). Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for temporary differences to the extent that it is probable that taxable profits will be available against which those temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available for utilizing all or part of the deferred tax assets.

Deferred tax assets and liabilities are measured at the tax rates those are expected to apply in the period in which the asset is realized or the liability settled, based on tax rates that have been enacted or substantively enacted by the statement of financial position date.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off the recognized amounts and the Company intends to settle on a net basis or to realize the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis or to realized the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Income tax - income (expense) related to profit or loss from normal activities are presented in the statement of comprehensive income except for current and deferred taxes of related items that recognized directly in the shareholders' equity in the same or different period.

### 3.17 Basic earnings per share

Basic earnings per share are computed by dividing profit attributable to the owners of the parent for the year by the weighted average number of ordinary shares outstanding during the year.

### 3.18 Use of accounting estimates

The preparation of financial statements in accordance with Thai Financial Reporting Standards requires the Company's management to exercise judgments in order to determine the accounting policies, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although, these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates.

## 4. SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION

### 4.1 Non-cash transactions are as follows:

#### 4.1.1 Liabilities incurred from acquisition of assets for the years ended December 31, 2012 and 2011

	Unit : Thousand Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2012	2011	2012	2011
Liabilities incurred as at January 1,	41,307	36,045	41,307	34,444
<u>Add</u> Purchases of plant and equipment	320,262	343,667	273,094	252,797
Purchases of intangible asset	5,501	2,072	5,501	2,072
Purchases of leasehold right	2,246	17,687	-	-
<u>Less</u> Cash payments				
- plant and equipment	(291,740)	(334,808)	(263,507)	(242,337)
- intangible asset	(5,501)	(2,072)	(5,501)	(2,072)
- leasehold right	(2,246)	(17,687)	-	-
Purchases of fixed assets under finance lease agreements	(5,662)	(3,597)	(5,662)	(3,597)
Liabilities incurred from acquisition of assets as at December 31,	<u>64,167</u>	<u>41,307</u>	<u>45,232</u>	<u>41,307</u>

	Unit : Thousand Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2012	2011	2012	2011
Liabilities under finance lease agreements (including current portion)				
Balance brought forward	5,668	6,510	5,668	6,510
<u>Add</u> Purchases of fixed assets under finance lease agreements	5,662	3,597	5,662	3,597
<u>Less</u> Cash payments	(4,710)	(4,439)	(4,710)	(4,439)
Balance carried forward	<u>6,620</u>	<u>5,668</u>	<u>6,620</u>	<u>5,668</u>

4.1.2 Accrued dividends for the years ended December 31, 2012 and 2011

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2012	2011	2012	2011
Accrued dividends as at January 1,	977	4,626	977	4,626
Add Dividend declaration during the year	416,848	318,765	416,848	318,765
Less Dividend paid	(416,832)	(322,414)	(416,832)	(322,414)
Accrued dividends as at December 31,	<u>993</u>	<u>977</u>	<u>993</u>	<u>977</u>

4.1.3 On January 5, 2012, trade receivables and advance payments to an associate were converted to be short-term loan to an associate in the form of promissory note of Baht 7.5 million (see Note 8.2).

4.1.4 On August 31, 2012, S&P Global Co., Ltd. sold all shares of Thai Development SA. Total value of the sale price is CHF 731,250 or approximately Baht 23.77 million of which CHF 596,250 or approximately Baht 19.36 million was received. The remaining amount of CHF 135,000 or approximately Baht 4.41 million will be received at CHF 27,000 or approximately Baht 0.88 million per year within 5 years.

4.2 Amounts of total unused credit facilities as at December 31, 2012 and 2011 are as follows:

	Million Baht		Million Pound Sterling		Million US Dollars		Million Euro	
	2012	2011	2012	2011	2012	2011	2012	2011
Short-term loans	355.00	345.00	-	-	-	-	-	-
Bank overdrafts	91.00	91.00	0.20	0.17	-	-	0.10	0.10
Letters of guarantee	263.07	276.13	-	-	-	-	-	-
FOREX Credit limited	95.00	95.00	-	-	1.00	1.00	-	-
Total	<u>804.07</u>	<u>807.13</u>	<u>0.20</u>	<u>0.17</u>	<u>1.00</u>	<u>1.00</u>	<u>0.10</u>	<u>0.10</u>

## 5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, consist of:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2012	2011	2012	2011
Cash	8,123	7,914	6,825	6,550
Bank deposits in savings and current accounts	435,335	492,376	306,470	388,252
Time deposits with maturity not more than 3 months (interest rate 3% - 4% per annum)	-	102,499	-	98,697
Bills of exchange with maturity not more than 3 months (interest rate 3.10% - 3.35% per annum)	-	70,000	-	70,000
	<u>443,458</u>	<u>672,789</u>	<u>313,295</u>	<u>563,499</u>

## 6. TEMPORARY INVESTMENTS

Temporary investments as at December 31, consist of:

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2012	2011	2012	2011
Time deposits with maturity more than 3 months but not more than 1 year (interest rate 2.50% - 3.70% per annum)	240,012	30,012	240,000	30,000
Bills of exchange with maturity 5 - 6 months (interest rate 3.30% - 4.00% per annum)	50,000	50,000	50,000	50,000
Trading securities				
- Fixed income open-ended funds	320,342	89,779	320,342	89,779
- Private funds	214,748	199,664	214,748	199,664
Available-for-sales securities				
- Fixed income open-ended funds	6,425	6,283	-	-
Total temporary investments	<u>831,527</u>	<u>375,738</u>	<u>825,090</u>	<u>369,443</u>

Additional details of temporary investments in the consolidated financial statements are as follows:

### As at December 31, 2012

	Cost value As at December 31, 2012	Unit : Thousand Baht	
		Unrealized gain on revaluation of temporary investments	Fair value As at December 31, 2012
Trading securities			
- Fixed income open-ended funds	315,337	5,005	320,342
- Private funds	200,000	14,748	214,748
Available-for-sales securities			
- Fixed income open-ended funds	6,000	425	6,425

### As at December 31, 2011

	Cost value As at December 31, 2011	Unit : Thousand Baht	
		Unrealized gain (loss) on revaluation of temporary investments	Fair value As at December 31, 2011
Trading securities			
- Fixed income open-ended funds	87,606	2,173	89,779
- Private funds	200,000	(336)	199,664
Available-for-sales securities			
- Fixed income open-ended funds	6,000	283	6,283

Additional details of temporary investments in the separate financial statements are as follows:

**As at December 31, 2012**

	<b>Cost value As at December 31, 2012</b>	<b>Unit : Thousand Baht Unrealized gain on revaluation of temporary investments</b>	<b>Fair value As at December 31, 2012</b>
Trading securities			
- Fixed income open-ended funds	315,337	5,005	320,342
- Private funds	200,000	14,748	214,748

**As at December 31, 2011**

	<b>Cost value As at December 31, 2011</b>	<b>Unit : Thousand Baht Unrealized gain (loss) on revaluation of temporary investments</b>	<b>Fair value As at December 31, 2011</b>
Trading securities			
- Fixed income open-ended funds	87,606	2,173	89,779
- Private funds	200,000	(336)	199,664

**7. TRADE AND OTHER RECEIVABLES**

Trade and other receivables as at December 31, consist of:

	<b>Consolidated Financial Statements</b>		<b>Unit : Thousand Baht Separate Financial Statements</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
Trade receivables - other companies	219,886	181,271	207,529	165,546
Trade receivables - related parties	7,768	13,328	7,896	15,177
	<u>227,654</u>	<u>194,599</u>	<u>215,425</u>	<u>180,723</u>
<u>Less</u> Allowance for doubtful accounts	<u>(4,338)</u>	<u>(2,406)</u>	<u>(3,948)</u>	<u>(3,948)</u>
Total trade receivables	<u>223,316</u>	<u>192,193</u>	<u>211,477</u>	<u>176,775</u>
Advance payments to related parties	587	4,944	8,286	7,560
<u>Less</u> Allowance for doubtful accounts	<u>-</u>	<u>-</u>	<u>(2,505)</u>	<u>(2,505)</u>
	<u>587</u>	<u>4,944</u>	<u>5,781</u>	<u>5,055</u>
Other receivables - other companies	5,736	3,779	5,610	3,779
Prepaid expenses	25,345	18,895	9,651	6,491
Total trade and other receivables	<u>254,984</u>	<u>219,811</u>	<u>232,519</u>	<u>192,100</u>

Trade accounts receivable as at December 31, 2012 and 2011 are classified by aging as follows:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2012	2011	2012	2011
<b>Trade accounts receivable</b>				
<b>Other companies</b>				
Current	105,245	107,052	92,888	91,580
Overdue				
3 months or less	112,268	70,596	112,268	70,596
Over 3 months up to 6 months	188	1,044	188	1,044
Over 6 months up to 12 months	-	81	-	81
Over 12 months	2,185	2,498	2,185	2,245
Total	<u>219,886</u>	<u>181,271</u>	<u>207,529</u>	<u>165,546</u>
<b>Related parties</b>				
Current	3,239	4,854	3,313	4,908
Overdue				
3 months or less	188	3,477	188	3,477
Over 3 months up to 6 months	1,465	176	1,465	176
Over 6 months up to 12 months	1,073	2,158	1,127	2,158
Over 12 months	1,803	2,663	1,803	4,458
Total	<u>7,768</u>	<u>13,328</u>	<u>7,896</u>	<u>15,177</u>
Total trade accounts receivable	227,654	194,599	215,425	180,723
<u>Less</u> Allowance for doubtful accounts	<u>(4,338)</u>	<u>(2,406)</u>	<u>(3,948)</u>	<u>(3,948)</u>
Trade accounts receivable	<u>223,316</u>	<u>192,193</u>	<u>211,477</u>	<u>176,775</u>

## 8. SHORT-TERM LOANS TO RELATED PARTIES

Short-term loans to related parties as at December 31, consist of:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2012	2011	2012	2011
Short-term loan to a subsidiary (see Note 8.1)	-	-	3,178	3,178
Short-term loan to an associate (see Note 8.2)	7,500	-	7,500	-
	<u>7,500</u>	<u>-</u>	<u>10,678</u>	<u>3,178</u>
<u>Less</u> Allowance for doubtful accounts	<u>-</u>	<u>-</u>	<u>(3,178)</u>	<u>(3,178)</u>
	<u>7,500</u>	<u>-</u>	<u>7,500</u>	<u>-</u>

8.1 On July 8, 2011, the Company has lent of TWD 3 million or approximately Baht 3.18 million to Patio International Limited in order to repay the loan from a financial institution which was guaranteed by the Company. Such company issued promissory note, carried fixed interest at the rate of 3.5 percent per annum, which was matured on December 31, 2011 and was defaulted. However, such company is going to be closed. As a result, the Company has fully recorded allowance for doubtful account.

8.2 On January 5, 2012, the Company entered into a settle debts memorandum with Foodhouse Catering Services Co., Ltd. The Company had trade accounts receivable and cash advance with such company as at December 31, 2011 of Baht 6.78 million and Baht 4.68 million, respectively, which were converted to be short-term loan in the form of promissory note of Baht 7.5 million (see Note 4.1.3), carrying fixed interest at the rate of 5 percent per annum and is callable on demand. For the remaining debts amounting to Baht 3.96 million, the Company has already received by cash in January 2012.

## 9. INVENTORIES

Inventories as at December 31, consist of:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2012	2011	2012	2011
Finished goods	95,755	56,776	95,755	56,776
Work in process	163	176	163	176
Raw materials	118,951	116,438	109,572	104,766
Packaging materials	46,060	56,406	45,791	56,406
Spare parts and supplies	9,845	9,049	9,845	9,049
Goods in transit	13	665	13	665
Total Inventories	<u>270,787</u>	<u>239,510</u>	<u>261,139</u>	<u>227,838</u>

For the years ended December 31, 2012 and 2011, the costs of inventories recorded as expenses in the consolidated financial statements are Baht 3.46 million and Baht 3.25 million, respectively and in the separate financial statements are Baht 3.24 million and Baht 3.04 million, respectively.

## 10. DEPOSITS USED AS COLLATERAL

- 10.1 As at December 31, 2012 and 2011, cash at banks of the Company of Baht 0.58 million was used as collateral against letter of guarantee from a bank for electricity usage (see Note 32.3).
- 10.2 As at December 31, 2012 and 2011, 12-month fixed deposit of the Company at a local commercial bank of Baht 20 million was pledged as collateral for loan of Patara Restaurant, Vienna GmbH, an indirect subsidiary, in the amount of EUR 1.8 million (see Note 20).
- 10.3 As at December 31, 2012, 12-month fixed deposit of SK Catering Pte. Ltd. of SGD 150,000 or approximately Baht 3.76 million was pledged as collateral for loan of Bangkok Jam Co., Ltd, with a commercial bank (as at December 31, 2011 : nil) (see Note 20).

## 11. INVESTMENTS IN ASSOCIATES AND SUBSIDIARIES

Investments recorded by the equity method in the consolidated financial statements as at December 31, consist of:

	Type of business	Relationship	Paid-up capital		Holding % Share		At cost method		At equity method		Dividend income For the years ended December 31,	
			2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
			Unit : Thousand Baht									
<b>Shares held by S&amp;P Syndicate Public Company Limited</b>												
<b>Associates :</b>												
HD Distributors (Thailand) Co., Ltd.	Agency for food distribution	Co-shareholders and co-management team	100,000	47.99	47.99	48,998	48,998	57,353	42,309	3,390	2,447	
Foodhouse Catering Services Co., Ltd.	Catering	Co-shareholders and co-management team	10,000	49.97	49.97	4,997	4,997	-	-	-	-	
<u>Less</u> Allowance for impairment of investment						(4,997)	(4,997)	-	-	-	-	
Total investments in associates						<u>48,998</u>	<u>48,998</u>	<u>57,353</u>	<u>42,309</u>	<u>3,390</u>	<u>2,447</u>	
<b>Shares held by S&amp;P Global Co., Ltd.</b>												
<b>Subsidiary :</b>												
Siam Kitchen Sdn. Bhd.	Ceased operation	Co-shareholders and co-management team	2,845	50.00	50.00	1,423	1,423	-	-	-	-	
Total investments in subsidiary						<u>1,423</u>	<u>1,423</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	

Investments recorded by the cost method in the separate financial statements as at December 31, consist of:

		Unit : Thousand Baht								
	Type of business	Relationship	Paid-up capital		Holding % Share		At cost method		Dividend income For the years ended December 31,	
			2012	2011	2012	2011	2012	2011	2012	2011
<b>Shares held by S&amp;P Syndicate Public Company Limited</b>										
<b>Associates :</b>										
HD Distributors (Thailand) Co., Ltd.	Agency for food distribution	Co-shareholders and co-management team	100,000	100,000	47.99	47.99	48,998	48,998	3,390	2,447
Foodhouse Catering Services Co., Ltd.	Catering	Co-shareholders and co-management team	10,000	10,000	49.97	49.97	4,997	4,997	-	-
<u>Less</u> Allowance for impairment of investment							(4,997)	(4,997)	-	-
Total investments in associates							<u>48,998</u>	<u>48,998</u>	<u>3,390</u>	<u>2,447</u>
<b>Subsidiaries :</b>										
S&P Global Co., Ltd.	Invest in other companies	Co-shareholders and co-management team	50,000	50,000	80.00	80.00	40,000	40,000	-	-
S&P Asset Co., Ltd.	Office rental	Co-shareholders and co-management team	1,000	1,000	99.93	99.93	999	999	-	-
S&P Food Solution Co., Ltd.	Restaurant (Ceased operation)	Co-shareholders and co-management team	20,000	20,000	99.99	99.99	10,034	10,034	-	-
<u>Less</u> Allowance for impairment of investment							(10,034)	(10,034)	-	-
S&P International Food Co., Ltd.							-	-	-	-
	Restaurant	Co-shareholders and co-management team	10,000	-	99.99	-	10,000	-	-	-
Total investments in subsidiaries							<u>50,999</u>	<u>40,999</u>	<u>-</u>	<u>-</u>

## 12. OTHER LONG-TERM INVESTMENT

Other long-term investment as at December 31, consist of:

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	2012	2011	2012	2011
<b>Security Held-to-Maturity</b>				
Subordinated debenture 10 years (interest rate at 4.375% per annum)	10,000	-	10,000	-
	<u>10,000</u>	<u>-</u>	<u>10,000</u>	<u>-</u>

## 13. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment as at December 31, consist of:

As at December 31, 2012

	Consolidated Financial Statements					Balance as at December 31, 2012
	Balance as at December 31, 2011	Additions	Decreases	Transfer in (out)	Differences on translation of Financial Statements	
<b>Cost</b>						
Land	261,053	-	-	-	-	261,053
Buildings and building improvements	184,463	-	-	-	962	185,425
Factory buildings	188,795	139	-	208	-	189,142
Machinery and equipment	941,338	76,034	(52,983)	21,758	1,108	987,255
Office furniture and equipment	1,432,679	107,618	(39,081)	109,886	440	1,611,542
Vehicles	53,303	8,945	(1,803)	-	21	60,466
Total cost	<u>3,061,631</u>	<u>192,736</u>	<u>(93,867)</u>	<u>131,852</u>	<u>2,531</u>	<u>3,294,883</u>
<b>Accumulated depreciation</b>						
Buildings and building improvements	(76,198)	(4,563)	-	-	(64)	(80,825)
Factory buildings	(103,406)	(6,460)	-	-	-	(109,866)
Machinery and equipment	(708,188)	(75,481)	42,958	-	1,933	(738,778)
Office furniture and equipment	(1,039,276)	(154,501)	33,205	-	(1,176)	(1,161,748)
Vehicles	(38,734)	(5,039)	1,673	-	(24)	(42,124)
Total accumulated depreciation	<u>(1,965,802)</u>	<u>(246,044)</u>	<u>77,836</u>	<u>-</u>	<u>669</u>	<u>(2,133,341)</u>
Building improvements and equipment under construction and installation	66,256	127,526	-	(131,852)	-	61,930
	<u>1,162,085</u>					<u>1,223,472</u>
<u>Less</u> Allowance for impairment-building improvements and equipment	-	(1,000)	-	-	-	(1,000)
<b>Property, plant and equipment</b>	<u>1,162,085</u>					<u>1,222,472</u>

As at December 31, 2011

Unit : Thousand Baht

	Consolidated Financial Statements					Balance as at December 31, 2011
	Balance as at December 31, 2010	Additions	Decreases	Transfer in (out)	Differences on translation of Financial Statements	
<b>Cost</b>						
Land	261,053	-	-	-	-	261,053
Buildings and building improvements	133,296	33,095	-	15,246	2,826	184,463
Factory buildings	188,795	-	-	-	-	188,795
Machinery and equipment	831,781	94,348	(19,049)	29,451	4,807	941,338
Office furniture and equipment	1,320,050	76,716	(46,756)	74,756	7,913	1,432,679
Vehicles	47,158	5,577	(2,185)	2,646	107	53,303
Total cost	<u>2,782,133</u>	<u>209,736</u>	<u>(67,990)</u>	<u>122,099</u>	<u>15,653</u>	<u>3,061,631</u>
<b>Accumulated depreciation</b>						
Buildings and building improvements	(71,382)	(4,513)	-	-	(303)	(76,198)
Factory buildings	(88,808)	(14,598)	-	-	-	(103,406)
Machinery and equipment	(644,754)	(76,550)	16,490	-	(3,374)	(708,188)
Office furniture and equipment	(930,519)	(147,110)	41,814	-	(3,461)	(1,039,276)
Vehicles	(35,867)	(4,760)	1,991	-	(98)	(38,734)
Total accumulated depreciation	<u>(1,771,330)</u>	<u>(247,531)</u>	<u>60,295</u>	<u>-</u>	<u>(7,236)</u>	<u>(1,965,802)</u>
Building improvements and equipment under construction and installation	54,411	133,931	-	(122,099)	13	66,256
<b>Property, plant and equipment</b>	<u>1,065,214</u>					<u>1,162,085</u>
<b>Depreciation for the years ended December 31,</b>						
2012						<u>246,044</u>
2011						<u>247,531</u>
<b>Cost of fully depreciated fixed assets still in use as at December 31,</b>						
2012						<u>1,573,126</u>
2011						<u>1,386,998</u>

As at December 31, 2012

Unit : Thousand Baht

	Separate Financial Statements				Balance as at December 31, 2012
	Balance as at December 31, 2011	Additions	Decreases	Transfer in (out)	
<b>Cost</b>					
Land	261,053	-	-	-	261,053
Buildings and building improvements	37,227	-	-	-	37,227
Factory buildings	188,795	139	-	208	189,142
Machinery and equipment	823,926	59,156	(13,193)	21,758	891,647
Office furniture and equipment	1,245,629	77,327	(24,768)	109,886	1,408,074
Vehicles	51,123	8,946	(1,395)	-	58,674
Total cost	<u>2,607,753</u>	<u>145,568</u>	<u>(39,356)</u>	<u>131,852</u>	<u>2,845,817</u>
<b>Accumulated depreciation</b>					
Buildings and building improvements	(35,808)	(1,269)	-	-	(37,077)
Factory buildings	(103,406)	(6,460)	-	-	(109,866)
Machinery and equipment	(636,029)	(63,161)	12,651	-	(686,539)
Office furniture and equipment	(946,848)	(131,135)	20,857	-	(1,057,126)
Vehicles	(36,902)	(4,979)	1,394	-	(40,487)
Total accumulated depreciation	<u>(1,758,993)</u>	<u>(207,004)</u>	<u>34,902</u>	<u>-</u>	<u>(1,931,095)</u>
Building improvements and equipment under construction and installation	<u>66,256</u>	<u>127,526</u>	<u>-</u>	<u>(131,852)</u>	<u>61,930</u>
	<u>915,016</u>				<u>976,652</u>
<u>Less</u> Allowance for impairment-building improvements and equipment	<u>-</u>	<u>(1,000)</u>	<u>-</u>	<u>-</u>	<u>(1,000)</u>
<b>Property, plant and equipment</b>	<u>915,016</u>				<u>975,652</u>

As at December 31, 2011

Unit : Thousand Baht

	Separate Financial Statements				Balance as at December 31, 2011
	Balance as at December 31, 2010	Additions	Decreases	Transfer in (out)	
<b>Cost</b>					
Land	261,053	-	-	-	261,053
Buildings and building improvements	35,506	1,721	-	-	37,227
Factory buildings	188,795	-	-	-	188,795
Machinery and equipment	744,703	61,653	(11,880)	29,450	823,926
Office furniture and equipment	1,150,303	62,657	(42,088)	74,757	1,245,629
Vehicles	45,324	5,317	(2,164)	2,646	51,123
Total cost	<u>2,425,684</u>	<u>131,348</u>	<u>(56,132)</u>	<u>106,853</u>	<u>2,607,753</u>
<b>Accumulated depreciation</b>					
Buildings and building improvements	(34,536)	(1,272)	-	-	(35,808)
Factory buildings	(88,808)	(14,598)	-	-	(103,406)
Machinery and equipment	(583,772)	(63,469)	11,212	-	(636,029)
Office furniture and equipment	(853,814)	(130,409)	37,375	-	(946,848)
Vehicles	(34,187)	(4,685)	1,970	-	(36,902)
Total accumulated depreciation	<u>(1,595,117)</u>	<u>(214,433)</u>	<u>50,557</u>	<u>-</u>	<u>(1,758,993)</u>
Building improvements and equipment under construction and installation	<u>51,660</u>	<u>121,449</u>	<u>-</u>	<u>(106,853)</u>	<u>66,256</u>
<b>Property, plant and equipment</b>	<u>882,227</u>				<u>915,016</u>
<b>Depreciation for the years ended December 31,</b>					
2012					<u>207,004</u>
2011					<u>214,433</u>
<b>Cost of fully depreciated fixed assets still in use as at December 31,</b>					
2012					<u>1,543,694</u>
2011					<u>1,357,566</u>

Buildings of S&P Restaurant Limited with the cost value of GBP 1.30 million or approximately Baht 64.15 million has been secured for long-term loans with a commercial bank (see Note 20).

As at December 31, 2012 and 2011, lease assets included above, where the Company is a lessee under financial leases, comprise vehicles and office equipment as follows:

	Consolidated		Unit : Thousand Baht Separate	
	Financial Statements 2012	Financial Statements 2011	Financial Statements 2012	Financial Statements 2011
Cost - capitalized finance leases	19,318	14,676	19,318	14,676
<u>Less Accumulated depreciation</u>	<u>(8,208)</u>	<u>(5,117)</u>	<u>(8,208)</u>	<u>(5,117)</u>
Net book value	<u>11,110</u>	<u>9,559</u>	<u>11,110</u>	<u>9,559</u>



## 15. INTANGIBLE ASSET

Intangible asset as at December 31, consists of:

As at December 31, 2012

	Consolidated Financial Statements				Unit : Thousand Baht
	Balance as at December 31, 2011	Additions	Decreases	Transfer in (out)	Balance as at December 31, 2012
<b>Cost</b>					
Software development costs	8,768	5,501	-	-	14,269
Total cost	<u>8,768</u>	<u>5,501</u>	<u>-</u>	<u>-</u>	<u>14,269</u>
<b>Accumulated Amortization</b>					
Software development costs	(4,873)	(1,293)	-	-	(6,166)
Total Accumulated Amortization	<u>(4,873)</u>	<u>(1,293)</u>	<u>-</u>	<u>-</u>	<u>(6,166)</u>
<b>Intangible asset</b>	<u>3,895</u>				<u>8,103</u>

As at December 31, 2011

	Consolidated Financial Statements				Unit : Thousand Baht
	Balance as at December 31, 2010	Additions	Decreases	Transfer in (out)	Balance as at December 31, 2011
<b>Cost</b>					
Software development costs	6,696	2,072	-	-	8,768
Total cost	<u>6,696</u>	<u>2,072</u>	<u>-</u>	<u>-</u>	<u>8,768</u>
<b>Accumulated Amortization</b>					
Software development costs	(3,696)	(1,177)	-	-	(4,873)
Total Accumulated Amortization	<u>(3,696)</u>	<u>(1,177)</u>	<u>-</u>	<u>-</u>	<u>(4,873)</u>
<b>Intangible asset</b>	<u>3,000</u>				<u>3,895</u>
<b>Amortization for the years ended December 31,</b>					
2012					<u>1,293</u>
2011					<u>1,177</u>

As at December 31, 2012

	Unit : Thousand Baht				
	Separate Financial Statements				
	Balance as at December 31, 2011	Additions	Decreases	Transfer in (out)	Balance as at December 31, 2012
<b>Cost</b>					
Software development costs	8,768	5,501	-	-	14,269
Total cost	<u>8,768</u>	<u>5,501</u>	<u>-</u>	<u>-</u>	<u>14,269</u>
<b>Accumulated Amortization</b>					
Software development costs	(4,873)	(1,293)	-	-	(6,166)
Total Accumulated Amortization	<u>(4,873)</u>	<u>(1,293)</u>	<u>-</u>	<u>-</u>	<u>(6,166)</u>
<b>Intangible asset</b>	<u>3,895</u>				<u>8,103</u>

As at December 31, 2011

	Unit : Thousand Baht				
	Separate Financial Statements				
	Balance as at December 31, 2010	Additions	Decreases	Transfer in (out)	Balance as at December 31, 2011
<b>Cost</b>					
Software development costs	6,696	2,072	-	-	8,768
Total cost	<u>6,696</u>	<u>2,072</u>	<u>-</u>	<u>-</u>	<u>8,768</u>
<b>Accumulated Amortization</b>					
Software development costs	(3,696)	(1,177)	-	-	(4,873)
Total Accumulated Amortization	<u>(3,696)</u>	<u>(1,177)</u>	<u>-</u>	<u>-</u>	<u>(4,873)</u>
<b>Intangible asset</b>	<u>3,000</u>				<u>3,895</u>
<b>Amortization for the years ended December 31,</b>					
2012					<u>1,293</u>
2011					<u>1,177</u>

## 16. TRANSACTIONS WITH RELATED PARTIES

The Company has transactions with its subsidiaries, associates and other related parties. Certain portions of the Company's assets, liabilities, sales, other incomes, costs of sales, selling expenses and administrative expenses represent transactions occurred with its subsidiaries, associates and other related parties. These parties are related through common shareholders and/or directorships. Those significant transactions with subsidiaries, associates and other related parties as included in the financial statements are determined at the market price in general or the price as stipulated in the agreement if no market price exists.

The significant balances of assets, liabilities, and transactions occurred with the related parties are as follows:

16.1 Significant balance with related parties are as follows:

Account name/ Company's name	Relationship	Unit : Thousand Baht			
		As at December 31,			
		Consolidated Financial Statements		Separate Financial Statements	
		2012	2011	2012	2011
<b>Trade accounts receivable</b>					
(included in trade and other receivables)					
S&P Global Co., Ltd.	Subsidiary	-	-	54	54
S&P Food Solution Co., Ltd.	Subsidiary	-	-	1,795	1,795
<u>Less</u> Allowance for doubtful account		-	-	(1,795)	(1,795)
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
S&P International Foods Co., Ltd.	Subsidiary	-	-	74	-
HD Distributors (Thailand) Co., Ltd.	Associate	191	320	191	320
Foodhouse Catering Services Co., Ltd.	Associate	3,212	6,781	3,212	6,781
The Minor Food Group Public Co., Ltd.	Related company	1,167	2,344	1,167	2,344
Other related companies	Related company	1,403	3,883	1,403	3,883
		<u>5,973</u>	<u>13,328</u>	<u>6,101</u>	<u>13,382</u>
<b>Advance payments to related parties - net</b>					
(Interest rate percentage per annum)					
S&P Global Co., Ltd. (No interest)	Subsidiary	-	-	146	82
S&P Food Solution Co., Ltd. (No interest)	Subsidiary	-	-	2,535	2,535
<u>Less</u> Allowance for doubtful account		-	-	(2,505)	(2,505)
		<u>-</u>	<u>-</u>	<u>30</u>	<u>30</u>
S&P International Food Co., Ltd. (No interest)	Subsidiary	-	-	5,018	-
HD Distributors (Thailand) Co., Ltd. (No interest)	Associate	179	262	179	262
Foodhouse Catering Services Co., Ltd. (No interest)	Associate	408	4,682	408	4,682
		<u>587</u>	<u>4,944</u>	<u>5,781</u>	<u>5,056</u>
<b>Short-term loans to related parties</b>					
(Interest rate percentage per annum)					
Patio International Limited (3.5% p.a.)	Subsidiary	-	-	3,178	3,178
<u>Less</u> Allowance for doubtful account		-	-	(3,178)	(3,178)
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Foodhouse Catering Services Co., Ltd. (5% p.a.)	Associate	7,500	-	7,500	-
		<u>7,500</u>	<u>-</u>	<u>7,500</u>	<u>-</u>

		Unit : Thousand Baht			
		As at December 31,			
Account name/ Company's name	Relationship	Consolidated		Separate	
		Financial Statements		Financial Statements	
		2012	2011	2012	2011
<b>Investments in associates</b>					
HD Distributors (Thailand) Co., Ltd.	Associate	57,353	42,309	48,998	48,998
Foodhouse Catering Services Co., Ltd.	Associate	4,997	4,997	4,997	4,997
<u>Less</u> Allowance for impairment of investment		<u>(4,997)</u>	<u>(4,997)</u>	<u>(4,997)</u>	<u>(4,997)</u>
		-	-	-	-
		<u>57,353</u>	<u>42,309</u>	<u>48,998</u>	<u>48,998</u>
<b>Investments in subsidiaries</b>					
S&P Global Co., Ltd.	Subsidiary	-	-	40,000	40,000
S&P Asset Co., Ltd.	Subsidiary	-	-	999	999
S&P Food Solution Co., Ltd.	Subsidiary	-	-	10,034	10,034
<u>Less</u> Allowance for impairment of investment		<u>-</u>	<u>-</u>	<u>(10,034)</u>	<u>(10,034)</u>
		-	-	-	-
S&P International Foods Co., Ltd.	Subsidiary	-	-	10,000	-
		<u>-</u>	<u>-</u>	<u>50,999</u>	<u>40,999</u>
<b>Trade accounts payable</b>					
(included in trade and other payables)					
S&P Asset Co., Ltd.	Subsidiary	-	-	306	171
HD Distributors (Thailand) Co., Ltd.	Associate	1,860	4,031	1,860	4,031
		<u>1,860</u>	<u>4,031</u>	<u>2,166</u>	<u>4,202</u>
<b>Advance received from related parties</b>					
(No interest)					
S&P Global Co., Ltd.	Subsidiary	-	-	20	5
HD Distributors (Thailand) Co., Ltd.	Associate	-	74	-	74
		<u>-</u>	<u>74</u>	<u>20</u>	<u>79</u>

## 16.2 Movements of short-term loans to related parties

Movements of short-term loans to related parties for the years ended December 31, 2012 and 2011 are as follows:

		Unit : Thousand Baht			
		Consolidated		Separate	
		Financial Statements		Financial Statements	
		2012	2011	2012	2011
Patio International Limited					
Beginning balance		-	-	3,178	-
<u>Add</u> Additional loan granted during the year		-	-	-	3,178
<u>Less</u> Repayment received during the year		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending balance		-	-	3,178	3,178
<u>Less</u> Allowance for doubtful debts		<u>-</u>	<u>-</u>	<u>(3,178)</u>	<u>(3,178)</u>
		-	-	-	-

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2012	2011	2012	2011
Foodhouse Catering Services Co., Ltd				
Beginning balance	-	-	-	-
<u>Add</u> Additional loan granted during the year	7,500	-	7,500	-
<u>Less</u> Repayment received during the year	-	-	-	-
Ending balance	<u>7,500</u>	<u>-</u>	<u>7,500</u>	<u>-</u>

16.3 Significant transactions with related parties are as follows:

Account name/ Company's name	Relationship	Unit : Thousand Baht			
		For the years		December 31,	
		Consolidated		The Separate	
		Financial Statements	Financial Statements	2012	2011
		2012	2011	2012	2011
<b>Revenues from sales</b>					
S&P Global Co., Ltd.	Subsidiary	-	-	69	578
S&P International Food Co., Ltd.	Subsidiary	-	-	16	-
HD Distributors (Thailand) Co., Ltd.	Associate	621	950	621	950
Foodhouse Catering Service Co., Ltd.	Associate	6,750	6,238	6,750	6,238
The Minor Food Group Public Co., Ltd.	Related company	25,631	32,188	25,631	32,188
Other related companies	Related company	<u>36,304</u>	<u>26,679</u>	<u>36,304</u>	<u>26,679</u>
		<u>69,306</u>	<u>66,055</u>	<u>69,391</u>	<u>66,633</u>
<b>Rental income from buildings and equipment</b>					
S&P Global Co., Ltd.	Subsidiary	-	-	360	408
HD Distributors (Thailand) Co., Ltd.	Associate	896	1,017	896	1,017
		<u>896</u>	<u>1,017</u>	<u>1,256</u>	<u>1,425</u>
<b>Dividend income</b>					
HD Distributors (Thailand) Co., Ltd.	Associate	-	-	3,390	2,447
		<u>-</u>	<u>-</u>	<u>3,390</u>	<u>2,447</u>
<b>Other income</b>					
S&P Global Co., Ltd.	Subsidiary	-	-	1,409	-
S&P Asset Co., Ltd.	Subsidiary	-	-	96	96
S&P International Food Co., Ltd.	Subsidiary	-	-	2,054	-
HD Distributors (Thailand) Co., Ltd.	Associate	68	302	68	302
Foodhouse Catering Services Co., Ltd.	Associate	<u>1,895</u>	<u>4,773</u>	<u>1,895</u>	<u>4,773</u>
		<u>1,963</u>	<u>5,075</u>	<u>5,522</u>	<u>5,171</u>
<b>Share of profit (loss) of an associate</b>					
HD Distributors (Thailand) Co., Ltd.	Associate	18,434	(417)	-	-
		<u>18,434</u>	<u>(417)</u>	<u>-</u>	<u>-</u>
<b>Purchases of goods</b>					
HD Distributors (Thailand) Co., Ltd.	Associate	11,311	12,664	11,311	12,664
		<u>11,311</u>	<u>12,664</u>	<u>11,311</u>	<u>12,664</u>

Account name/ Company's name	Relationship	Unit : Thousand Baht			
		For the years December 31,			
		Consolidated		The Separate	
		Financial Statements	Financial Statements	Financial Statements	Financial Statements
		2012	2011	2012	2011
<b>Rental and other expenses</b>					
S&P Global Co., Ltd.	Subsidiary	-	-	120	41
S&P Asset Co., Ltd.	Subsidiary	-	-	3,954	3,478
S.R. Estate Ltd.	Common director	432	432	432	432
Seacon Development Public Co., Ltd	Common director	514	-	514	-
Directors	Directors	3,413	3,413	3,413	3,413
		<u>4,359</u>	<u>3,845</u>	<u>8,433</u>	<u>7,364</u>
<b>Service expenses</b>					
S&P Asset Co., Ltd.	Subsidiary	-	-	1,208	988
Seacon Development Public Co., Ltd	Common director	2,437	-	2,437	-
		<u>2,437</u>	<u>-</u>	<u>3,645</u>	<u>988</u>
<b>Management benefit expenses</b>					
- Short-term benefits	Management	51,422	52,944	42,165	38,462
- Long-term benefits	Management	1,003	1,554	767	1,121
		<u>52,425</u>	<u>54,498</u>	<u>42,932</u>	<u>39,583</u>

## 17. DEFERRED INCOME TAX AND INCOME TAX EXPENSES

The movements of deferred tax assets and liabilities during the year are as follows:

As at December 31, 2012

	Unit : Thousand Baht			
	Consolidated Financial Statements			
	Balance	Addition	Utilized	Balance
	As at December 31, 2011			As at December 31 2012
<b>Deferred tax assets resulted from</b>				
Allowance for doubtful accounts	489	27	(7)	509
The difference of depreciation expense	1,026	-	(415)	611
Allowance for impairment of investments	999	-	-	999
Provision for customer loyalty programmes	406	321	-	727
Employee benefit obligation	13,391	2,958	(190)	16,159
Actuarial loss on defined employee benefit plan (recognized changes in other comprehensive income)	-	1,607	-	1,607
<b>Total</b>	<u>16,311</u>	<u>4,913</u>	<u>(612)</u>	<u>20,612</u>
<b>Deferred tax liability resulted from</b>				
Unearned revenues	(1,122)	(1,649)	763	(2,008)
<b>Total</b>	<u>(1,122)</u>	<u>(1,649)</u>	<u>763</u>	<u>(2,008)</u>
<b>Deferred tax assets</b>	<u>15,189</u>	<u>3,264</u>	<u>151</u>	<u>18,604</u>
<b>Deferred tax liabilities resulted from</b>				
Revaluation of available-for-sales securities (recognized changes in other comprehensive income)	(66)	(19)	-	(85)
The difference of depreciation expense	(1,645)	(476)	503	(1,618)
<b>Deferred tax liabilities</b>	<u>(1,711)</u>	<u>(495)</u>	<u>503</u>	<u>(1,703)</u>

As at December 31, 2011

	Unit : Thousand Baht				
	Consolidated Financial Statements				
	Balance As at December 31, 2010	Addition	Utilized	Effects of tax rate reduction	Balance As at December 31 2011
<b>Deferred tax assets resulted from</b>					
Allowance for doubtful accounts	722	-	(7)	(226)	489
The difference of depreciation expense	-	1,728	(189)	(513)	1,026
Provision for impairment of investments	1,499	-	-	(500)	999
Provision for customer loyalty programmes	1,154	237	(862)	(123)	406
Employee benefit obligation	17,230	3,565	(710)	(6,694)	13,391
<b>Total</b>	<u>20,605</u>	<u>5,530</u>	<u>(1,768)</u>	<u>(8,056)</u>	<u>16,311</u>
<b>Deferred tax liability resulted from</b>					
Unearned revenues	-	(1,682)	-	560	(1,122)
<b>Total</b>	<u>-</u>	<u>(1,682)</u>	<u>-</u>	<u>560</u>	<u>(1,122)</u>
<b>Deferred tax assets</b>	<u>20,605</u>	<u>3,848</u>	<u>(1,768)</u>	<u>(7,496)</u>	<u>15,189</u>
<b>Deferred tax liabilities resulted from</b>					
Revaluation of available-for-sales securities (recognized changes in other comprehensive income)	(39)	(34)	-	7	(66)
The difference of depreciation expense	(1,304)	(341)	-	-	(1,645)
<b>Deferred tax liabilities</b>	<u>(1,343)</u>	<u>(375)</u>	<u>-</u>	<u>7</u>	<u>(1,711)</u>

As at December 31, 2012

	Unit : Thousand Baht			
	Separated Financial Statements			
	Balance As at December 31, 2011	Addition	Utilized	Balance As at December 31 2012
<b>Deferred tax assets resulted from</b>				
Allowance for doubtful accounts	431	-	-	431
The difference of depreciation expense	1,026	-	(415)	611
Provision for impairment of investments	999	-	-	999
Provision for customer loyalty programmes	406	321	-	727
Employee benefit obligation	13,391	2,967	(199)	16,159
Actuarial loss on defined employee benefit plan (recognized changes in other comprehensive income)	-	1,607	-	1,607
<b>Total</b>	<u>16,253</u>	<u>4,895</u>	<u>(614)</u>	<u>20,534</u>
<b>Deferred tax liability resulted from</b>				
Unearned revenues	(1,122)	(1,649)	763	(2,008)
<b>Total</b>	<u>(1,122)</u>	<u>(1,649)</u>	<u>763</u>	<u>(2,008)</u>
<b>Deferred tax assets</b>	<u>15,131</u>	<u>3,246</u>	<u>149</u>	<u>18,526</u>

As at December 31, 2011

Unit : Thousand Baht

	Separated Financial Statements				Balance As at December 31 2011
	Balance As at December 31, 2010	Addition	Utilized	Effects of tax rate reduction	
<b>Deferred tax assets</b>					
Allowance for doubtful accounts	646	-	-	(215)	431
The difference of depreciation expense	-	1,728	(189)	(513)	1,026
Provision for impairment of investments	1,499	-	-	(500)	999
Provision for customer loyalty programmes	1,154	237	(862)	(123)	406
Employee benefit obligation	17,230	3,565	(710)	(6,694)	13,391
<b>Total</b>	<b>20,529</b>	<b>5,530</b>	<b>(1,761)</b>	<b>(8,045)</b>	<b>16,253</b>
<b>Deferred tax liability</b>					
Unearned revenues	-	(1,682)	-	560	(1,122)
<b>Total</b>	<b>-</b>	<b>(1,682)</b>	<b>-</b>	<b>560</b>	<b>(1,122)</b>
<b>Deferred tax assets</b>	<b>20,529</b>	<b>3,848</b>	<b>(1,761)</b>	<b>(7,485)</b>	<b>15,131</b>

Income tax for the years ended December 31, consist of the following:

Unit : Thousand Baht

	Consolidated Financial Statements		Separate Financial Statements	
	2012	2011	2012	2011
Current income tax	219,814	228,197	210,663	218,855
Adjustment prior year income tax expenses	1,630	6,986	1,630	6,986
Deferred tax expenses relating to the origination and reversal of temporary differences	(1,835)	(1,739)	(1,787)	(2,087)
Deferred income taxes related to reduction corporate income tax rate	-	7,496	-	7,485
Income tax per the statements of comprehensive income	<b>219,609</b>	<b>240,940</b>	<b>210,506</b>	<b>231,239</b>

The reconciliation between income tax - income (expense) and accounting income for the years ended December 31, are follows:

	<b>Consolidated</b>		<b>Unit : Thousand Baht</b>	
	<b>Financial Statements</b>		<b>Separate</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
Accounting profit before income tax	932,155	695,273	899,001	704,888
Applicable tax rates	15% - 25%	15% - 30%	23%	30%
Current income tax	217,251	220,069	206,770	211,466
Adjustment prior year income tax expenses	1,630	6,986	1,630	6,986
Deferred tax expenses reflect				
corporate tax reduction	-	7,496	-	7,485
Tax effect of non-deductible expenses (benefits)	728	6,389	2,106	5,302
Income tax per the statements of comprehensive income	219,609	240,940	210,506	231,239

Corporate income tax for the Company and domestic subsidiary are calculated on net profit for the period, adjusted by adding back certain expenses and deducting exempted income in compliance with the Revenue Code at the rates of 23% and 30% of net taxable profit for the periods of 2012 and 2011, respectively. Corporate income tax for another domestic subsidiary is calculated on net profit for the period adjusted by adding back certain expenses and deducting exempted income in compliance with the Revenue Code at the rates for Small and Medium Enterprises for calculation of the current income tax per income tax return form for the periods of 2012 and 2011.

On October 11, 2011, the Thai Cabinet approved a reduction of the corporate income tax rates from 30% to 23% of profits for companies or juristic partnerships with a 2012 accounting period ending on or after December 31, 2012, and to 20% for companies or juristic partnerships with an accounting period beginning on or after January 1, 2013 and according to the Royal Decree No. 530 dated December 14, 2011, the corporate income tax rates will be reduced from 30% to 23% for the accounting periods beginning on or after January 1, 2012 and to 20% for the accounting periods beginning on or after January 1, 2013 and 2014.

The Company and its subsidiary used a tax rate of 20%, for calculation of deferred tax as at December 31, 2012 and both 20% and 23% for calculation of deferred tax as at December 31, 2011.

Overseas subsidiaries used tax rates of each country for calculation of the current income tax per income tax return form and for calculation of deferred tax for the years ended December 31, 2012 and 2011.

## 18. BANK OVERDRAFT

As at December 31, 2011, S&P Restaurant Limited has bank overdraft with a financial institution amounting to GBP 32,330 or approximately Baht 1.58 million. Bank overdraft carried interest at the rate of 0.5% per annum above the bank's lending base rate. (as at December 31, 2012 : Nil)

## 19. TRADE AND OTHER PAYABLES

Trade and other payables as at December 31, consist of:

	Consolidated		Unit : Thousand Baht	
	Financial Statements	Financial Statements	Separate	Separate
	2012	2011	2012	2011
Trade payables - other companies	396,328	377,970	356,208	346,990
Trade payables - related parties	1,860	4,031	2,166	4,202
Advance received from related parties	-	74	20	79
Accounts payable - acquisition of assets	64,167	41,307	45,232	41,307
Unearned revenues	18,086	13,158	18,086	13,158
Other payables	79,912	63,498	79,218	63,498
Accrued expenses	274,149	210,362	230,352	159,964
	<u>834,502</u>	<u>710,400</u>	<u>731,282</u>	<u>629,198</u>

## 20. LONG-TERM BORROWINGS FROM FINANCIAL INSTITUTIONS

Long-term borrowings from financial institutions as at December 31, are as follows:

	Consolidated		Unit : Thousand Baht	
	Financial Statements	Financial Statements	Separate	Separate
	2012	2011	2012	2011
Long-term borrowings from financial institutions	113,399	119,618	-	-
<u>Less</u> Current portion of long-term borrowings from financial institutions	<u>(35,104)</u>	<u>(29,503)</u>	<u>-</u>	<u>-</u>
	<u>78,295</u>	<u>90,115</u>	<u>-</u>	<u>-</u>

Long-term borrowings from financial institutions of the subsidiaries are as follows:

	Terms	Currency	Facility	Repayment Date and due date	Interest Rate (% p.a.)	As at December 31, 2012		As at December 31, 2011	
						Currency	Thousand Baht	Currency	Thousand Baht
<b>Thai Development SA</b>									
Loan from overseas commercial banks	Repayable of CHF 25,000 per installment on a quarterly basis	CHF	400,000	June 30, 2009 to March 31, 2013 (see Note 2.2)	4.25	-	-	125,000	4,211
<b>Patara Restaurant, Vienna GmbH <sup>(1)</sup></b>									
Loan from overseas commercial banks	Repayable of EUR 200,000 per installment on semi-annual basis	EUR	1,800,000	March 26, 2011 to March 26, 2016	3.85	1,400,000	56,779	1,400,000	57,438
<b>S&amp;P Restaurant Limited <sup>(2)</sup></b>									
Loan from overseas commercial banks	Repayable of GBP 7,500 per installment on a monthly basis	GBP	450,000	May 2011 to April 2016	0.5 above bank base rate	300,000	14,804	390,000	19,055
Loan from overseas commercial banks	Repayable of GBP 37,500 per installment on a quarterly basis	GBP	600,000	October 2012 to June 2016	0.5 above bank base rate	562,500	27,757	600,000	29,315
<b>Bangkok Jam Co., Ltd.</b>									
Loan from overseas commercial banks	Repayable of TWD 834,000 per installment on a quarterly basis	TWD	10,000,000	December 16, 2011 to September 16, 2014	2.75 above bank base rate	5,830,000	6,150	9,166,000	9,599
Loan from overseas commercial banks <sup>(3)</sup>	Repayable of TWD 834,000 per installment on a quarterly basis	TWD	10,000,000	May 8, 2012 to February 6, 2015	2.75 above bank base rate	7,498,000	7,909	-	-
Total long-term loans of subsidiaries							113,399		119,618
<u>Less Current portion of long-term loans in the consolidated financial statements</u>							(35,104)		(29,503)
							<u>78,295</u>		<u>90,115</u>

- (1) Patara Restaurant, Vienna GmbH has a long-term loan facility of EUR 1.8 million with a commercial bank. The subsidiary had withdrawn the loan to full credit limit and the loan was due for full repayment on March 26, 2015. On March 16, 2012, the terms of the original long-term loan facility agreement with such commercial bank was revised and amended. The third installment under the original agreement on March 26, 2012, will be postponed to March 26, 2013. Therefore, such loan shall be due for the final repayment on March 26, 2016. Patara Restaurant, Vienna GmbH used fixed deposit at bank of S&P Syndicate Public Company Limited as collateral (see Note 10.2).
- (2) S&P Restaurant Limited has secured buildings with the cost value of GBP 1.30 million or approximately Baht 64.15 million as collateral for such long-term loans with a commercial bank (see Note 13) which the Company has to maintain debt coverage ratio in accordance with the condition on the above facility agreements.
- (3) Bangkok Jam Co., Ltd. used a fixed deposit of SK Catering Pte. Ltd. amounting to SGD 150,000 or approximately Baht 3.76 million as collateral (see Note 10.3).

## 21. FINANCE LEASE LIABILITIES

The Company and its subsidiaries have entered into finance lease agreements for vehicles and office equipment under financial leases as at December 31, as follows:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2012	2011	2012	2011
Within 1 year	3,440	3,178	3,440	3,178
Over 1 year to 5 years	3,180	2,490	3,180	2,490
Finance lease liabilities	<u>6,620</u>	<u>5,668</u>	<u>6,620</u>	<u>5,668</u>

## 22. EMPLOYEE BENEFIT OBLIGATION

The Company and its subsidiaries provided employee benefit obligation under the Thai Labour Protection Act, which are considered as unfunded defined benefit plans.

Amounts recognized in the statement of comprehensive income in respect of the defined benefit plans for the years ended December 31, are as follows:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2012	2011	2012	2011
Current service cost	12,482	10,164	11,935	9,513
Interest cost	3,110	2,597	2,904	2,371
Expenses recorded in the statement of comprehensive income	<u>15,592</u>	<u>12,761</u>	<u>14,839</u>	<u>11,884</u>

Movements in the present value of the defined benefit obligation for the years ended December 31, are as follows:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2012	2011	2012	2011
Beginning present value of defined benefit obligation	73,150	62,755	66,952	57,434
Current service cost	12,482	10,164	11,935	9,513
Interest cost	3,110	2,597	2,904	2,371
Actuarial loss on defined employee benefit plan	9,129	-	8,036	-
	<u>97,871</u>	<u>75,516</u>	<u>89,827</u>	<u>69,318</u>
<u>Less</u> Benefits paid	<u>(2,770)</u>	<u>(2,366)</u>	<u>(999)</u>	<u>(2,366)</u>
Ending present value of defined benefit obligation	<u>95,101</u>	<u>73,150</u>	<u>88,828</u>	<u>66,952</u>

For the year ended December 31, 2012, the actuarial loss is recognized in the consolidated and separate statements of comprehensive income in the amount of Baht 9.13 million and Baht 8.04 million, respectively. Such actuarial loss mainly resulted from the change in discount rate and mortality rate of the financial assumption.

The principle actuarial assumptions used to calculate the defined benefit obligation as at December 31, are as follows:

	Consolidated Financial Statements		Separate Financial Statements	
	2012	2011	2012	2011
Discount rate	3.73% - 3.89%	4.25%	3.89%	4.25%
Mortality rate	Thai Mortality Table 2008	Thai Mortality Table 1997	Thai Mortality Table 2008	Thai Mortality Table 1997
Normal retirement age	60 years	60 years	60 years	60 years
Expected rate of salary increase	5%	5%	5%	5%
Employee turnover rate	0% - 35%	0% - 30%	0% - 35%	0% - 30%

### 23. LEGAL RESERVE

Pursuant to the Public Limited Companies Act B.E. 2535, the Company is required to set aside a legal reserve of at least 5 percent of net earnings after deducting accumulated deficit brought forward (if any) until the reserve reaches 10 percent of the registered share capital and the reserve is not available for distribution as dividends.

### 24. TREASURY SHARES AND TREASURY SHARES RESERVE

At the resolutions of the Board of Directors' Meeting No. 1/2010 held on February 24, 2010, the Company's directors resolved to approve the share repurchase program for financial management purpose in accordance with Section 66/1(2) of the Limited Public Company Act (No. 2) B.E. 2544 in the amount not exceeding Baht 350 million. The number of ordinary shares to be repurchased not exceeding 10.47 million shares (par value of Baht 5 per share); equal to 10% of the total number of paid-up share capital of the Company. The Company shall repurchase its ordinary shares through the main board of the Stock Exchange of Thailand during the period from March 11, 2010 to September 10, 2010. The Board of Directors has considered the share resale procedures by resale its ordinary shares through the main board of the Stock Exchange of Thailand or by public offering depending on the prevailing situation at that time of shares sold. Period for the resale of share is from March 11, 2011 to September 10, 2013 (after 6 months from the completion date of share repurchase and not exceeding 3 years from the completion date of share repurchase).

Details of treasury shares as at December 31, are as follows:

	<b>Consolidated Financial Statements</b>		<b>Separate Financial Statements</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
Value of treasury shares (Thousand Baht)	250,951	250,951	250,951	250,951
Number of treasury shares (Thousand shares)	6,605	6,605	6,605	6,605
Average cost per share (Baht)	38.00	38.00	38.00	38.00
The number of treasury shares to the share capital issued by the Company (Percentage)	6.31	6.31	6.31	6.31

As at December 31, 2012 and 2011, the Company appropriated Baht 250.95 million from its retained earnings to a reserve for treasury shares.

## 25. BASIC EARNINGS PER SHARE

Basic earnings per share for the years ended December 31, are calculated as follows:

	<b>Consolidated Financial Statements</b>		<b>Separate Financial Statements</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
Profit attributable to owners of the parent (Thousand Baht)	<u>707,806</u>	<u>453,811</u>	<u>688,496</u>	<u>473,649</u>
Number of ordinary shares as at January 1, (Thousand shares)	98,082	98,082	98,082	98,082
Weighted average number of treasury shares during the years (Thousand shares)	-	-	-	-
Weighted average number of ordinary shares as at December 31, (Thousand shares)	<u>98,082</u>	<u>98,082</u>	<u>98,082</u>	<u>98,082</u>
Basic earnings per share (Baht)	7.22	4.63	7.02	4.83

## 26. APPROPRIATION OF EARNINGS AND DIVIDEND

On April 28, 2011, the annual general shareholders' meeting of the Company passed a resolution to distribute an annual dividend from the operations of the year 2010 for 98,081,673 shares from registered and paid-up share capital, deduct with treasury shares at Baht 3.25 per share, totalling Baht 318.76 million. The dividend consists of interim dividend at Baht 1.25 per share totalling Baht 122.60 million which was paid on September 10, 2010 and additional dividend of 98,081,673 shares at Baht 2.00 per share, totalling Baht 196.16 million, which was paid on May 19, 2011.

On August 10, 2011, the Company's Board of Directors' Meeting passed a resolution to pay interim dividend to shareholders of 98,081,673 shares from registered and paid-up share capital, deduct with treasury shares at Baht 1.25 per share, totalling Baht 122.60 million. The Company paid such dividend on September 9, 2011 and the remaining accrued dividends as at December 31, 2011 were Baht 0.98 million.

On April 26, 2012, the annual general shareholders' meeting of the Company passed a resolution to distribute an annual dividend from the operations of the year 2011 for 98,081,673 shares at Baht 4.00 per share, totalling Baht 392.33 million. The dividend consists of interim dividend at Baht 1.25 per share totalling Baht 122.60 million which was paid on September 9, 2011 and additional dividend of 98,081,673 shares at Baht 2.75 per share, totalling Baht 269.72 million, which was paid on May 15, 2012.

On August 9, 2012, the Company's Board of Directors' Meeting passed a resolution to pay interim dividend to shareholders of 98,081,673 shares from registered and paid-up share capital, deduct with treasury shares at Baht 1.50 per share, totalling Baht 147.12 million. The Company paid such dividend on September 7, 2012 and the remaining accrued dividends as at December 31, 2012 were Baht 0.99 million.

The Board of Directors' Meetings of the subsidiaries passed resolutions to distribute interim dividends to ordinary shareholders for the year ended December 31, 2012 as follows:

**For the year ended December 31, 2012**

Company's name	Board of Directors' meeting date	Dividend Paid	Amount (Currency)	Amount (Million Baht)	Dividend payment date
Patara (Geneva) SA	April 24, 2012	150,000	CHF	4.98	June 29, 2012
Thai Development SA	April 24, 2012	160,200	CHF	5.31	June 29, 2012
				<u>10.29</u>	

**For the year ended December 31, 2011**

Company's name	Board of Directors' meeting date	Dividend Paid	Amount (Currency)	Amount (Million Baht)	Dividend payment date
SK Catering Pte Ltd.	January 19, 2011	800,000	SGD	19.51	January 27, 2011
	June 6, 2011	150,000	SGD	3.68	July 4, 2011
Theme Food Ltd.	June 6, 2011	50,000	SGD	1.22	July 4, 2011
Patara (Geneva) SA	February 16, 2011	170,000	CHF	6.28	June 30, 2011
				<u>30.69</u>	

**27. EXPENSES BY NATURE**

Significant expenses by nature for the years ended December 31, 2012 and 2011 are as follows:

	Consolidated		Unit : Thousand Baht	
	Financial Statements 2012	Financial Statements 2011	Separate Financial Statements 2012	Separate Financial Statements 2011
Changes in inventories of finished goods and work in process - decrease (increase)	(38,966)	10,541	(38,966)	10,541
Raw materials and consumables used	2,093,529	2,028,019	1,876,449	1,829,327
Cost of finished goods purchased	57,523	59,612	57,523	59,612
Depreciation and amortization	260,492	263,719	217,594	229,015
Employee expenses	1,556,987	1,338,372	1,241,219	1,044,049
Transportation expense	165,761	144,588	165,743	144,588

## **28. PROVIDENT FUND**

The Company and domestic subsidiaries established the provident funds in compliance with the Provident Fund Act B.E. 2530. The funds are voluntarily joined by employees. Under the fund's regulations, the members contribute 2% of their monthly salary to the fund and the Company and the subsidiaries contribute 2% of such monthly salary. The funds will be paid to the employees upon termination in accordance with the rules of the provident fund.

For the years ended December 31, 2012 and 2011, the Company's contributions and subsidiaries' contributions to provident funds which were recorded as expenses in the consolidated statements of comprehensive income were Baht 15.38 million and Baht 13.39 million, respectively.

For the years ended December 31, 2012 and 2011, the Company's contributions to the provident fund which were recorded as expenses in the separate statements of comprehensive income were Baht 12.87 million and Baht 10.88 million, respectively.

## **29. CAPITAL MANAGEMENT**

The primary objectives of the Company's and its subsidiaries' capital management are to maintain their abilities to continue as a going concern and to maintain an appropriate capital structure.

The Company and its subsidiaries do not apply any particular financial ratio to monitor its capital whilst manage their capital to be sufficient for their working capital by: for instance, issuing new share or adjusting the amount of dividend paid to shareholders, according to the prevailing situations.

## **30. DISCLOSURE OF FINANCIAL INSTRUMENTS**

The Company presents and discloses financial instruments as follows:

### **30.1 Credit Risk**

Credit risk refers to the risk that counterparty will default on its trading terms and conditions resulting in collection loss to the Company and subsidiaries. Concentrations of credit risk are limited since the Company and subsidiaries have adopted the policy of dealing with creditworthy counterparty as a mean of mitigating the risk of financial losses from defaults.

In case of recognized financial assets in the statements of financial position, the carrying amounts of the assets recorded in the statements of financial position represent the maximum exposure to credit risk.

### 30.2 Interest Rate Risk

Interest rate risk arises from the potential for a change in interest rate to have an adverse effect on the Company and its subsidiaries in the current reporting period and in future years. The Company and its subsidiaries do not expect to incur material incremental effect on their interest expense because loans of the Company and its subsidiaries are insignificant amount.

### 30.3 Foreign Exchange Risk

Foreign exchange risk arises from the potential for a change in foreign exchange rate to have an adverse effect on the Company and its subsidiaries in the current reporting period and in future years. The Company and its domestic subsidiaries do not expect to incur material incremental effect on their financial assets or liabilities in foreign currencies as the majority of their businesses are engaged in Thai Baht.

However, the change in foreign exchange rate may has material effect on financial assets and liabilities of the overseas subsidiaries. The Company and its subsidiaries do not use any financial instruments to manage such risk.

### 30.4 Estimated Fair Value of Financial Assets and Liabilities

For the fair value disclosures, considerable judgement is necessarily required in estimation of fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amount that could be realized in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value. The following methods and assumptions were used by the Company and its subsidiaries in estimating fair value of financial instruments.

Cash and cash equivalents, temporary investments, trade and other receivables, bank overdraft and short-term borrowings from financial institutions, trade and other payables, the carrying values approximate their fair values due to the relatively short period to maturity.

Long-term borrowings from financial institutions bearing floating interest rate, the carrying value is approximate its fair value and long-term loans from financial institutions bearing fixed interest rate, the carrying value is approximate its fair value as such interest rate approximated the current market rate at that time.

### 31. SEGMENT INFORMATION

The Company and its subsidiaries have been engaged in the food and bakery business. All business activities of the Company and its subsidiaries shall be classified by segments, based on revenues and results of operations for the years ended December 31, 2012 and 2011 and total assets as at December 31, 2012 and 2011 for the Company and its subsidiaries as follows:

For the years ended December 31,

Classified by geographical areas	Domestic		Overseas		Unit : Thousand Baht Total	
	2012	2011	2012	2011	2012	2011
	Revenues from sales and services	5,673,477	5,121,485	853,160	757,016	6,526,637
Net profit before non-controlling interests	702,001	451,606	10,545	2,728	712,546	454,334

As at December 31,

Classified by geographical areas	Domestic		Overseas		Unit : Thousand Baht Total	
	2012	2011	2012	2011	2012	2011
	Total assets	3,016,100	2,620,326	432,065	418,882	3,448,165

### 32. COMMITMENTS AND LETTERS OF GUARANTEE

As at December 31, 2012 and 2011, the Company and its subsidiaries had commitments and letters of guarantee as follows:

32.1 Commitments to pay rental under long-term lease contracts are as follows:

#### Domestic offices, vehicles and computer equipment rental expenses

	Unit : Thousand Baht As at December 31,	
	2012	2011
	Within 1 year	302,590
Over 1 year to 5 years	601,479	392,184
Over 5 years	14,986	18,169

#### Overseas subsidiaries rental expenses

	Unit : Thousand Baht As at December 31,	
	2012	2011
	Within 1 year	77,621
Over 1 year to 5 years	175,227	97,060
Over 5 years	148,152	108,871

- 32.2 As at December 31, 2012 and 2011, the Company had outstanding capital commitments relating to hire of work and purchase of materials for the construction of new branches and shops of Baht 34.93 million and Baht 39.46 million, respectively.
- 32.3 As at December 31, 2012 and 2011, the Company has letters of guarantee issued by a bank to guarantee for electricity usage for the Company of Baht 35.93 million and Baht 33.46 million, respectively. Such amount included the letters of guarantee of Baht 0.58 million which deposit at bank was used as collateral (see Note 10.1).
- 32.4 S&P International Food Company Limited, a subsidiary company, entered into a License Agreement with an overseas company for the period from October 26, 2012 to December 31, 2021 for running the restaurant business as quarterly in each year. Such subsidiary company has to pay an initial royalty fee and running royalty fees at the rates as specified in the agreement for trademark and know-how.
- 32.5 S&P Syndicate Public Company Limited entered into a "Letter of Guarantee" dated October 26, 2012 with an overseas company to guarantee for all payments that the subsidiary has to pay according to the License Agreement as indicated in Note 32.4.

### **33. EVENTS AFTER THE REPORTING PERIOD**

- 33.1 On November 23, 2012, the Board of Directors' meeting of S&P International Food Co., Ltd., a subsidiary, passed a resolution to request a local financial institution for credit facilities, with no collateral which consisted of bank overdrafts of Baht 5 million and long-term borrowings of Baht 25 million including bank guarantee of Baht 5 million, totalling of Baht 35 million. S&P Syndicate Public Co., Ltd. issued a "Letter of Awareness" to such bank and has to maintain percentage of shareholding in S&P International Food Co., Ltd. not less than 99.99% through the period of the loan agreement. In addition, such subsidiary has to maintain its debt coverage ratio as specified in the loan agreement.

On January 8, 2013, such subsidiary entered into a long-term loan agreement for 6 years with a local bank amounting to Baht 25 million, carrying interest at the rate of MLR minus 2% per annum. According to such loan agreement, such subsidiary will repay interest and principal at the end of each quarter. Such subsidiary had already withdrawn the loan of Baht 8 million in January 2013.

- 33.2 On February 21, 2013, S&P Global Co., Ltd. paid the remaining share capital increase of Patara International Restaurant Management (Beijing) Co., Ltd. of Baht 1.46 million (300,000 RMB).

### 34. RECLASSIFICATIONS

Certain reclassifications have been made in the consolidated and separate financial statements for the year ended December 31, 2011 to conform to the classifications used in the consolidated and separate financial statements for the year ended December 31, 2012 as follows:

Items	Previous classification	Current classification	Unit : Thousand Baht	
			Consolidated Financial statements	Separate Financial statements
Short-term loan to a related party	Trade and other receivables-advance payments to related parties-net	Short-term loan to a related party	3,178	3,178
Allowance of doubtful debts	Trade and other receivables-advance payments to related parties-net	Short-term loan to a related party	3,178	3,178
Management benefit expenses	Administrative expenses	Management benefit expenses	1,554	1,121
Unrealised gain on revaluation of temporary investments	Other income - others	Other income - Unrealised gain on revaluation of temporary investments	2,587	2,587
Interest income	Other income - others	Other income - Interest income	10,985	10,640

### 35. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements have been approved for issue by the authorized director of the Company on February 26, 2013.