



ANNUAL REPORT 2017

Food Capitals Public Company Limited





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Message from Chairman of the Board of Directors and Chief Executive Officer



**AKRADEJ
SRICHAWLA**

**Chairman of the Board of
Directors**



**NARAVADEE
WARAVANITCHA**

**Chief Executive Officer
/ Executive Director**

From year 2016 through the end of 2017 were times our Food Capital Public company Limited had continuously laid down the ground works to build up our “Support Center”. This was so that our company will have a department which is ready and able to lender operational supports to restaurants that our Company owns. Last year was also the year which our Company actively sought out for business and investment opportunities inside and outside of Thailand. With the successful establishment our Restaurant Supporting Center (RSC) and the merger and acquisition with G-Enterprise & Co in February last year, our total sales in 2017 were Baht 703 million, an increase of 2.90% from Baht 683 million in year 2016. Hence, we are proud to say that 2017 was the year we saw the materialization of our strategic plan and business reorganization.

However, the feverish competitive environment in Restaurant & Hospitality industry which saw no signs of cooling down have negatively prevented us from achieving our expansion targets. Moreover, it has also forced us to close down 13 locations of our Quick Service and Lifestyle restaurants combined. All these locations were those that contributed to losses or negative cashflow. With the accrued average growth of 2.6% in Red Planet Hotel, the same is true that the less than expected growth in both of our restaurant and hospitality business has brought about substantial sums of impairment of goodwill





which was a major component of the administrative expenses hence affecting a substantial increase of loss from Baht 423 million in 2016 to Baht 943 million in 2017.

The continuous occurrences of losses and shareholder's equities have been a challenge to our directors and management team, making business turn around and finding measures to propel our company as a healthy going concern become our immediate priority.

To avoid losses from having to close non-performing restaurants down, going forward, we need to be more vigilant in choosing our future locations for new restaurants. We must make sure that we will meet our expansion targets both in numbers of outlets and profitability.

At the end of year 2017, Food Capitals had a total of 63 restaurants. Among those, 56 were in Thailand and 7 were in Cambodia.

Top on the list this year for our Management and Board of Directors are mission to better manage cashflow and fulfill our obligation to repay the Baht 600 million once it becomes due in the second quarter of 2018. For this, our company has been exploring solutions which may bring about an entire business restructuring at organizational level. Our Management would like to ensure all the shareholders that once we have a clear plan, we will present the plan to the next Annual General Shareholders Meeting as the next step.

Despite the negative news and the lackluster financial results, we still believe that within our team of staff and management, we do have abundance of talents and solidarity in our company. It is of our Company's greatest believe that when talents of like minds working in a unified front, we will weather through problems and crisis and soon reestablish our business in its normal course. Together, we will better manage investments, risks, and cashflow. All of these are our missions to create long term business growth and a healthy return for our shareholders.

All the members of the Board of Directors and the Management would like to thank all the Shareholders who have been giving continuous support. We hope to continue receiving your support again in future.



**AKRADEJ
SRICHAWLA**
Chairman of the Board
of Directors



**NARAVADEE
WARAVANITCHA**
Chief Executive Officer
/ Executive Director

Audit Committee Report

The Audit Committees of Food Capitals Public Company Limited consists of 3 people which are Mr. Witit Sujjapong (Chairman of the Audit Committee), Mr. Krish Detter (Audit Committee) and Mr. Viroj Tangjetanaporn (Audit Committee). The Audit Committees of the Company works independently in accordance with the standards established by the Board of Directors of the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission. Mr. Witit Sujjapong, the Chairman of the Audit Committee, is a knowledgeable person, understanding and has adequately experience in reviewing accounting and financial transactions. Additionally, he also has the knowledge and understanding regarding preparing publicly disclosed financial statements. The Audit Committee acts as a representative and mitigates the duties and responsibilities of the Board of Directors in relation to the transparency of financial reports and disclosure of financial information, the adequacy and effectiveness of internal control, performance, characteristics, and independence of the Internal Audit Department. Moreover, It helps to review the laws and regulations in compliance with the Securities and Exchange Commission and prevent conflicts of interest, including advice to the Board of Directors on the selection and appointment of the Company's auditors.

There are 4 audit committee meetings were held in 2017. The obligations are as follows;

- Consider the Company's quarterly and annually financial reports. The meetings were held including the company's auditors to review the report of the auditor, validate the financial statements, disclosure and related accounting policies to ensure that the Company's financial statements are accurate, complete, reliable and prepared in accordance with Generally Accepted Accounting Principles (GAAP)
- The Audit Committee considered the internal audit plan of the Internal Audit Department, review the results of the annual internal audit, give suggestions for improvement, revise the internal controls proposed to the management including follow-up progress

In February 2017, Audit Committee has appointed Accounting Revolution Co., Ltd. to conduct internal audit inspection focused in cash receiving internal control processes followed by the importance of risk assessment by the internal audit firm and check the laws and regulations in compliance with the Stock Exchange of Thailand and the Securities and Exchange Commission. Furthermore, to review and assess the adequacy of the Company's internal control system. The Audit Committees have the opinion that the Company has continuous improvement internal control system. This includes the development of risk management systems.

At the Audit Committee Meeting No. 3/2018 on 20 March 2018, the Audit Committee proposed to the Board of Directors appointed Karin Audit Company Limited as the Company's auditor to conduct audit review of the financial statements for the first quarter of 2018 and audit review of the financial statements for the second quarter of 2018 (in case that the Entire Business Transfer (EBT) transaction is not completed within second quarter of 2018) and proposed the appointment PricewaterhouseCoopers ABAS Company Limited to be the statutory auditor of the Company and subsidiaries for the review financial statements of the second quarter of 2018, the review financial statements of the third quarter of 2018, and the statutory audit of the financial statements for the year 2018. In according to the EBT plan, all business transfer transactions is expected to be completed within the second quarter of 2018. The appointment of the auditors and the remuneration of the auditor will be proposed for approval at the Annual General Meeting of Shareholders of 2018.

On behalf of the Audit Committee of Food Capitals Public Company Limited



Witit Sujjapong
Chairman of Audit Committee

Board of Directors



**AKRADEJ
SRICHAWLA**
Chairman of the
Board of Directors



**AKARAT
NA RANONG**
Vice Chairman /
Executive Chairman



**NARAVADEE
WARAVANITCHA**
Chief Executive Officer /
Executive Director



**KRIT
SRICHAWLA**
Director



**THOSAPHOL
PENG SOM**
DIRECTOR



**NUTTAWUT
PHAOBOROM**
INDEPENDENT
DIRECTOR



**WITIT
SUJJAPONG**
Chairman of Audit
Committee /
Independent Director



**KRISH
DETTTER**
Audit Committee /
Independent Director



**VIROJ
TANGJETANAPORN**
Audit Committee /
Independent Director

A stylized, light gray world map is visible in the background, showing the outlines of continents. The map is centered on the Atlantic Ocean, with North and South America on the left and Europe and Africa on the right. The map has a subtle, textured appearance.

Geographic Business Portfolio

Thailand



kyōChon 1991



MAGGIE CHOO'S
餐廳
ร้านอาหารแม็กกี้ ซูชิ

The Iron Fables

Moom-Moom Park
A Modern Dining Space & Bar

CHINGCHAL
Restaurant & Bar

PIRATE
CHAMBER
LOCAL THAI RESTAURANT
SINCE 1991

UMAMI
RESTAURANT & BAR

RED PLANET

Japan



Cambodia



Philippines



Indonesia



Business

Business Overview of the Group Company

Food Capitals Public Company Limited (the “Company”) was incorporated on 22 December 2003 with the current registered and paid-up capital of Baht 2,136,460,276. The Company focuses on quick-service restaurants, casual dining restaurants, lifestyle restaurants and bars, and the investment in hospitality sector in Thailand and across Asia.

The Group Company is the franchisee of a leading brands:

- (1) Domino’s Pizza (“Domino’s”) in Thailand and Cambodia;
- (2) The Coffee Bean & Tea Leaf (“CBTL”) in Thailand; and
- (3) Kyochon (“Kyochon”) in Thailand, Myanmar, Lao, and Cambodia.

The Company also owns and operates its 8 lifestyle restaurants and bars under owned brands namely:

- (1) The Iron Fairies, Sukhumvit 55 (Soi Thonglor)
- (2) The Iron Fairies, Central Festival Eastville, 1st Floor;

- (3) Maggie Choo’s, Novotel Fenix Silom; and
- (4) Fat Gut’Z Saloon, Central East Ville.

(5) Group of lifestyles restaurant operated under “G Enterprise & CO Co., Ltd.” under brands name Moom Mum Park, Umami-Fallabella, Chingchar Charlie – The Emporium and Paragon branches, and Pirate Chambre

The Company is also engaged in the hospitality sector, Red Planet Hotels Limited (“RPHL”). RPHL operates budget hotels under its own brand in Thailand, The Philippines, Indonesia, and Japan

Vision Mission and Goal of the Company

The Company’s vision is to be a leader in restaurant business by bringing the experience of restaurant management under international brands to create sustained value and growth of restaurants of the Company and create sustainable return for shareholders.

The Company’s mission focus on building the professional team that specialize on food business by giving new generation the opportunity to expand the business to the World. The company focus on the investment in new food business and co-management with the expertise with passion in food business. The Company’s mission to create “Food Culture” in order to serve the nutrient food and international standard service to customer. The Company believes in long-term growth in food business around the world. Therefore, the Company’s goal to utilize the expertisement in food business in order to expand the business both in domestic and international, In particular, countries with high potential for economic growth and high purchasing power to create the value of the Company and return to stakeholders.

Key Milestones and Major Development of the Company in the past 3 years

2014

: The Company held an equity interests in Sweetstar K.K. of 28.5% in Sweetstar K.K. is a franchisee of Magnolia Bakery and Mr. Jones' Orphanage in Japan. Besides, it also made a partial acquisition of Q's Dining Inc., an owner of 17 restaurants in Japan.

: The first Magnolia Bakery store in Asia was opened in Tokyo, Japan.

: The first Mr. Jones' Orphanage store in Japan was opened in Sapporo, Hokkaido.

: The first Kyochon store of the Company was opened at MBK Center.

: The Company entered into a joint-venture agreement with CBM Corporation Company Limited ("CBM") to operate Domino's Pizza in Cambodia.

: At year-end 2014, the Company and its subsidiaries owned 54 restaurants in Thailand and Asia.

2015

: The first Domino's Pizza store in Cambodia was opened in Phnom Penh in January 2015.

: The Company restructured its internal group structure by incorporating a subsidiary namely, Evolution Foods (Thailand) Company Limited, to hold all equity interests in:

- Fenix Pizza Company Limited, D. Pizza Public Company Limited (the master franchisees of Domino's Thailand and Cambodia respectively);
- Fico Coffee Company Limited (the master franchisee of The Coffee Bean & Tea Leaf); and
- Kyochon Company Limited (the master franchisee of Kyochon).

Mr. Wuttisak Limphanit increased capital in Evolution Foods (Thailand) Company Limited in an amount of Baht 150 million, representing 10% equity interests in order to support its growth strategy.

: The second Magnolia Bakery store was opened in Pangyo-Hyundai department store in Gyeonggi-do Korea in August 2015.

: The Board of Directors of the Company resolved to approve the closure of Monster Media Company Limited and PhotoME.Com Company Limited on 14 August 2015. These subsidiaries conducted digital media business. The rationale was to focus on core businesses of the Company.

: The Company granted the franchise right to operate Mr. Jones' Orphanage in Myanmar to Alpha Plus Company Limited in August 2015.

: The Company entered into a joint-venture with CBM to operate Kyochon in Cambodia. The first Kyochon store in Cambodia was opened in Phnom Penh.

: The first Mr. Jones' Orphanage store in Myanmar was opened in HAGL Center in Yangon.

: As of year-end 2015, the Company and its subsidiaries owned 73 restaurants in Thailand and overseas.

2016

: In 2016, the Company has disposed its investment in Sweetstar K.K. by selling 222,250 ordinary shares, representing 11.1% shareholding, 3,000 ordinary shares in Sweetstar Asia Limited, representing 12.2% shareholding, and 213 ordinary shares in Q's Dining Inc., representing 29.3% shareholding.

: The Company changed its company name from former name of "Evolution Capital Public Company Limited" to "Food Capitals Public Company Limited" and its symbol from "E" to "FC" according to the resolutions of the Extraordinary General Meeting of Shareholders No. 1/2016 held on 14 June 2016.

: In September 2016, the Company disposed 100% shares in Mr. Jones International Company Limited ("MJO"), a subsidiary of the Company, at the sale price of Baht 27 million, and sold MJO trademark at the price of USD 40,000 according to the resolutions of the Board of Directors' Meeting No. 3/2015 held on 13 May 2016.

: In December 2016, the Company acquired 12,000 ordinary shares of Maggie Choos' Company Limited at the price of Baht 3 million. Consequently, the shareholding in Maggie Choos' Company Limited was increased from 80% to 100%.

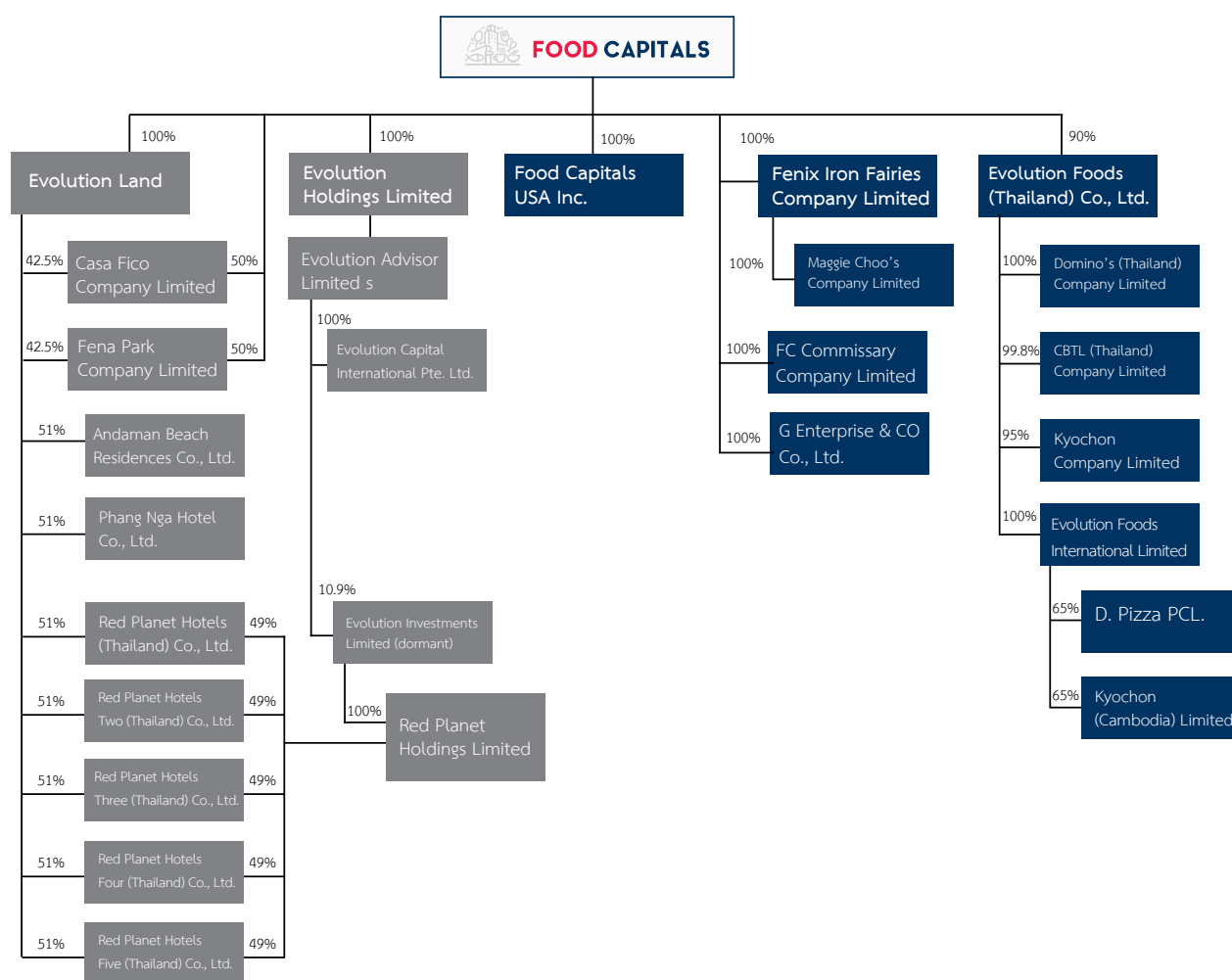
: As of year-end 2016, the Company and its subsidiaries owned 61 restaurants in Thailand and overseas.

2017

: In February 2017, the Company acquired a wholly shares of G Enterprise & CO Co., Ltd. from an unrelated previous shareholders. As resulted increase a number of restaurants in group companies of 6 outlets which operated under owned trademarks namely "Chingchar Charlie", "Umami-Fallabella", "Pirate Chambre" and "Pirate Bazaar". At the end of 2017, the Company and its subsidiaries owned 63 number of restaurants in Thailand and overseas included.

The Company's Group Structure

Food Capital Public Company Limited operates business in a holding shares in other companies ("Holding Company"), which has a major investment in its restaurant business under the Franchise/ trademark owned by the company. The Company also invested in real estate development companies. The shareholding structure in subsidiaries and associates in the Group as at 31 December 2017 is as follows:



 Food & Beverage Business

 Other Business

Information of the Company subsidiaries and associate companies is provided below.

No.	Company Name (Registration Number)	Address	Type of Business	Registered Capital (Baht unless stated otherwise)	Paid-up Capital (Baht unless stated otherwise)	Ownership Percentage
Subsidiaries						
1	Evolution Land Co., Ltd. (0105550103680)	Fico Place Building, 12th Floor, 18/8 Sukhumvit 21 Rd., Klongtoey Nua, Wattana, Bangkok 10110	Investment in Real Estate	229,107,500	229,107,500	100.00%
2	Monster Media Co., Ltd. ³ (0105550089946)	Fico Place Building, 12th Floor, 18/8	Multimedia Provider (dormant)	10,000,000	10,000,000	100.00%
		Sukhumvit 21 Rd., Klongtoey Nua, Wattana, Bangkok 10110				
3	Evolution Advisors Limited (205720)	89 Nexus Way Camana Bay Grand Cayman KY1- 9007 Cayman Islands	Investment Advisory	USD 50,000	USD 46,160	100.00%
4	Evolution Holdings Limited (081787)	113, 2nd Floor, Medine Mews, Chaussee Street, Port Louis, Mauritius	Holding Company	USD 4,675,000	USD 4,675,000	100.00%
5	FC Commissary Co., Ltd (0105551131555)	18/8 Fico Place Building, 2nd Floor, Sukhumvit 21 Road (Asoke), Klongtoey Nua, Wattana, Bangkok 10110	Central Kitchen	10,000,000	10,000,000	100.00%
6	Evolution Capital International Pte.Ltd (201129170N)	100 Beach Road # 25-06, Shaw Towers, Singapore	Investment Holding Company	SGD 5,000	SGD 5,000	100.00%
7	Domino's (Thailand) Co., Ltd. (0105555060342)	18/8 Fico Place Building, 2nd Floor, Sukhumvit 21 Road (Asoke), Klongtoey Nua, Wattana, Bangkok 10110	QSR business	213,000,000	213,000,000	100.00%

No.	Company Name (Registration Number)	Address	Type of Business	Registered Capital (Baht unless stated otherwise)	Paid-up Capital (Baht unless stated otherwise)	Ownership Percentage
8	CBTL (Thailand) Co., Ltd. (0105554072967)	18/8 Fico Place Building, 2nd Floor, Sukhumvit 21 Road (Asoke), Klongtoey Nua, Wattana, Bangkok 10110	Coffee Shop / Bakery	279,000,000	279,000,000	99.86%
9	Fenix Iron Fairies Co., Ltd. (0105553125897)	18/8 Fico Place Building, 2nd Floor, Sukhumvit 21 Road (Asoke), Klongtoey Nua, Wattana, Bangkok 10110	Restaurants	4,000,000	4,000,000	100.00%
10	Maggie Choos' Co., Ltd. (0105555053257)	18/8 Fico Place Building, 2nd Floor, Sukhumvit 21 Road (Asoke), Klongtoey Nua, Wattana, Bangkok 10110	Restaurant	6,000,000	6,000,000	100.00%
11	Casa Fico Co., Ltd. (0105550050799)	Fico Place Building, 10th Floor, 18/8 Sukhumvit 21 Rd., Klongtoey, Wattana, Bangkok 10110	Residential Property Development	285,000,000	285,000,000	92.50%
12	Fena Park Co., Ltd. (0105549116277)	Fico Place Building, 10th Floor, 18/8 Sukhumvit 21 Rd., Klongtoey, Wattana, Bangkok 10110	Residential Property Development	100,000,000	100,000,000	92.50%
13	Kyochon Co., Ltd	18/8 Fico Place Building, 2nd Floor, Sukhumvit 21 Road (Asoke), Klongtoey Nua, Wattana, Bangkok 10110	Fried chicken restaurant	90,000,000	90,000,000	94.67%
14	PhotoME.com Co., Ltd. ⁴	Unit 1707, 17th Floor, 999/9 The Offices at Centralworld, Rama I Road, Pathumwan, Bangkok 10330	Digital Media Provider (dormant)	10,000,000	10,000,000	99.97%

15	D Pizza Public Limited Company (9926 PN.ChBP)	35-37, St. Samdach Panh, Sangkat Boeung Raing, Khan Daun Penh, Phnom Penh	Restaurant	Riels 9,000,000	Riels 9,000,000	65.00%
16	Evolution Foods (Thailand) Company Limited	18/8 Fico Place Building, 2nd Floor, Sukhumvit 21 Road (Asoke), Klongtoey Nua, Wattana, Bangkok 10110	Restaurant	661,130,000	661,130,000	90.00%
17	Evolution Foods International Limited	c/o CCS Trustees Limited, No. 263 Main Street, P.O. Box 2196, Road Town, Tortula, British Virgin Island	Restaurant	USD 1,500,030	USD 1,500,030	100.00%
18	Kyochon (Cambodia) Company Limited	35-37, St. Samdach Panh, Sangkat	Restaurant	Riels 2,000,000	Riels 2,000,000	65.00%
19	G Enterprise & CO Co., Ltd.	518/3 Maneeya Center North, 8 th Floor, Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330	Restaurant	125,000,000	125,000,000	100.00%
Associated Companies						
20	Andaman Beach Residences Co., Ltd.* (0105551106224)	Fico Place Building, 12th Floor, 18/8 Sukhumvit 21 Rd., Klongtoey Nua, Wattana, Bangkok 10110	Residential Real Estate Development	10,000,000	10,000,000	51.00%
21	Phang Nga Hotel Co., Ltd.* (0105551106241)	Fico Place Building, 12th Floor, 18/8 Sukhumvit 21 Rd., Klongtoey Nua, Wattana, Bangkok 10110	Hotel Real Estate Development	10,000,000	10,000,000	51.00%

Remark: As resolved by the Board of Directors Meeting No. 11/2017, on 27 December 2017, it has approved the Company and Evolution Land Co., Ltd., a subsidiary, dispose 2 associates companies comprised 1) 510,000 preference shares of Andaman Beach Residence and 2) 510,000 preference shares of Phang Nga Hotel in a consideration price of THB 10.20 million.

Our Brands



Domino's Pizza



Kyochon



The Coffee Bean
& Tea Leaf Thailand



Maggie Choo's



Fenix Iron Fairies



Red Planet Hotel



Moommum Park



Chingchar Charlie



Pirate Chambre



Umami-Farlabella

Nature of Business and Industry Overview

Nature of Business

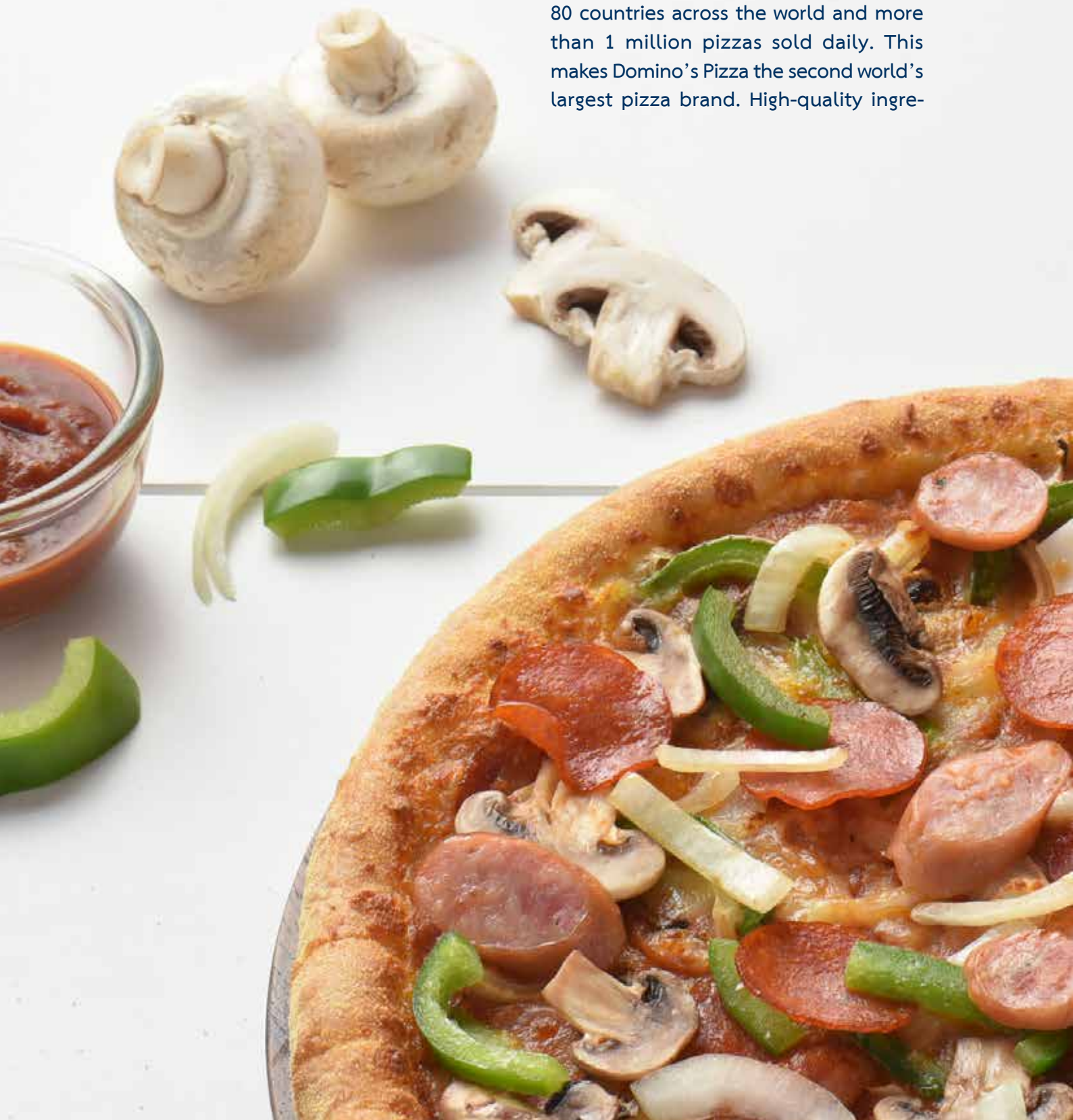
Franchised Restaurant Business

The Company operates Domino's Pizza in Thailand and Cambodia, The Coffee Bean & Tea Leaf in Thailand, Kyochon Company Limited in Thailand and Cambodia and owns master franchise rights for Kyochon in Myanmar and Laos.



Domino's Pizza in Thailand and Cambodia

Domino's Pizza ("Domino's") was initially founded in 1960 in Michigan, the United States. Domino's Pizza is one of the most popular pizzeria in the US with more than 12,000 stores spreading out in more than 80 countries across the world and more than 1 million pizzas sold daily. This makes Domino's Pizza the second world's largest pizza brand. High-quality ingre-



dient, specially-made dough, and fresh oven-baked pizzas only upon customers' orders are highlights of Domino's Pizza. It emphasized on the new technology to respond to the change of customers' lifestyle by introducing online ordering in 2013 and launching voice-over mobile application in iOS, Android, and Window Phone 8 in 2014.

Domino's (Thailand) Co., Ltd. (Domino's) (formerly known as "Fenix Pizza Co., Ltd."), the Company's subsidiary, has the exclusive franchise rights to operate Domino's Pizza stores in Thailand. Domino's Pizza offers a variety dishes e.g. pizza, bread,

pasta, side dishes and desserts. Customers can either dine in, take away or have the order delivered to their places through 3 channels: (1) Call center 1612, (2) website www.dominospizza.co.th, and (3) Mobile application in both iOS and Android, starting from October 2015.

In November 2014, the Company entered into a joint venture agreement with CBM to incorporate D. Pizza Public Company Limited ("D. Pizza") to operate Domino's Pizza in Cambodia. D Pizza opened the first Domino's Pizza store in Phnom Penh on 21 January 2015.





- | | |
|--------------------------------|--------------------------|
| 1. Sukhumvit 1 | 18. Pattaya 2 (Na Kluea) |
| 2. Holiday Inn Sukhumvit 22 | 19. South Pattaya |
| 3. Sukhumvit 103 | 20. Lotus Chonburi |
| 4. I'M Park, Samyan | 21. The Bright Rama II |
| 5. Sena Fest | 22. Food Villa |
| 6. The Sense Pinklao | 23. 55 Srinakarin |
| 7. Victoria Garden | 24. Metropole Thonglor |
| 8. The Season Phaholyothin | 25. Seacon Bangkai |
| 9. Prachanivet | 26. Silom |
| 10. Sutthisarn | 27. Jazz Srinakarin |
| 11. Ladprao 71 | 28. Kaset Intersection |
| 12. The Paseo Town | 29. Nichada, Nonthaburi |
| 13. The Nine, Rama IX | 30. China Town |
| 14. Plearnary Mall Watcharapon | 31. Bangkok |
| 15. Jas Ramintra | 32. Banglumpoo |
| 16. Amorini | 33. Saint Louis |
| 17. Muang Thong Thani | 34. Rattanakosin 200 yr |
| | 35. Nonthaburi |



1. BKK 1, St. 51 (Pasteur), Corner St. 288, Phnom Penh
2. City Mall, Charles de Gaulle Blvd, Phnom Penh
3. IFL, Confederation de la Russie, Phnom Penh
4. AEON Mall, Samdach Sot-hearos Blvd, Phnom Penh
5. PPT, Sangkat Phnom Penh Thmey, Phnom Penh
6. Souvanna, Phnom Penh
7. Toul Kork, Phnom Penh







Kyochon in Thailand and Cambodia

Kyochon F&B Company Limited, the franchisor of Kyochon chicken, was founded in 1991. Kyochon offers unique fried chicken reflecting the original Korean food culture and emphasizes on high-quality products and health consciousness at the same time. Additionally, it

uses high-quality cooking oil which helps reduce LDL cholesterol. These healthy ingredients make Kyochon become very popular with over 1,000 outlets throughout Korea. Kyochon also spreads out its outlets internationally, namely the US, China, Indonesia, Malaysia, The Philippines, Ja-

pan, Thailand and Cambodia. In 2011, Kyochon was praised as “New York’s best chicken wing” by NBC and received Brand of the Year award for 12 consecutive years, which assured the food quality and deliciousness to the public.

Kyochon Company Limited (“KCL”) is a subsidiary of the Company and is partially owned by Korean F&B Company Limited, the franchisor. KCL owns the exclusive rights to operate Kyochon stores in Thailand, Cambodia, Myanmar and Laos PDR.

As for Cambodia, KCL granted a franchise right to Kyochon (Cambodia) Company Limited (“KCC”), a joint-venture between the Company and CBM, the same joint-venture partner as that of Domino’s Pizza in Cambodia. The first store was opened in the heart of Phnom Pehn at the corner of 288 and 51 Street (Pasteur) in October 2015. Currently, Kyochon Cambodia is temporarily halt for looking relocate to the new suitable location.



1991
KyōChon



1. Digital Gateway Siam
2. Market Village
Suvannabhumi
3. Mega Bangna
4. Fashion Island
5. Central Westgate





THE COFFEE BEAN & TEA LEAF THAILAND

Founded in 1963, in southern California, USA. International Coffee & Tea, LLC the franchisor of The Coffee Bean & Tea Leaf (“CBTL”) and also the oldest and largest privately-held specialty coffee and tea retailer in the United States. At present, there are over 1,000 CBTL outlets, spreading out in 32 countries, offering traditional tea and coffee, hand brewed by baristas. Consistency of the flavor is the key to CBTL, therefore sourcing key ingredients such as coffee and tea are done in high-selection standard. Aside from hot and iced coffee and tea, CBTL also serves a wide variety of ice-blended coffee and non-coffee drinks which are the brand’s signature drinks. CBTL is among the first to introduce ice-blend drink. CBTL (Thailand) Co., Ltd. (formerly known as “Fico Coffee Company Limited”), the Company’s subsidiary, has been granted the franchise rights to operate CBTL stores in Thailand.







Equity Store

1. Central World, 2 Fl
2. Siam Center
3. Central Embassy
4. MBK Center
5. Mike Pattaya
6. Mega Bangna
7. Zpell Rangsit

Sub-Franchisee Store

The Bright Rama II

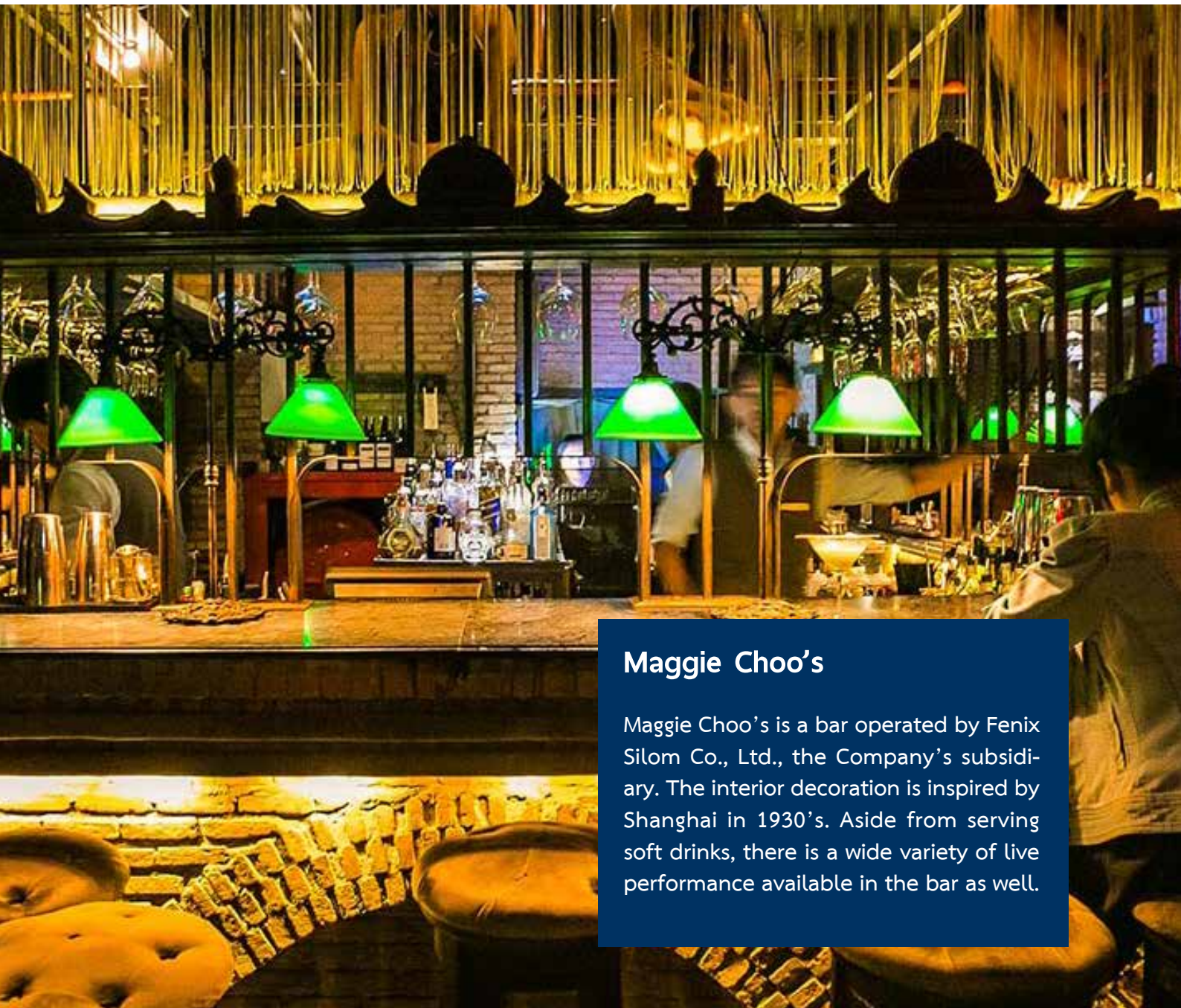




Own-Brand Group

The Company operates casual restaurants and bars under its subsidiaries. There are 8 restaurants in Fenix Iron Fairies group. The detail of restaurants are as follows:





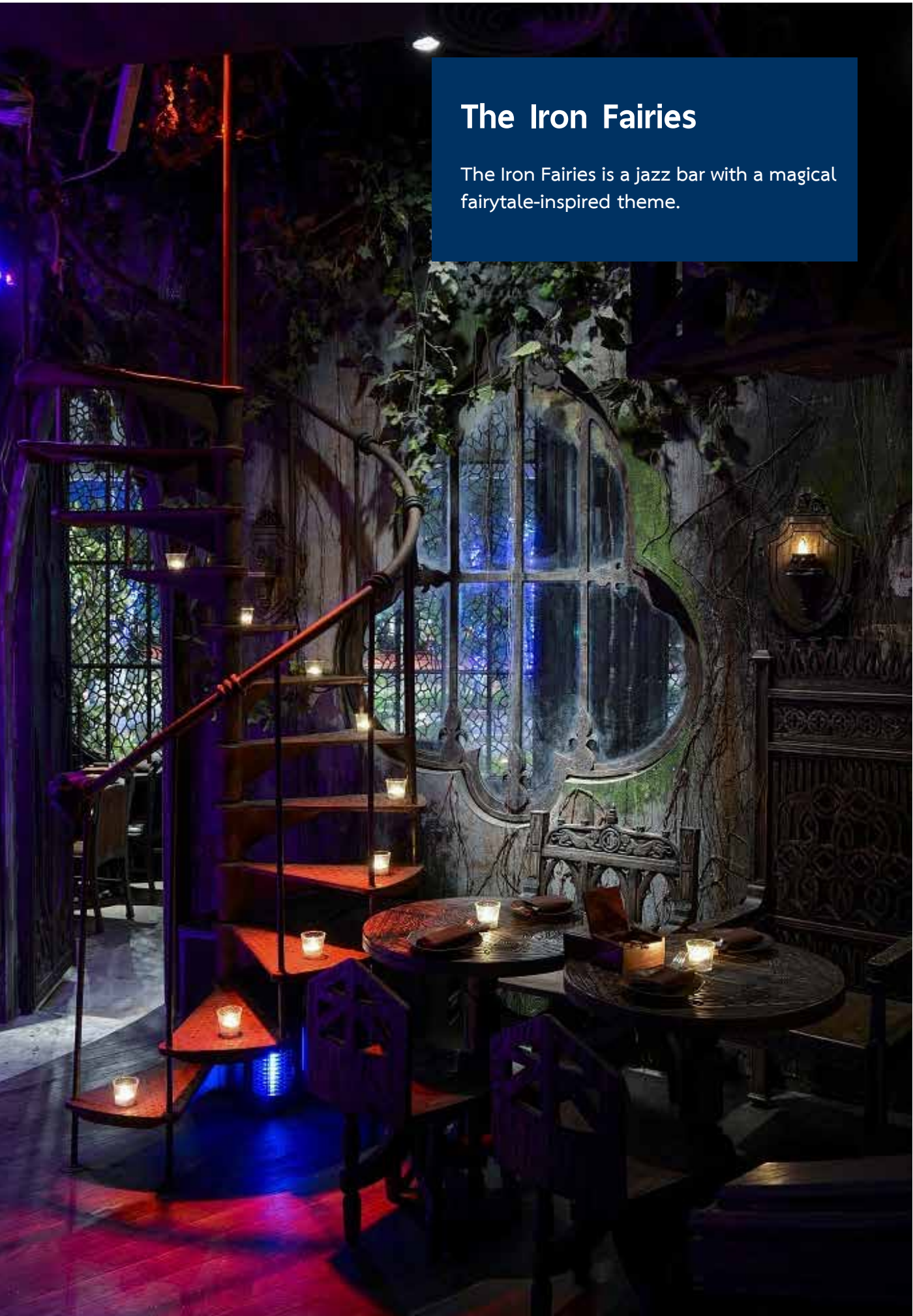
Maggie Choo's

Maggie Choo's is a bar operated by Fenix Silom Co., Ltd., the Company's subsidiary. The interior decoration is inspired by Shanghai in 1930's. Aside from serving soft drinks, there is a wide variety of live performance available in the bar as well.



The Iron Fairies

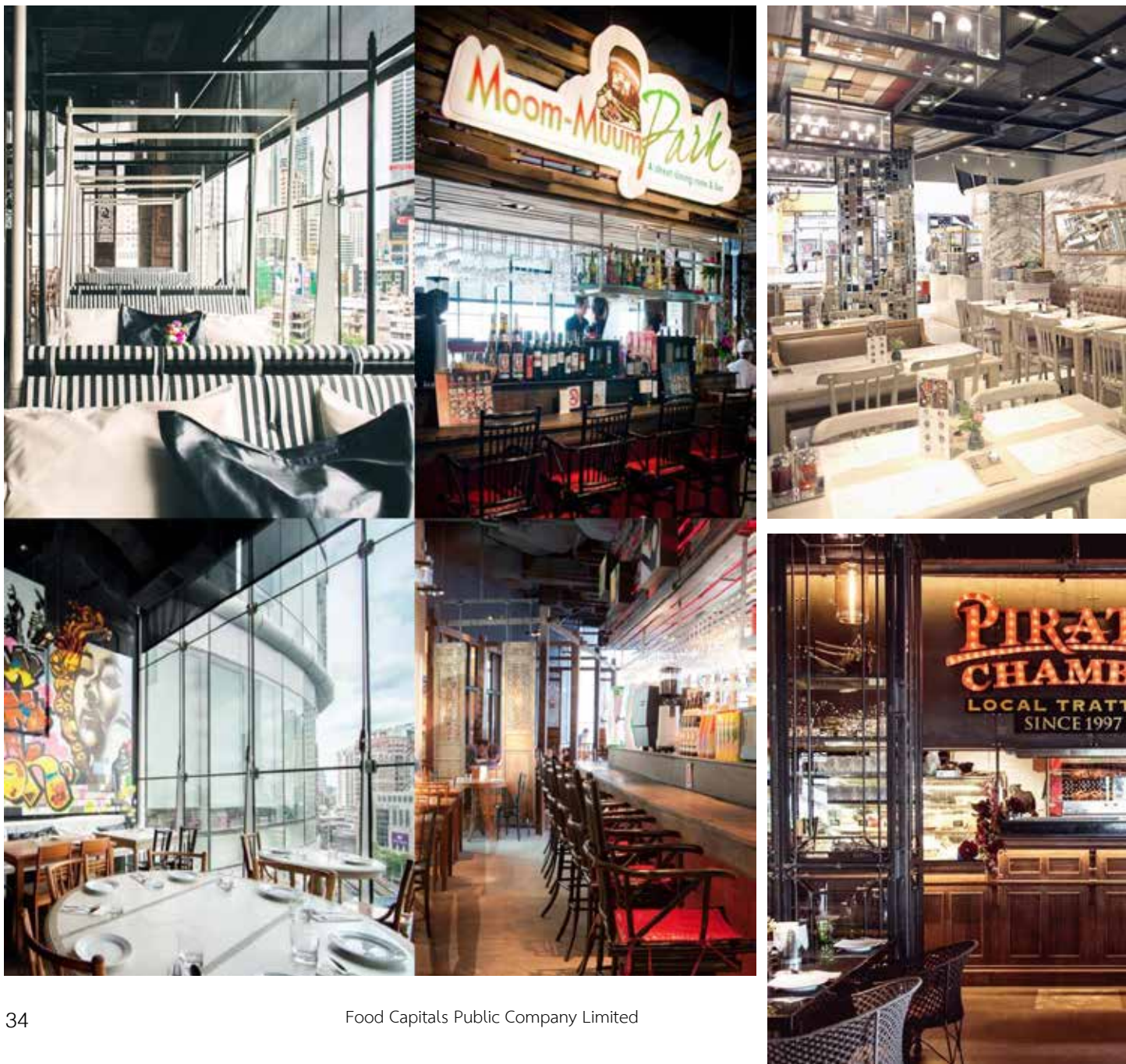
The Iron Fairies is a jazz bar with a magical fairytale-inspired theme.





G Enterprise & CO Group

G Enterprise is a leader in the famous 18-year-old restaurant business under four trade names, “MOOMMUM PARK”, UMAMI FALLABELLA, “CHINGCHA CHALEE” “PIRATE CHAMBRE” (“PIRATE CHAMBRE”), which is well-know and famous brands for a long time. There are experienced cooks skillful provided well quality with efficient cost of products. The central kitchen is managed efficient providing supply chain management availability to other affiliates in group.





The Company entered into a Share Purchase Agreement in acquiring of the entire business of G Enterprise & CO Co Ltd. on February 24, 2017. The Company reported the acquisition of the entire business of G G Enterprise & CO Co., Ltd. on February 27, 2017. This transaction is classified as asset acquisition. The Company is obligated to disclose in accordance with the information about the acquisition or disposition of assets to the Stock Exchange of Thailand. (“SET”) as specified in the Notification of the Acquisition or Disposal of Assets, which is not required to be proposed to the shareholders’ meeting for approval.



Details of stores of owned brand group are as follows:



Maggie Choo's



Chingchar Charlee



The Iron Fairies



Pirate Chambre



Moommum Park



Umami-Farlabella





Other Investment of the Company

The Company invests in Red Planet Hotels Limited which operates budget hotels under its own brand. The concept of Red Planet Hotel is redefining the value of hotel experience to the guests. Red Planet Hotels provide a high-quality, hygienic, comfortable and convenient stay with professional service at desirable locations at attractive prices. Red Planet Hotel operates over 4,202 keys in Thailand, The Philippines, Indonesia and Japan. Total operating hotels at the end of 2017 were 27 hotel locations.



- 📍 Japan
- 📍 Indonesia
- 📍 Philippines
- 📍 Thailand



Industry Overview and Competition

Restaurant Industry

In 2017, Thai economy is expected to expand. According to the forecast by the Bank of Thailand, the GDP growth is 3.9% with government spending as main supporting factor, compensated for contractions in export and private investments. Tourism industry tends to lower due to bomb, sanction on zero Baht tours, and bi-lateral economy. Although private consumption decreased in 2017, the government consumption stimulus plan during November and December 2017 was expected to relieve the contraction.

Therefore, the promotion is a strategy that can attract Thai people to use more restaurants. Moreover, the popularity of franchise restaurant business has resulted in more entrepreneurs entering the market. Entrepreneurs need to focus on building a restaurant brand to create an identity and well-know to customers.

Budget Hotel Industry

Asian economic growth was expected to grow steadily at 5.4% in 2015-2018 according to International Monetary Fund (IMF). The growth should benefit from a strong labor market, disposable income growth along with the ongoing gradual recovery in the world economy. Based on the forecast of IMF, GDP of major geographic market of Red Planet Hotel was expected at 5.0% CAGR for Thailand, 10.9% CAGR for the Philippines, 5.4% CAGR for Indonesia, and 2.6% CAGR for Japan.



GDP (US Billion) and GDP Growth Forecast

	2013	2014	2015*	2016*	2017*	2018*	USD Billion CAGR (2015 – 2018)
Thailand	420	405	374	393	411	432	
Growth		-3.7%	-7.7%	5.2%	4.6%	5.1%	5.0%
Philippines	272	285	299	330	367	408	
Growth		4.7%	5.2%	10.3%	11.1%	11.2%	10.9%
Indonesia	913	889	873	876	950	1,021	
Growth		-2.6%	-1.8%	0.4%	8.5%	7.4%	5.4%
Japan	4,920	4,602	4,116	4,171	4,342	4,446	
Growth		-6.4%	-10.6%	1.3%	4.1%	2.4%	2.6%

* Forecasted Source: International Monetary Fund (IMF)

Procurement of Products and Services

Most of the raw material suppliers are domestic suppliers. Except for certain raw materials that are designated imported from overseas according to the production standard set by the franchisor.

Main ingredients include meat, dairy products, flour, egg bread and sauces. Each brand will order local and imported raw materials. Some of the ingredients will be shipped from the suppliers to the central kitchen, FC Commissary Co., Ltd., a subsidiary of the company which serves as both warehouse and prepare raw materials for cooking. (Mise-En-Place). Raw materials are short-lived. Each store will receive direct sales from the supplier. Each branch and FC Commissary Co., Ltd. will have an arrangement confirming the quantity of raw materials delivered in each round according to the current internal control system. FC Commissary are focused support operation only to the group company's business at currently.

Environmental Impact

The company focused on the operation and quality of service. It has focused on environmental management in various areas, including continuous supervision and improvement of operations in order to prevent any impact on the environment. At present, the company does not have any disputes or environmental lawsuits.

Financial Position and Performance

Summary of financial position and results of the Company and its subsidiaries

Statement of Financial Position and Statements of Income as of December 31, 2017, and the Company's and its subsidiaries' operating results for the past 2 years

Item	Consolidated Financial Statements					
	Annual Statement (Audited)		Annual Statement (Audited)		Annual Statement (Audited)	
	31 Dec. 2015		31 Dec. 2016		31 Dec. 2017	
	Million Baht	%	Million Baht	%	Million Baht	%
Assets						
Current Assets						
Cash and cash equivalents	106.09	4.66	300.23	13.42	31.64	2.16
Trade and other current receivables	34.89	1.53	27.59	1.23	54.26	3.70
Accrued income	14.12	0.62	-	-	-	-
Short-term loans to unrelated party	5.39	0.24	5.35	0.24	5.14	0.35
Short-term loans to related parties	-	-	-	-	-	-
Inventories	50.60	2.22	35.70	1.60	28.76	1.96
Other current assets	31.16	1.37	15.90	0.71	25.13	1.71
Total Current Assets	242.24	10.63	384.77	17.20	144.93	9.88
Non-Current Assets						
Collateralized bank deposits	2.75	0.12	-	-	-	-
Receivables from sales of investment	-	-	36.11	1.61	-	-
Investments in associates	87.70	3.85	-	-	-	-
Other investments	594.34	26.09	594.34	26.57	246.34	16.79
Project development cost in progress	338.67	14.87	327.01	14.62	297.00	20.25
Investment properties	59.40	2.61	59.40	2.66	54.70	3.73
Leasehold improvements and equipment	417.27	18.32	341.60	15.27	315.21	21.49
Goodwill	257.05	11.28	213.31	9.54	84.63	5.77
Intangible assets	58.60	2.57	56.29	2.52	102.07	6.96
Land leasehold right of land	146.23	6.42	139.46	6.23	132.68	9.05
Deferred tax assets	9.30	0.41	22.35	1.00	23.33	1.59
Other non-current assets	64.23	2.82	62.36	2.79	65.92	4.49
Total Non-Current Assets	2,035.54	89.37	1,852.24	82.80	1,321.89	90.12
Total Assets	2,277.78	100.00	2,237.01	100.00	1,466.82	100.00

Item	Consolidated Financial Statements					
	Annual Statement (Audited)		Annual Statement (Audited)		Annual Statement (Audited)	
	31 Dec. 2015		31 Dec. 2016		31 Dec. 2017	
	Million Baht	%	Million Baht	%	Million Baht	%
Liabilities and Shareholders' Equity						
Current Liabilities						
Bank overdrafts	-	-	1.88	0.08	26.91	1.83
Trade and other payables	165.59	7.27	129.91	5.81	164.07	11.19
Current portion of long-term bank loans	-	-	-	-	11.15	0.76
Current portion of long-term loans from unrelated parties	-	-	-	-	596.88	40.69
Short-term loans from unrelated parties	51.58	2.26	-	-	-	-
Short-term loans from related parties	57.93	2.54	-	-	-	-
Current portion of financial lease payable	-	-	-	-	138.24	9.42
Assumed liabilities	3.66	0.16	3.92	0.18	8.86	0.60
Contingent consideration	3.01	0.13	-	-	-	-
Other current liabilities	0.28	0.01	-	-	-	-
Current portion of long-term bank loans	-	-	1.17	0.05	1.02	0.07
Current portion of long-term loans from unrelated parties	10.23	0.45	14.80	0.66	19.82	1.35
Total Current Liabilities	298.27	13.09	151.68	6.78	966.94	65.92
Non-Current Liabilities						
Debentures	-	-	588.18	26.29	-	-
Finance lease payable -net of current portion	-	-	-	-	7.82	0.53
Long-term bank loans -net of current portion	0.44	0.02	4.47	0.20	3.51	0.24
Long-term loans from related parties	44.58	1.96	-	0.00	-	0.00
Deferred tax liabilities	151.31	6.64	159.08	7.11	28.61	1.95
Provision for long-term employee benefits	19.26	0.85	19.00	0.85	20.71	1.41
Other non-current liabilities	2.29	0.10	1.95	0.09	7.73	0.53
Debentures	16.68	0.73	15.68	0.70	16.03	1.09
Total non-current liabilities	234.55	10.30	788.35	35.24	84.40	5.75
Total liabilities	532.82	23.39	940.03	42.02	1,051.34	71.68
Shareholders' equity						
Share Capital Registered	2,887.15	126.75	2,887.15	129.06	3,178.40	216.69
Issued and paid up	1,959.27	86.02	1,959.31	87.59	2,136.46	145.65
Share premium	519.51	22.81	519.53	23.22	467.71	31.89
Share discount on business acquisition	(120.02)	-5.27	(120.02)	-5.37	(144.82)	-9.87
Warrants	37.96	1.67	37.96	1.70	37.96	2.59
Retained earnings (deficit)						
Appropriated - Statutory reserve	2.66	0.12	2.66	0.12	2.66	0.18
Unappropriated	(834.98)	(36.66)	(1,256.90)	-56.19	(2,200.23)	-150.00
Other components of shareholders' equity	129.28	5.68	125.62	5.62	124.86	8.51
Equity attributable to owners of the Company	1,693.68	74.36	1,268.16	56.69	424.60	28.95
Non-controlling interests of subsidiaries	51.28	2.25	28.81	1.29	(9.13)	-0.62
Total shareholders' equity	1,744.96	76.61	1,296.97	57.98	415.48	28.32
Total liabilities and shareholders' equity	2,277.78	100.00	2,237.01	100.00	1,466.82	100.00

Statements of comprehensive income

Item	Consolidated Financial Statements					
	Annual Statement		Annual Statement		Annual Statement	
	Audited		Audited		Audited	
	31 Dec. 2015		31 Dec. 2016		31 Dec. 2017	
	Million Baht	%	Million Baht	%	Million Baht	%
Continuing operations	728.40	100.00	683.59	100.00	703.00	100.00
Sales	697.06	95.70	671.42	98.22	695.84	98.98
Advisory income	17.77	2.44	11.28	1.65	7.06	0.01
Sub-franchise income	2.42	0.33	0.89	0.13	0.10	0.01
Cost of sales	(258.68)	(35.51)	(252.86)	(36.99)	(254.32)	(36.18)
Gross profit	469.72	64.49	430.72	63.01	448.68	63.82
Selling expenses	(537.19)	(73.75)	(524.47)	(76.72)	(553.24)	(78.70)
Administrative expenses	(353.25)	(48.50)	(373.48)	(54.63)	(857.71)	(122.01)
Total costs	(890.44)	(122.25)	(897.95)	(131.36)	(1,410.95)	(200.70)
Operating Income	(420.72)	(57.76)	(467.22)	(68.35)	(962.27)	(136.88)
Management income	2.09	0.29	1.99	0.29	1.81	0.26
Interest income	1.41	0.19	1.69	0.25	1.07	0.15
Profit from change in investment classification	158.38	21.74	-	-	-	-
Other income	36.18	4.97	25.92	3.79	15.28	2.17
Financial costs	(21.30)	(2.92)	(31.13)	(4.55)	(46.30)	(6.59)
Share of profit from investments in associates	(8.40)	(1.15)	0.76	0.11	-	-
Loss before income tax revenue	(252.36)	(34.65)	(467.99)	(68.46)	(990.40)	(140.88)
Income tax revenue	(44.95)	(6.17)	13.32	1.95	11.57	1.65
Loss for the years from discontinued operations	(10.03)	(1.38)	-	-	(1.96)	(0.28)
Loss for the years	(307.34)	(42.19)	(454.68)	(66.51)	(980.80)	(139.52)
Profit (loss) attributable to:						
Equity holders of the Company	(279.69)	(59.79)	(423.36)	(61.93)	(941.36)	(133.91)
Non-controlling interest of the subsidiaries	(27.65)	(5.91)	(31.31)	(4.58)	(37.47)	(5.33)
Loss before tax from continuing operations			(252.36)	(467.99)	(990.40)	
Loss before tax from discontinued operations			(10.03)	-	(1.96)	
Loss before tax			(262.39)	(467.99)	(992.37)	

Cash flows statement

Item	Consolidated Financial Statements		
	Audited	Audited	Audited
	31 Dec. 2015	31 Dec. 2016	31 Dec. 2017
	Million Baht	Million Baht	Million Baht
Cash flows from operating activities			
Loss before tax from continuing operations	(252.36)	(467.99)	(990.40)
Loss before tax from discontinued operations	(10.03)	-	(1.96)
Loss before tax	(262.39)	(467.99)	(992.37)
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:			
Bad debts and allowance for doubtful accounts	0.34	0.04	0.21
Allowance for impairment of loans to subsidiaries	4.60	54.15	36.11
Reduction of inventory to net realisable value	-	-	-
Reduction of inventories to net realisable value	0.05	0.07	0.31
Income from investment services	(11.16)	-	-
Share of loss (profit) on investment in associates and joint ventures	8.40	(0.76)	-
Profit from change in investment classification	(158.38)	-	-
Depreciation and Amortization	91.85	110.94	124.88
Loss (gain) from sale of equipment	9.73		
Profit from sale of intangible assets	0.17		
Allowance for impairment of project development cost in progress	4.60	11.66	30.01
Loss from sale of investment in subsidiary		2.29	
Loss on impairment of other investments			348.00
Allowance for impairment of leasehold improvement and equipment (reverse)	8.79	14.48	4.03
Loss on disposal of equipment and intangible assets		39.06	33.10
Allowance for impairment of intangible assets	0.27	1.55	4.33
Impairment of Investment property			4.70
Allowance for impairment of goodwill	51.00	43.74	137.06
Loss on written-off deposits	1.79	1.72	-
Provisions for liabilities	1.35	0.10	0.66
Contingent consideration	66.10	-	-
Interest income	(1.41)	(1.69)	(1.07)
Interest expense	21.30	31.13	46.30
(Increase) Decrease in Operating Assets			
Trade and other receivables	7.15	20.51	(2.11)
Accrued income	(5.95)	9.11	
Inventories	(21.59)	12.89	7.85
Other current assets	(1.04)	(1.36)	3.06
Other non-current assets	(21.98)	(5.11)	3.26
(Increase) Decrease in Operating Liabilities			
Trade and other payables	15.30	(12.96)	8.24
Other current liabilities	2.08	(0.62)	4.08
Cash flows used in operating activities	(189.04)	(137.05)	(199.37)

Item	Consolidated Financial Statements		
	Audited	Audited	Audited
	31 Dec. 2015	31 Dec. 2016	31 Dec. 2017
	Million Baht	Million Baht	Million Baht
Cash paid for interest expenses	(12.93)	(18.48)	(38.03)
Cash received from income tax refund		3.19	-
Cash paid for corporate income tax	(3.06)	(1.25)	(0.58)
Net Cash Flows Received from (Used in) Operating Activities	(205.04)	(153.60)	(237.97)
Cash Flows from Investing Activities			
Interest income	1.40	1.69	1.07
Cash Increase from purchase subsidiaries			9.30
Increase in collateralized bank deposits		2.75	
Cash paid for additional investment in a subsidiary	-	(3.00)	(39.81)
Net cash received from sale of investment in associates/subsidiaries	-	25.81	
Cash paid for purchase of leasehold improvements and equipment	(177.93)	(119.21)	(86.61)
Cash paid for purchase of intangible assets	(15.40)	(11.46)	(10.08)
Proceeds from disposal of leasehold improvements and equipment	2.14	5.26	5.04
Net Cash Flows Received from (Used in) Investing Activities	(189.80)	(98.16)	(121.09)
Cash Flows from Financing Activities			
Increase in bank overdrafts	-	1.88	25.03
Proceeds from the issuance of the share capital	-	-	63.33
Proceeds from the issuance of debentures	-	600.00	-
Deferred debenture issuance costs	-	(15.23)	-
Repayment of long-term bank loans	(74.92)	(96.16)	-
Repayment of short-term loans from unrelated parties	-	(57.50)	-
Repayment of financial liabilities	(0.88)	(0.71)	(1.34)
Cash receipt from short-term loans from related parties	3.01	1.99	
Cash receipt from short-term loans from non - related parties	-	-	4.67
Non-controlling interests invested in subsidiaries	150.00	9.25	-
Proceeds from increase in share capital	332.78	0.06	-
Dividends paid to non-controlling interests	(2.20)	-	-
Net cash received (used in) financing activities	407.79	443.58	91.69
Cash and cash equivalents received from business acquisitions	-	-	-
Increase (decrease) in translation adjustments	5.66	2.32	(1.23)
Net Increase (Decrease) in Cash and Cash Equivalents	18.62	194.14	(268.59)
Cash and cash equivalents at beginning of year	87.47	106.09	300.23
Cash and cash equivalents at end of year	106.09	300.23	31.64

Financial Ratio	Unit	For the Year ended 31 December 2015	For the Year ended 31 December 2016	For the Year ended 31 December 2017
Liquidity Ratios				
Current Ratio	Times	0.81	2.54	0.15
Quick Ratio	Times	0.52	2.16	0.09
Cash Ratio	Times	(0.66)	(0.68)	(0.43)
Receivable Turnover	Times	66.79	58.42	56.35
Cash Collection Period	Days	5.39	6.16	6.39
Inventory Turnover	Times	6.50	5.86	7.89
Inventory Trade Period	Days	55.43	61.43	45.63
Trade Payable Turnover	Times	1.70	1.71	1.73
Cash Payment Period	Days	211.19	210.35	208.07
Cash Cycle	Days	(150.37)	(142.75)	(156.05)
Profitability Ratios				
Gross Profit Margin	%	64.49	63.01	63.82
Operating Profit Margin	%	(57.76)	(68.35)	(136.88)
Cash to Net Profit Ratio	%	(0.49)	(0.33)	(0.25)
Net Profit Margin	%	(42.19)	(66.51)	(139.52)
Return on Equity	%	(18.73)	(0.07)	(114.55)
Efficiency Ratios				
Return on Assets	%	(14.28)	(20.14)	(52.96)
Return on Fixed Assets	%	(83.29)	(1.33)	(434.59)
Asset Turnover	Times	33.85	30.28	37.96
Financial Policy Analysis Ratios				
Debt to Equity Ratio	Times	0.31	0.72	2.53
Net Debt to Equity Ratio ⁽¹⁾	Times	0.18	0.13	0.10
Net Debt to EBITDA Ratio	Times	(2.25)	(0.51)	(0.05)
Current interest bearing debt to total interest bearing debt ratio	Times	0.35	0.00	0.95
Loans from financial institutions to total debt ratio	Times	0.18	0.00	0.00
Interest Coverage Ratio	Times	(14.62)	(7.24)	(5.24)
Debt service coverage ratio Cash Basis	Times	(0.73)	(0.50)	(1.35)

Management Discussion and Analysis

Description and Analysis of Financial Position and Operating Results

Operating Performance Overview

There were 35 Domino's Pizza stores, 7 The Coffee Bean & Tea Leaf stores, 5 Kyochon Chicken, and 8 stand-alone restaurants at end of 2017, included 5 well-known restaurants namely, "Pirate Chambre", "Chingchar Charlie", "Umami-Fallabella", "Moommum Park" acquired early in February 2017 which are operated under G Enterprise & CO Co., Ltd. The Company also signed up for exclusive franchise rights in Cambodia for Domino's Pizza and Kyochon which are operated through the subsidiaries in Cambodia.

Analysis of operating results

Revenue Structure

Description	Year 2016		Year 2017		Increase (decrease)	
	Amount (Million Baht)	% of Total	Amount (Million Baht)	% of Total	Amount (Million Baht)	Change (%)
Revenue from sales	671.42	94.14	695.84	96.49	24.42	3.64
Consultant income	11.28	1.58	7.06	0.98	(14.22)	(37.41)
Sub-franchise revenue	0.89	0.12	0.1	0.01	(0.79)	(88.76)
Management income	1.99	0.28	1.81	0.25	(0.18)	(9.05)
Interest income	1.69	0.24	1.07	0.15	(0.62)	(36.69)
Other income	25.92	3.63	15.28	2.12	(10.64)	(41.05)
Total income *	713.19	100.00	721.16	100.00	7.97	1.12

Total Revenue comprises of revenue from sales and services, management income, interest income and other income according to the presentation of Statement of Comprehensive income.

Revenue from continuing operation during 2017 of Baht 721.16 million was increased by Baht 7.97 million or 1.12%, compared to 2016 which revenue was Baht 713.19 million, due arise to the following reasons:

- Revenue from food and beverage for the year 2017 was Baht 695.84 million which was increased by Baht 24.42 million, or 3.64% compare with the year 2016 mainly reason came from revenues of G Enterprise & Co Co., Ltd. ("G Enterprise") which the Company completed the acquisition transaction in 1st quarter 2017. The Company commenced consolidation of revenue from such new subsidiary from March 2017, onwards.
- Revenues from Quick Service Restaurants (Domestic sales) decreased by Baht 100 million which resulted from the closure of non-performance stores in last year. The new stores for 2017 has started its operation after first-half of 2017. Whist, revenue from Quick Service Restaurants in Cambodia increased by Baht 16 million arising from an expansion of a new store in September 2017.
- Revenues from Life Style Restaurants decreased by Baht 35 million compare to the previous year as resulted from the termination of lease at Seen Space in Thong Lor in June 2017.
- Other revenues decreased by Baht 10.64 million or 41.05% compare to the previous year was resulted from reduction in sponsorship support due to the cancellation of lease in Seenspace, Thong Lor in June 2017.

Revenue breakdown by segment

The Company's two main continuing operating businesses comprise: 1) Food & Beverage retail and 2) Investment Services (including business, investment, and property development consulting services) as follows:

Description	Year 2016		Year 2017		Increase (decrease)	
	Amount (Million Baht)	% of Total	Amount (Million Baht)	% of Total	Amount (Million Baht)	Change (%)
Food and beverage retails	672.31	98.35	695.94	99.00	23.63	3.51
Business advisory, investment and property development consulting services	11.28	1.65	7.06	1.00	(4.22)	(37.41)
Total revenue from sales and services	683.59	100.00	703.00	100.00	19.41	2.84

a) Food & Beverage Retail

The Company consolidated revenue from sales comprising revenue from Quick Service Restaurants ("QSR") generated from various international famous brands such as Domino's Pizza, Coffee Bean & Tea Leaf, and Kyochon fried chicken. Revenue from QSR group decreased from last year by Baht 83.4 million or -17.8% resulted from the closure of non-performance stores in last year. The new stores for 2017 has started its operation after first-half of 2017. Whist, revenue from Quick Service Restaurants in Cambodia increased by Baht 16 million arising from an expansion of a new store in September 2017.

Revenues from Life Style Restaurants decreased by Baht 35 million compare with prior year as resulted from the termination of lease at Seen Space in Thong Lor in June 2017.

Number of equity stores

Description	As of 31 December 2016	As of 31 December 2017	Change in No. of stores
Domino's Pizza Thailand	30	35	5
Domino's Pizza Cambodia	5	7	2
The Coffee Bean & Tea Leaf	10	8	(2)
Fenix Iron Fairies	6	3	(3)
Maggie Choo's	1	-	(1)
G Enterprise & CO	-	5	5
Kyochon Thailand	6	5	(1)
Kyochon Cambodia	1	-	(1)
Total	59	63	4

Business advisory, investment and property development services

In 2017 revenue from services business was Baht 7.06 million, a decrease of Baht 4.22 million or -37.41% compared to 2016. The revenue decrease due to reduce in scope of investment service as it is no longer the group company's core business.

Breakdown of revenue from advisory service

Description	Year 2016		Year 2017		Increase (decrease)	
	Amount (Million Baht)	% of Total	Amount (Million Baht)	% of Total	Amount (Million Baht)	Change (%)
Advisory services	11.28	100.00	7.06	100.00	(4.22)	(37.41)
Total – Segmental income	11.28	100.00	7.06	100.00	(4.22)	(37.41)

Cost Breakdown by Segment

Cost of sales and services breakdown by segment

Description	Year 2016		Year 2017		Increase (decrease)	
	Amount (Million Baht)	% of Total revenue	Amount (Million Baht)	% of Total revenue	Amount (Million Baht)	Change (%)
Food and beverage retails	252.87	37.66	254.32	36.55	1.46	(0.58)
Total Cost of sales and services	252.87	37.66	254.32	36.55	1.46	(0.58)

Cost of sales for the current year was Baht 254.3 million, or 36.5% of sales which increased by Baht 1.4 million or 0.6%, compared to cost of sales of the prior year of Baht 252.8 million, or 37.6% of sales. Cost percentage to sales decrease by 1.1%, due to change in the Group's cost structures after acquired "G Enterprise" which cost of product is different compare to the QSR group. In addition, cost percentage to sales decreased affect from material prices controllable and select proper vendor to maintain cost of goods along with products quality.

Selling and Administrative Expenses

Description	Year 2016		Year 2017		Increase (decrease)	
	Amount (Million Baht)	% of Total revenue	Amount (Million Baht)	% of Total revenue	Amount (Million Baht)	Change (%)
Selling expenses	524.47	73.54	553.24	76.72	28.77	5.49
Administrative expenses	373.48	52.37	857.71	118.93	484.23	129.65
Total selling and administrative expenses	897.95	125.91	1,410.95	195.65	513.00	57.13

Selling expenses of Baht 553.2 million, increased by Baht 28.7 million or 5% due to main focused in local store marketing. Most of the selling expenses derived from food and beverage retails operation which mainly representing rental expenses from the operation of Domino's Pizza, the Coffee Bean & Tea Leaf, and Kyochon restaurants and the rental in community mall from the stand alone restaurants operated under its own brands name. In addition, the significant increase in selling expenses was due to the acquisition of G Enterprise in early 2017.

Administrative expenses for the current year are Baht 857.7 million, an increase of Baht 484.2 million or 130%, compared to Baht 373.5 million of prior year, mainly resulted from the recognition of loss from devaluation of investment in Red Planet Hotels Limited Group of Baht 348 million, based on reassessment of investment, and impairment loss on goodwill of Baht 137.1 million recorded in the current year. In addition, there was accounted allowance for impairment on receivable from sales of investment of Baht 37 million which these transactions are non-cash losses and non-recurring.

Financial Costs

Description	Year 2016		Year 2017		Increase (decrease)	
	Amount (Million Baht)	% of Total	Amount (Million Baht)	% of Total	Amount (Million Baht)	Change (%)
Promissory note Baht 57.5 million	3.78	12.15	-	-	(3.78)	(100.00)
Promissory note Baht 100 million	7.50	24.10	7.50	16.20	-	-
Debenture Baht 600 million	14.10	45.31	36.00	77.77	21.90	15.53
Loan from financial institutions	4.48	14.39	-	-	(4.48)	(100.00)
Other borrowing	1.26	4.05	2.79	6.03	1.53	12.14
Total financial costs	31.12	100.00	46.29	100.00	15.17	48.75

In 2017, the Company incurred increment in interest of Baht 15.17 million or 48.75% due to the issuance of unsecured debenture for the maturity within 1 year 9 month, at fixed interest rate of 6% per annum in the aggregate amount of Baht 600 million, representing debenture of 600,000 units at Baht 1,000 each. The interest incurred from debenture issuance will be due for payment on a quarterly basis through the debenture period until maturity in May 2018. The Company was repaid promissory note, Baht 57.50 million and closed a financial institution loan facility by using cash obtaining from issuance of debenture in the late year 2016.

Net Profit (Loss)

สำหรับปี 2560 บริษัทฯ มีขาดทุนสุทธิจากการดำเนินงานต่อเนื่องเป็นจำนวน 978.84 ล้านบาท ขาดทุนเพิ่มขึ้นจำนวน 524.16 ล้านบาท In 2017, the Company posted a net loss from continuing operations of Baht 978.84 million, an increase in net loss of Baht 524.16 million or 115.28% compared to 2016, was mainly due to impairment loss from investment in Red Planet Hotels recognised in 2017 of Baht 348 million, as well as recognising loss from goodwill impairment in the amount Baht 137.1 million and impairment loss from receivable from sales of investment of Baht 37 million which are non-recurring and not arised from the Company's normal operating results.

Analysis of Financial Positions

Assets

Assets	As of 31 December 2016		As of 31 December 2017		Increase (decrease)	
	Amount (Million Baht)	% of total	Amount (Million Baht)	% of total	Amount (Million Baht)	Change (%)
Current Assets	384.77	17.19	144.93	9.88	(239.84)	(62.33)
Non-Current Assets	1,853.24	82.81	1,321.89	90.12	(531.35)	(28.67)
Total Assets	2,237.01	100.00	1,466.82	100.00	(770.19)	(34.43)

As of 31 December 2017, the Company had total assets of Baht 1,466.82 million, a decrease of Baht 770.19 million from the end of 2016, was primarily due to the following reasons.

- Total current assets decreased by Baht 239.84 million from the end of last year due to decrease in cash and cash equivalents by Baht 268.59 million as a result of expansion investing in additional restaurant outlets during the year 2017, as well as recorded impairment loss on receivables from sale of investments during the year 2017 of Baht 37 million.
- Non-current assets decreased by Baht 531.35 million from the end of the last year due to the devaluation of investment in Red Planet Hotels Limited amounting to Baht 348 million, to reflect the revalued amount of such investments. In addition, the Company recognized a loss on impairment of goodwill of Baht 137.1 million

Liabilities and Shareholders' Equity

Liabilities and shareholders' equity	As of 31 December 2016		As of 31 December 2017		Increase (decrease)	
	Amount (Million Baht)	% of total	Amount (Million Baht)	% of total	Amount (Million Baht)	Change (%)
Total liabilities	940.03	42.00	1,051.34	71.68	111.31	11.84
Total shareholders' equity	1,296.98	58.00	415.48	28.32	(881.50)	(67.97)
Total Liabilities and Shareholders' Equity	2,237.01	100.00	1,466.82	100.00	(770.19)	(34.43)

As of 31 December 2017, the Company had total liabilities of Baht 1,051.34 million, an increase of Baht 111.31 million from the end of 2016, mainly due to increase in trade payable for the purpose to support the additional in Capital Expenditures. The Company expanded the new opening Domino's Pizza of 11 stores after in second half of 2017.

As of 31 December 2017, shareholders' equity was Baht 415.448 million, a decrease of Baht 881.50 million from the end of 2016, as resulted from net comprehensive expenses accounted for the year 2017 of Baht 980.8 million.

Liquidity Ratio

As of 31 December 2017 and as of 31 December 2016, liquidity ratio were 0.15 times and 2.54 times, respectively. The change in liquidity ratio due to the maturity date of debentures and loan from related parties which due for repayment in May 2018.

The Company's capital structure

Capital structure of the Company as of 31 December 2017 and 31 December 2016, the debt-to-equity ratio were 2.53 times and 0.72 times, respectively. In 2017, the Company's debt-to-equity ratio increase due to the increase in trade and other payables and decrease in shareholders' equity due to net loss recognized in 2017 of Baht 881.5 million.

Connected Transactions

A policy regarding possible future connected transactions was specified as follows:

1. In the case where the Company has connected transactions, the Company policy is to proceed in the same manner as all other businesses which refer to market prices and conditions, in that the Company shall allow the Audit Committee to consider or give its opinions on the necessity and suitability of engaging in the connected transaction. This includes those cases where it is necessary for the Company to have independent values, experts or financial advisers, express their views on aforementioned connected transactions, in order to be able to use this as information on which to base the decisions of the Board or Shareholders, depending on the case. This is to ensure that the connected transactions are aligned with market prices, are suitable and are compatible with normal business activity. Thus, the Company shall disclose information pertaining to connected transactions in the budget report, as compiled by the Company's auditor and the annual report.

2. In the case where the Company has connected transactions, the Board shall act in accordance with the law related to securities and the Stock Exchange, including decrees, announcements, orders and the regulations of the Stock Exchange of Thailand, i.e. act in accordance with regulations regarding the transparency of information concerning connected transactions and the valuation of assets, where they have been received or sold, where they are assets crucial to the Company and its subsidiaries.

The significant related party transactions have followed the commercial conditions and standards mutually agreed upon by the Company and the persons or those related businesses, which are normal business transactions. Details are as in table below:

Related party transactions

Significant related party transactions between the Company and its subsidiaries and related person or juristic person for the year ended 31 December 2015, 2016 and 2017, respectively and balance as at 31 December 2015, 2016 and 2017, respectively.

Related person/ juristic person	Transaction	Value (Million Baht)			Conditions of transactions	Necessity and reasonableness
		2015	2016	2017		
Red Planet Hotels (Thailand) Limited Other investment which held 50.9% by Evolution Land Co., Ltd.	Debt guarantee services incomes	1.15	0.92	0.52	Fee calculated at the rate of 3% per annum from outstanding loan balance. It is reasonable compared to the market.	The Company provided debt guarantee to Red Planet which was followed the normal business transaction in entered into credit facility between an associate and the financial institution.
	Accrued incomes	0.29	0.19	-	It was recognized as incomes but has not billed yet as at the reporting period	
	Amount due from related companies	0.69	0.49	0.38	It was represented receivable which unpaid as at the reporting period and in line with normal course of business.	
	Other payables	0.64	0.64	-	It was represented undue amount as at the reporting period.	
Red Planet Hotels Two (Thailand) Limited Other investment which held 51% by Evolution Land Co., Ltd.	Debt guarantee services incomes	1.67	1.47	1.22	Fee calculated at the rate of 3% per annum from outstanding loan balance. It is reasonable compared to the market.	The Company provided debt guarantee to Red Planet which was followed the normal business transaction in entered into credit facility between an associate and the financial institution.
	Accrued incomes	0.40	0.35	-	It was recognized as incomes but has not billed yet as at the reporting period	
	Other receivables and amount due from related companies	0.90	0.79	0.96	It was represented receivable which unpaid as at the reporting period and in line with normal course of business.	

3

Related person/ juristic person	Transaction	Value (Million Baht)			Conditions of transactions	Necessity and reasonableness
		2015	2016	2017		
Red Planet Hotels Three (Thailand) Limited Other investment which held 51% by Evolution Land Co., Ltd.	Debt guarantee services incomes	1.04	0.76	0.48	Fee calculated at the rate of 3% per annum from outstanding loan balance. It is reasonable compared to the market.	The Company provided debt guarantee to Red Planet which was followed the normal business transaction in entered into credit facility between an associate and the financial institution.
	Accrued incomes	0.24	0.17	-	It was recognized as incomes but has not billed yet as at the reporting period	
	Other receivable and amount due from related companies	0.56	0.41	0.52	It was represented receivable which unpaid as at the reporting period and in line with normal course of business.	
Red Planet Hotels Four (Thailand) Limited Other investment which held 51% by Evolution Land Co., Ltd.	Debt guarantee services incomes	2.55	2.22	1.88	Fee calculated at the rate of 3% per annum from outstanding loan balance. It is reasonable compared to the market.	The Company provided debt guarantee to Red Planet which was followed the normal business transaction in entered into credit facility between an associate and the financial institution.
	Accrued incomes	0.61	0.53	-	It was recognized as incomes but has not billed yet as at the reporting period	
	Other receivables and amount due from related companies	2.06	1.19	2.01	It was represented receivable which unpaid as at the reporting period and in line with normal course of business.	

Related person/ juristic person	Transaction	Value (Million Baht)			Conditions of transactions	Necessity and reasonableness
		2015	2016	2017		
Red Planet Hotels Five (Thailand) Limited Other investment which held 51% by Evolution Land Co., Ltd.	Debt guarantee services incomes	-	2.08	2.40	Fee calculated at the rate of 2% per annum from outstanding loan balance. It is reasonable compared to the market.	The Company provided debt guarantee to Red Planet which was followed the normal business transaction in entered into credit facility between an associate and the financial institution.
	Accrued incomes	-	0.60	-	It was recognized as incomes but has not billed yet as at the reporting period	
	Other receivables and amount due from related companies	-	1.28	2.57	It was represented receivable which unpaid as at the reporting period and in line with normal course of business.	
Red Planet Hotels Limited Other investment which held 11.1% by Evolution Advisor Limited, (2015 : 11.3%)	Financial costs	0.27	0.27	0.27	The Company has loan credit facility of Baht 30 million and interest rate at 1% per annum for use in working capital.	
	Loan and accrued interest	28.06	28.34	28.61	The Company has loan credit facility of Baht 30 million and interest rate at 1% per annum for use in working capital.	

Related person/ juristic person	Transaction	Value (Million Baht)			Conditions of transactions	Necessity and reasonableness
		2015	2016	2017		
Andaman Beach Residences Co., Ltd. Associate company which held 51% by Evolution Land Co., Ltd.	Management incomes	0.47	0.47	0.47	Representing accounting and tax services which charged reasonable fee and comparable to the market price.	The Company had capable personnel and able to provide service at the comparable rate to the external service provider.
	Accrued incomes	0.04	-	0.02	It was recognized as incomes but has not billed yet as at the reporting period	
	Other receivables	-	0.24	0.15	It was represented receivable which unpaid as at the reporting period and in line with normal course of business.	
Phang Nga Hotel Co., Ltd. Associate company which held 51% by Evolution Land Co., Ltd.	Management incomes	0.47	0.47	0.47	Representing accounting and tax services which charged reasonable fee and comparable to the market price.	The Company had capable personnel and able to provide service at the comparable rate to the external service provider.
	Accrued incomes	0.04	-	0.02	It was recognized as incomes but has not billed yet as at the reporting period	
	Other receivables	-	0.24	0.15	It was represented receivable which unpaid as at the reporting period and in line with normal course of business.	

Related person/ juristic person	Transaction	Value (Million Baht)			Conditions of transactions	Necessity and reasonableness
		2015	2016	2017		
Q's Dining Inc. Related company which was held 29.3% by the Company (disposed in 2016)	Trade receivable	1.58	-	-	It was represented receivable which unpaid as at the reporting period and in line with normal course of business.	
	Expenses relating to the rental of restaurant operation	9.45	8.44	2.90	The rental fee and relating expenses was reasonable and comparable to the market price.	The lease payment for restaurant operation was normal business transaction and was reasonable.
	Deposit for rental	2.35	2.35	2.35	The deposit for rental was due by Landlord which in line with the normal course of business	
Fena Property Co., Ltd. Related company with common directors	Other payables	0.12	0.04	0.62	Representing payable for purchase of services was not due at the end of accounting period.	
	Revenue from sales	0.07	0.04	0.06	Selling prices was reasonable with normal course of business.	
	Rental fee and expenses relating to the rental of restaurant operation	4.67	2.60	0.29	The rental fee and relating expenses was reasonable compared to the market price.	The lease payment for restaurant operation and office which was normal business transaction and was reasonable.
	Deposit for rental	1.08	1.08	1.08	The deposit for rental was due by Landlord which in line with the normal course of business	
	Other receivables	-	-	0.03	Representing receivable at the end of accounting period.	
Fico Corporation Co., Ltd. Related company with common directors	Other payables	0.20	-	0.01	Representing payable for purchase of services was not due at the end of accounting period	

Related person/ juristic person	Transaction	Value (Million Baht)			Conditions of transactions	Necessity and reasonableness
		2015	2016	2017		
B&G Park Co., Ltd. Related company with common directors	Rental fee and expenses relating to the rental of restaurant operation	0.59	0.81	-	The rental fee and relating expenses was reasonable and comparable to the market price.	The lease payment for restaurant operation was normal business transaction and was reasonable.
Fenix Thonglor Co., Ltd. Related company with common directors	Rental fee and expenses relating to the rental of restaurant operation	-	1.17	1.02	The rental fee and relating expenses was reasonable and comparable to the market price.	The lease payment for restaurant operation was normal business transaction and was reasonable.
Fenacon Co., Ltd. Related company with common directors	Purchase of leasehold improvement and equipment	8.27	-	-	The contract price was reasonable and comparable to the market price.	The payment for renovation area of the restaurant operations and central kitchen was normal business transaction and was reasonable.
	Other payables	0.30	0.30	0.30	Representing payable for purchase of leasehold improvement and equipment which unpaid as at the reporting period.	
Fena Assets Co., Ltd. Related company with common directors	Consulting incomes	0.15	-	-	Service fee rate was reasonable.	
	Revenue from sales	0.04	0.05	-	Selling prices was reasonable with normal course of business.	
	Management fee	3.62	0.74	-	Management fee was reasonable and comparable to the market price.	Fena Assets had capable personnel and able to provide service at the comparable rate to the external service provider.

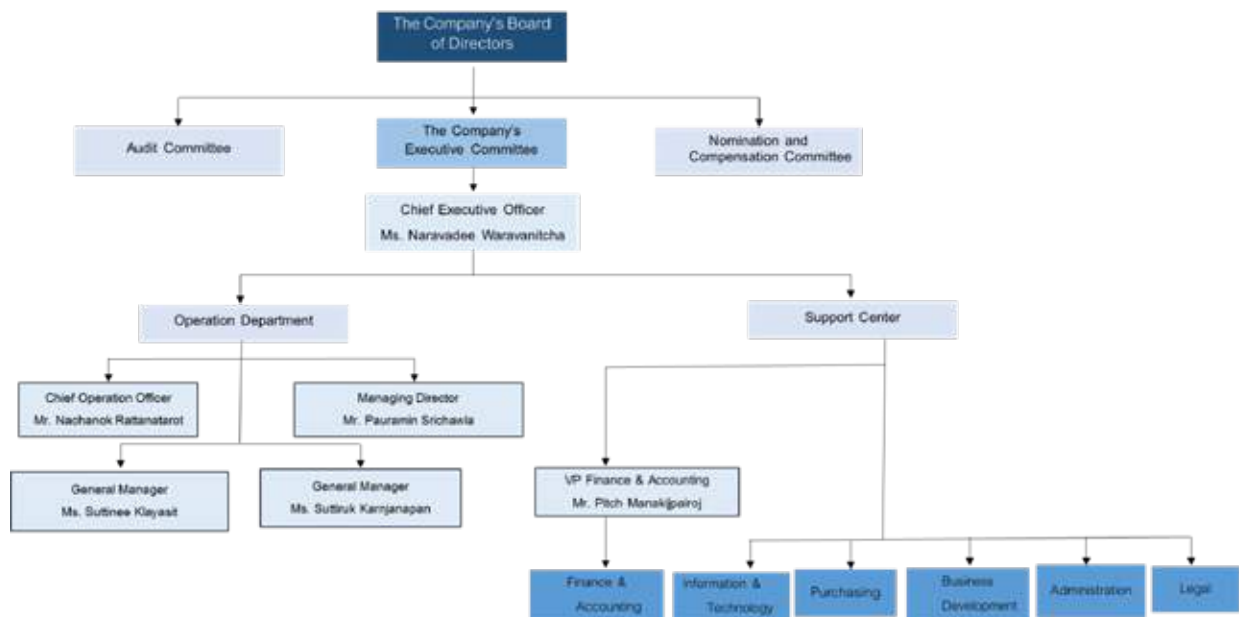
Related person/ juristic person	Transaction	Value (Million Baht)			Conditions of transactions	Necessity and reasonableness
		2015	2016	2017		
Fena Estate Co., Ltd. Related company with common directors	Rental fee and expenses relating to the rental of restaurant operation	1.05	0.41	-	The rental fee and relating expenses was reasonable and comparable to the market price.	The lease payment for restaurant operation was normal business transaction and was reasonable.
	Accrued incomes	7.10	-	-	The settlement receivable from EBITDA guarantee of Fenix Iron Fairies pursuant to the Share Sales and Purchase agreement date 14 November 2012.	
	Other payables	0.11	-	-	Representing payable for purchase of services was not due at the end of accounting period which was followed the normal business	
	Revenue from sales	0.35	0.23	0.23	Selling prices was reasonable with normal course of business.	
	Purchase of inventory	1.09	0.33	-	Selling prices was reasonable The transfer price was reasonable and comparable to the market price.	
	Rental fees and expenses relating to the rental of restaurant operation	-	-	0.11	The rental fee and relating expenses was reasonable and comparable to the market price	The lease payment for restaurant operation was normal business transaction and was reasonable.
	Other receivables	0.03	0.10	0.08	It was represented receivable which unpaid as at the reporting period and in line with normal course of business.	
	Other payables	0.15	-	0.01	Representing payable for purchase of services was not due at the end of accounting period which was followed the normal business	

Related person/ juristic person	Transaction	Value (Million Baht)			Conditions of transactions	Necessity and reasonableness
		2015	2016	2017		
Fico Development Co., Ltd. Related company with common directors	Revenue from sales	0.17	0.31	0.28	Selling prices was reasonable with normal course of business.	
	Purchase of inventory	0.84	0.73	0.12	The transfer price was reasonable and comparable to the market price.	
	Other receivables	0.05	0.11	0.90	It was represented receivable which unpaid as at the reporting period.	
	Other payables	0.08	0.11	-	Representing payable for Purchase of service was not due at the end of accounting period	
Fico Plus Co., Ltd. Related company with common directors	Rental fee	0.13	-	-	The rental fee and relating expenses was reasonable when compared to the market price.	The lease payment for restaurant operation was normal business transaction and was reasonable.
	Other payables	-	-	0.08	Representing payable for purchase of services was not due at the end of accounting period which was followed the normal business	
Fena Holding Co., Ltd. Related company with common directors	Rental fee and expense relating to the rental of restaurant operation	3.16	3.59	3.67	The rental fee and relating expenses was reasonable when compared to the market price.	The lease payment for restaurant operation was normal business transaction and was reasonable.
	Other receivables	0.04	0.05	-	It was represented receivable which unpaid as at the reporting period and in line with normal course of business.	
	Other payables	-	-	0.05	It was represented payables as at the reporting period	
Fena Land Co., Ltd. Related company with common directors	Rental fee and expense relating to the rental of restaurant operation	0.23	0.41	0.46	Selling prices was reasonable with normal course of business.	

Related person/ juristic person	Transaction	Value (Million Baht)			Conditions of transactions	Necessity and reasonableness
		2015	2016	2017		
	Other payables	0.01	0.04	0.05	Representing payable for purchase of services was not due at the end of accounting period which was followed the normal business	
Fenix Power Co., Ltd. Related company with common directors	Revenue from sales improvements of building and equipment	-	-	4.82	Selling prices was reasonable with normal course of business Selling prices was reasonable	
	Rental fee and expense relating expenses	-	4.53	15.89	The rental fee and relating expenses was reasonable when compared to the market price.	
	Other receivables	-	-	0.11	It was represented receivable which unpaid as at the reporting period.	
	Other payables	-	0.02	-	Representing payable for purchase of services was not due at the end of accounting period which was followed the normal business	
Pirate F&B Co., Ltd. Related company with common directors	Other receivables	-	-	3.49	Representing payable for purchase of services was not due at the end of accounting period which was followed the normal business	
	Interest expense	-	0.60	-	Interest expense from short-term loan. It is reasonable compared to the market rate.	It was used in working capital which was flexible.
Srichawala group Related parties	Interest expense	7.50	7.50	7.50	The Group has issued a promissory note as a conditional corporate guarantee in the amount of Baht 100 million to the Srichawla Group as protection against loss of value of	
	Loan from related parties	122.50	130.00	138.00	the consideration of subsidiaries, such obligation if the Group's share price is at least equal to Baht 2.00 per share where in the next 3 years from the closing date of the transaction through 26 November 2015.	
Mr. Na-CHANOK RATTANAROT Chief Operating Officer	Other receivables	-	-	10.13	Other receivables form investment in G Enterprise & Co Co., Ltd.	

Management Structure

Management Structure as of 31st December 2017



Board of Directors

Management structure of the company consist of three committees which are the Audit Committee Executive Committee and the Nomination and Remuneration Committee. The details are as follows;

Board of Directors

As of December 31, 2017, the Company's Board of Directors consists of 9 members with the following members:

1	Mr. Akradej Srichawla	Chairman of the Board of Directors
2	Mr. Akkarat Na Ranong	Vice Chairman/ Executive Chairman
3	Ms. Naravadee Waravanitcha	Chief Executive Officer / Director
4	Mr. Krit Srichawla	Director
5	Mr. Thosaphol Pengsom	Director
6	Mr. Witit Sujjapong	Chairman of Audit Committee / Independent Director
7	Mr. Krish Detter	Audit Committee / Independent Director
8	Mr. Viroj Tangjetanaporn	Audit Committee / Independent Director
9	Mr. Nuttawut Phaoborom 1	Independent Director

Remark

1. Mr. Nuttawut Phaoborom is appointed as Independent Director in place of Mr. Wuttichai Duangrat who has resigned, effective from August 31, 2017.

The authorized signatories have three members; 1) Mr. Krit Srichawla, 2) Mr. Akradej Srichawla and 3) Ms. Naravadee Waravanitcha. Two thirds of authorized Directors of the Company's authorized signatories jointly sign.

Audit Committee

The Company has appointed the Audit Committee who has the duty and authority to supervise the business of the Company in accordance with the management structure. The Audit Committee consists of 3 members, all of them are Independent Directors as follows;

1)	Mr. Witit Sujjapong	Chairman of Audit Committee
2)	Mr. Krish Detter	Audit Committee
3)	Mr. Viroj Tangjetanaporn	Audit Committee

Mr. Witit Sujjapong is a director who has knowledge and experience in accounting and finance to review the reliability of the Company's financial statement. He has Bachelor Degree in Economics from Hitosubashi University (Japan), Master Degree in Economics from Hitosubashi University (Japan) and recently he is one of the Audit Committee member for Easy Buy Public Company Limited.

Executive Director

The Executive Board determines the direction and goals of the Company. Including advice on decisions in areas such as Business Strategy, Investment Policy, and Risk Management for the Board of Directors. The Executive Committee is as follows.

1)	Mr. Akkarat Na Ranong	Executive Chairman / Director
2)	Ms. Naravadee Waravanitcha	Chief Executive Officer / Director
3)	Mr. Nachanok Rattanatarot	Chief Operation Officer / Director
4)	Mr. Pauramin Srichawla	Managing Director

Nomination and Remuneration Committee

Nomination and Remuneration Committee consists of three Audit Committees to promote the principles of good corporate governance. They are responsible for setting the criteria and policy for nomination of directors. And sub-committees, as well as recruiting, selecting and nominating appropriate persons to be the Company's directors. It also reviews and determines the remuneration of top executives and the Board of Directors, including stock compensation plan to motivate. The Nomination and Remuneration Committee members are shown as follows;

- 1) Mr. Witit Sujjapong Chairman of Nomination and Remuneration Committee
- 2) Mr. Krish Detter Nomination and Remuneration Committee
- 3) Mr. Viroj Tangjetanaporn Nomination and Remuneration Committee

Details of attendance of the Board of Directors in 2017 are as follows

Name	Number of attendance / total number of meetings		
	Board of Directors	Audit Committee	Nomination and Remuneration Committee
1 Mr. Akarat Na Ranong	9/11	n.a.	n.a.
2 Mr. Krit Srichawla	2/11	n.a.	n.a.
3 Mr. Tarakorn Angpubate	8/8	n.a.	n.a.
4 Mr. Akradej Srichawla	10/11	n.a.	n.a.
5. Mr. Thosaphol Pengsom	11/11	n.a.	n.a.
6. Mr. Witit Sujjapong	11/11	4/4	2/2
7. Mr. Krish Detter	11/11	4/4	2/2
8. Mr. Viroj Tangjetanaporn	9/11	4/4	2/2
9. Mr. Sanjay Kumar Singh ¹	1/1	n.a.	n.a.
10. Mr. Marut Chalotorn ²	4/7	n.a.	n.a.
11. Ms. Naravadee Waravanitcha ³	4/4	n.a.	n.a.
12. Mr. Nuttawut Phaoborom	2/4	n.a.	n.a.
13. Mr. Wuttichai Duangrat	3/5	n.a.	n.a.

Remark

Remark

1. Ms. Naravadee Waravanitcha is appointed as Chief Executive Officer in place of Mr. Tarakorn Angpubate who has resigned, effective from September 1, 2017.
2. Mr. Sanjay Kumar Singh has resigned from the Board of Directors, effective since February 27, 2017.
3. Mr. Marut Chalotorn has resigned from the Board of Directors, effective since September 14, 2017.
4. Mr. Nuttawut Phaoborom is appointed as Independent Director in place of Mr. Wuttichai Duangrat who has resigned, effective from August 31, 2017.

Executives

The list of executives as of December 31, 2017 is as follows.

	Name	Position
1	Ms. Naravadee Waravanitcha	Chief Executive Officer
2	Mr. Nachanok Rattanatarot	Chief Operating Officer
3	Mr. Pauramin Srichawla	Managing Director – Domino's Pizza
4	Mr. Pitch Manakijpairoj	VP of Finance and Accounting
5	Ms. Suttinee Klayasit	General Manager – CBTL Thailand
6	Ms. Suttiruk Karnjanaphan	General Manager – Kyochon Thailand

Corporate Secretary

The Board of Directors has resolution to appoint Ms. Naravadee Waravanitcha as the Corporate Secretary since September 1, 2017 to act as a consultant to advise the directors on the compliance with the law on directors' duties and responsibilities. His duty includes the minutes of the Board of Directors and always attend the Board of Directors' meetings. The qualification of the Company Secretary is shown in Attachment 1.

Remuneration Package

Remuneration of Directors in 2017

Remuneration of Directors in 2017 is the amount of Baht 4,500,000 consisting of monthly compensation and meeting remuneration. The details are as follows;

Unit: Baht

Number	Name	Remuneration of Director		
		Director	Audit Committee	Nomination and Remuneration Committee
1.	Mr. Akarat Na Ranong	1,418,000	n.a.	n.a.
2.	Mr. Krit Srichawla	712,500	n.a.	n.a.
3.	Mr. Tarakorn Angpubate	-	n.a.	n.a.
4.	Mr. Akradej Srichawla	334,500	n.a.	n.a.
5.	Mr. Thosaphol Pengsom	232,500	n.a.	n.a.
6.	Mr. Witit Sujjapong	537,500	50,000	25,000
7.	Mr. Krish Detter	375,000	50,000	25,000
8.	Mr. Viroj Tangjetanaporn	362,500	50,000	25,000
9.	Mr. Sanjay Kumar Singh	20,000	n.a.	n.a.
10.	Mr. Marut Chalotorn ²	145,000	n.a.	n.a.

10.	Mr. Marut Chalotorn ²	145,000	n.a.	n.a.
11.	Ms. Naravadee Waravanitcha ³	-	n.a.	n.a.
12.	Mr. Nuttawut Phaoborom	52,500	n.a.	n.a.
13.	Mr. Wuttichai Duangrat	85,000	n.a.	n.a.
Total		4,275,000	150,000	75,000

Details of Executive Remuneration

In 2017, the Company paid management remuneration as follows;

Unit: Million Baht

Type of Remuneration	Headcount	Amount
Salary	11	23,748,100
Other benefits such as social security and provident fund, Health insurance, house rental, travel expenses		1,833,272
Total	11	25,581,372

Employee

As of December 31, 2017, the Company and its subsidiaries employed a total of 1,032 persons, excluding management executives 11 persons. The details are as follows;

Department	Headcount
Operations	906
Commissary and warehouse	32
Finance and Accounting	29
Legal	1
Human Resource	15
Purchasing	10
Marketing	10
Information Technology	5
Business Development	5
General and Administratives	19
Total	1,032

Details of the Company's employee remuneration in 2017 are as follows:

Unit: Million Baht

Type of Remuneration	Headcount	Amount
Salary	1,032	210,651,986
Other benefits such as social security and provident fund, Health insurance, house rental, travel expenses		50,028,964
Total	1,032	260,680,964

Human Resources Development Policy

Promoting Learning and Self-Development: Employees are encouraged to grow with the Company. The Company seeks to encourage employees to continually develop their skills in order to grow their jobs which is extremely important. The company provides in-house training for executive level employees at the merchant level to develop leadership skills, such as interviews to get the most out of your position. In addition, the Company encourages the development of staff at the operational level in accordance with the standards of the franchise brand.

Management and Corporate Governance

Securities and Shareholders

Registered and Paid Up Capital

As of December 31, 2017, the Company's registered capital is Baht 3,178,403,680 consisting of 3,178,403,680 ordinary shares with a par value of Baht 1 per share and the Company's paid up capital is Baht 2,136,460,276 consisting of 2,136,460,276 ordinary shares with a par value of Baht 1 per share.

Shareholders

The top ten majority shareholder as of November 22, 2017 were as follows:

	Name	Number of Share (Shares)	The proportion of shareholding
1	Shichawla Group	697,182,466	32.63%
1.1	Mr. Krit Srichawla	200,102,000	9.37%
1.2	Fico Corporation Co.,Ltd.	152,183,533	7.12%
1.3	Mr. Akradej Srichawla	129,601,200	6.07%
1.4	Mr. Theprit Srichawla	108,814,533	5.09%
1.5	Mr. Amorn Srichawla	106,481,200	4.98%
2	CIMB SECURITIES (SINGAPORE) PTE.LTD.	113,829,263	5.33%
3	Thailand Securities Deposit	80,107,133	3.75%
4	Mr. Tarakorn Angpubate	65,000,000	3.04%
5	Mr. Nachanok Rattanatarot	62,000,000	2.90%
6	Mr. Pichai Wichakkhapan	48,655,500	2.28%
7	MORGAN STANLEY & CO. INTERNATIONAL PLC	42,866,600	2.01%
8	Mr. Warut Tantipipob	32,413,600	1.52%
9	Thai NVDR Co., Ltd.	28,800,154	1.35%
10	Mr. Khajorn Panarat	27,750,000	1.30%

Source: Thailand Securities Depository Co.,Ltd

Remark:

1. Mr. Krit Srichawla Mr. Theprit Srichawla Mr. Akraej Srichawla Mr. Amorn Srichawla and Fico Corporation Co., Ltd. are acting in concert under the Notification “the nature of a relationship or behaviour and requirements under section 246 and section 247”.
2. Fico Corporation Co., Ltd operates the lease of office building, utilities service of office building and parking service. The Fico’s major shareholders are Mr. Krit Srichawla Mr. Theprit Srichawla Mr. Akraej Srichawla and Mr. Amorn Srichawla hold share in total of 340,000 shares or equal to 85% of registered and paid-up capital

Dividend Payment Policy

The Company has not made dividend payments in the past 3 years as it has accumulated losses. Pursuant to the Company’s Article of Association, dividend shall be paid at a rate of not less than 50 percent of the net profit after deduction of tax and statutory reserves required by applicable laws and regulations; provided that the Company would still have adequate cash for on-going operation and working capital purposes. The Company’s dividend policy is subject to change from time to time as approved by Shareholders in a General Shareholders Meeting.

Other Securities

Warrants on ordinary shares of the Company

• Warrants on the ordinary shares to the existing shareholders No.1 (FC-W1)

Term of Warrants (year)	10 years
Issue Date	December 23, 2010
Expiration Date	December 22, 2020
Conversion Ratio	1 unit of warrant per 1.065 ordinary share
Exercise Price	Baht 1.408 per share
Offering Unit	347,000,000 units
Number of new ordinary share reserved	347,000,000 shares
Number of exercised warrants as of December 31, 2017	-0- units
Number of unexercised warrants as of December 31, 2017	347,000,000 units
Number of remaining shares reserved as of December 31, 2017	391,293,529 shares

• Warrants on the ordinary shares to the existing shareholders No.2 (FC-W2)

Term of Warrants (year)	10 years
Issue Date	December 23, 2010
Expiration Date	December 22, 2020
Conversion Ratio	1 unit of warrant per 1 ordinary share
Exercise Price	Baht 2 per share
Offering Unit	261,750,000 units
Number of new ordinary share reserved	261,750,000 shares
Number of exercised warrants as of December 31, 2017	-0- units
Number of unexercised warrants as of December 31, 2017	261,750,000 units
Number of remaining shares reserved as of December 31, 2017	227,147,059 shares

Debt Securities - Promissory Notes, Debentures

• Promissory Notes

The Group has issued a promissory note as a conditional corporate guarantee in the amount of Baht 100 million to the Srichawla Group as protection against loss of value of the consideration which results from the acquisition of investment in Casa Fico Co., Ltd. and Fena Park Co., Ltd., on 26 November 2012. The guarantee shall be valid for a period of 3 years ending 26 November 2015. The final amount payable under the guarantee shall be adjusted based on the share price of the Company at the end of the guarantee period. However, the principle of this condition is to grant an opportunity for the Group to be free from paying such obligation if the Group's share price is at least equal to Baht 2.00 per share where (a) in the next 3 years from the closing date of the transaction or (b) on the time that the Group decides to sell all shares in Casa Fico Co., Ltd. and Fena Park Co., Ltd. and/or the land/leasehold right owned by these two companies before the end of guarantee period. In that event, such guarantee will be revoked and the Group will not be bound to pay that amount to the Srichawla Group. On the contrary, if the Group's share price is less than Baht 2.00 per share within the specified time, in both (a) and (b) described above, the Group must pay the determined amount in accordance with the calculation method, which is limited to Baht 100 million.

• DEBENTURES OF FOOD CAPITALS PUBLIC COMPANY LIMITED No. 1/2559 Due 2018

Type of debenture	: Name-Registered Certificate, Unsubordinated and Unsecured Debentures without a Debentureholders' Representative
Term of debenture	: 1 year 9 months from the issue date
Offering amount	: Baht 600,000,000
Offering unit	: 600,000 units
Par value per unit	: Baht 1,000
Offering price per unit	: Baht 1,000
Issue Date	: August 11, 2016
Redemption Date	: May 11, 2018
Interest Rate	: Fixed Interest Rate 6% per annum
Interest Payment Date	: Quarterly Interest Payment on August 11, November 11, February 11 and May 11 of year and the first interest payment is November 11, 2016
Financial Ratio condition	: Debt to Equity ratio is not exceeding 2.5:1
Debenture registrar	: Bank of Ayudhya Pcl.
Debenture Holders' Representative	: - n.a. -
Secondary Market	: The Thai Bond Market Association

Corporate Governance

Corporate Governance Policy

In recognition of the importance of good corporate governance, the Board of Directors agree to establish standards of business administration in order to achieve efficient and transparent operations, increase competitiveness and provide fair treatment and confidentiality to all stakeholders. In 2004, the Company appointed an Audit Committee to provide advice and scrutinise the Company's good governance policy. The policy should establish the rights and equality of shareholders and stakeholders, the definition of the structure, responsibilities, duties, accountability and independence of the committee, accurate and regular disclosure of information to the public, risk control and management, and ethical business administration.

The Company has complied with the principles of good corporate governance for listed companies, as follows:

Rights of Shareholders

The Company recognises the rights of all shareholders and demonstrates its respect for shareholders' rights by encouraging them to exercise their basic rights after stock trading and the right to receive dividends. These rights include:

- Secure method of ownership registration
- Convey and transfer shares
- Obtain relevant and material information on timely and regular basis
- Participate and vote in general shareholder meetings
- Assign a proxy to vote on their behalf in meetings
- Be informed of the rules that govern shareholder meetings
- Give opinions and ask questions in shareholder meetings
- Vote to elect or remove Directors
- Vote to appoint independent auditors and set annual audit fees
- Share the profits of the Company
- Participate in and be informed regarding major decisions concerning fundamental corporate changes

Equitable Treatment of Shareholders

- The Board of Directors values the importance of shareholders' meetings and shall facilitate all shareholders to attend the meetings, gain access to information, and exercise voting rights at these meetings in an equitable manner.
- The Board of Directors shall present important matters to shareholders so that they can participate in the decision-making while ensuring that shareholders receive full, adequate and timely information for decision-making purposes. In addition, it shall support and facilitate appropriate voting procedures including voting by proxy.

The Company has adopted measures to prevent misuse of inside information by the Board and management, abusive self-dealing, insider trading or disclosure of inside information to those related to the Board and management, which might cause damages to shareholders as a whole.

Role of Stakeholders

The Company recognises the importance of the rights of all stakeholders, including shareholders, management, employees, customers, suppliers, the community, society, and relevant government and private agencies. Recognising the need for stakeholders' support, which strengthens competitiveness and business operations in the long term, the Company operates in accordance with relevant rules and regulations, to ensure that the rights of all stakeholders are upheld.

Shareholders:

The Company aims to represent the best interests of its shareholders in all its business operations and accurately disclose information to them.

them, offer quality service, respect their confidentiality and assign personnel to deal with their complaints and inquiries as effectively as possible.

Competitors:

The Company will act in accordance with a good regulatory framework, avoiding unethical or underhanded means to eliminate competition.

Management and Employees:

The Company shall treat all managers and employees equally and fairly. Management and employees have the right to receive remuneration and benefits in accordance with their position, duties, and performance.

Suppliers and Creditors:

The Company shall buy products and services from suppliers in accordance with trade regulations, including agreeing to act in accordance with supply contracts. With respect to borrowing of money, the Company will act in accordance with the terms of the contract or agreement.

Community and Society:

The Company shall act responsibly with respect to the community and society, in that the Company's products shall not have negative effects on society and shall create a good image for the Company.

Customers:

The Company shall devote itself to its customers, be responsible to

Disclosure and Transparency

The Company gives a high priority to the disclosure of the Company's financial reports, and operational information and is committed to their accuracy, completeness, transparency, quality and the timely release of these reports to investors and the public through the Stock Exchange of Thailand and the Company's website www.foodcapitals.com. In addition, the Legal Department is responsible for information disclosure to the Stock Exchange of Thailand ("SET") and the Securities and Exchange Commission ("SEC") to ensure the Company's compliance with the laws and regulations.

Responsibilities of the Board of Directors

Leadership and Vision

Based on the values of integrity, morality, and business ethics; the Board of Directors shall determine the Company's vision, policy and business direction, annually review and approve strategies, policies, financial and operating objectives, follow up on the management's implementation of the operating plan, provide appropriate internal control, internal audit, and risk management. They shall also ensure that the management team performs its duties according to the objectives and guidelines, thereby delivering maximum benefits to shareholders.

The Board of Directors' Responsibilities

- To perform its duties in compliance with the law, the Company's objectives and Articles of Association, including resolutions of the shareholders' meetings, with honesty, integrity and prudence while protecting the Company's interest.
- To set up vision, policies and the direction of the Company's business operations and monitor the implementation of the Company policies by management to ensure efficiency, effectiveness and maximum value to the Company and its shareholders.
- To evaluate performance and determine remuneration for the Company's management.
- To consider and approve material issues as stipulated by law.
- To establish reliable systems of accounting, financial reporting and auditing. This includes evaluating procedures in internal control assessment and follow-up processes, and ensuring the efficiency and effectiveness of internal audits, risk management, and financial reports.
- To ensure that no conflicts of interest occur among stakeholders.
- To monitor business operations with the aim of ensuring ethical work standards.

Shareholders' Meeting

Distribution of meeting notices

Ahead of each Shareholder meeting, the Company sends out invitation letters which state the agenda of the meeting and information relating to each agenda item, both in Thai and English. The letter reaches shareholders seven working days prior to the meeting. The Company advertises the date of the meeting in the press for at least three consecutive days, at least three days prior to the meeting.

Assigning a proxy to vote on their behalf in the meeting

Shareholders can exercise their rights to vote either in person or in absentia with equal rights. By completing a proxy form and including the notice of the meeting, Independent Directors grant permission to a shareholder to use him as their proxy.

Meeting attendance and registration

To attend the shareholders' meeting, shareholders must present documents to verify their identity, such as an identification card or passport. A proxy must provide evidence such as the completed proxy form along with a copy of an identification card or the passport of the shareholder. Where a proxy is assigned by a juridical person, he/she must bring proxy evidence, such as the proxy form, along with a certified copy of business registration certificate. Shareholders presenting an identification card can pre-register two hours prior to the AGM. The Company organises a systematic and effective registration process to facilitate the shareholders attending the meeting.

Board of Directors attendance at shareholder meetings

The Company recognises the importance of shareholders' meetings. Therefore the meeting is attended by the Board of Directors. Moreover, the Chief Executive Officer, Chairman of each Board Committee and the external auditor or a representative also attend the meetings to listen to opinions and answer questions raised by shareholders.

Shareholders' opportunities to ask questions and give opinion, resolution and records of meetings

The Company facilitates equitable rights among shareholders at meetings by declaring clear voting procedures and counting methods to all shareholders present before the meeting begins. During the meeting, shareholders have equal opportunities and are allowed sufficient time to address issues relevant to every agenda with the Board. The Chairman of the meeting gives shareholders the opportunity to fully examine the operations of the business, ask questions and make inquiries, express their views, and make various recommendations. The Company has a policy to encourage all committee members to attend the shareholders meeting, particularly the Chairman of the Board and the Chairman of the Audit Committee, so that they may respond to inquiries and express their own views at the Shareholders' Meeting, with respect to important questions and opinions. These

are recorded as a part of a report of the meeting, which is then made available for the scrutiny of shareholders unable to attend the meeting. The Company will facilitate voting by proxy. The voting and counting of votes will be carried out in an efficient and transparent manner. One vote is counted per share and a resolution is carried by the majority vote. Voting tickets will be used where shareholders wish to make objection votes or abstention votes and will be kept for later inspection. The Company will record the resolutions of the meeting by classifying votes into approval votes, objection votes, and abstention votes for each agenda in writing and will also record in detail the questions, answers, and opinions made during the meeting. Resolution with voting results will be recorded in the minutes of shareholders' meeting.

Disclosure

The results of the meeting are released by the Stock Exchange of Thailand on the following working day. Within 14 days, the Company then sends to the Stock Exchange of Thailand the complete minutes of the meeting containing names of Board Members/Executives in attendance, numbers/proportions of shareholders who attended resolutions, important issues and questions and answers.

Conflicts of Interest

To prevent issues regarding conflicts of interest, the Company appoints the Audit Committee to participate in reviewing the disclosure of connected transactions. In any Board of Directors' meeting, if there is any connected transaction in which conflict of interest is observed, individual Directors who may be involved in such conflict refrain from voting. Only non-involved Directors and Audit Committee members are eligible to carefully review such connected transactions in the best interests of the Company. However, in the case that such connected transactions need be handled in compliance with regulations, announcements or any rules of the Stock Exchange of Thailand, enforcement shall be strictly applied.

Business Ethics

The Board of Directors of the Company acknowledge their roles, duties and accountability, to ensure efficient, clear, transparent operations, in accordance with relevant laws and the regulations of the Company, as well as resolutions of any Shareholders' Meeting. The principles, policies, morals and ethics of good corporate governance are issued to the Board of Directors as guidelines in carrying out their duties with honesty, morality, accountability, loyalty and integrity, in the best interests of the Company and shareholders.

The Company establishes principles regarding business ethics for the Board of Directors and the Audit Committee.

Balance of power for Non-Executive Directors

The Board of Directors of the Company currently comprises 9 Directors; two Executive Directors and seven Non-Executive Directors. The Audit Committee comprises three Independent Directors who account for one-third of the entire Board. The balance between Executive and Non-Executive Directors is appropriate and ensures that the Directors represent the best interests of shareholders, as Non-Executive Directors make up two-thirds of the entire Board. The Audit Committee shall be considered as representatives of minority shareholders and have the duty of ensuring the accuracy and transparency of the Company's operations.

Aggregation or Segregation of Positions

The Chairman of the Board of Directors shall not be the same person as the Chief Executive Officer. The authority of the Chairman of the Board of Directors shall be separated from that of the Chief Executive Officer to ensure a clear distinction between supervisory, policy-making duties and day-to-day business administration. The Company clearly defines the responsibility and authorisation of the Board of Directors and the Audit Committee to ensure transparent operations, a balance of power, and appropriate performance reviews. However, significant agenda items must be approved by the Board of Directors' meeting or Shareholders' Meeting. Authorisation granted to the Board of Directors, the Audit Committee and the Chief Executive Director, does not give power to any of them to approve any connected transaction involving themselves or their representatives, which may cause a conflict of interest with the Company.

In addition, during Board meetings, each member is free to express his views. Members' views are documented in detail in meeting reports.

Remuneration of the Board of Directors and Management

The Company clearly and transparently specifies the remuneration of Directors to be comparable to the rest of the industry and appropriate to their duties. Remuneration is approved at the Shareholders' Meeting and is in compliance with pre-defined policies and principles set by the Directors and therefore ties the Company's operating results to the Directors' performance.

The Company specifies the remuneration of Directors and management in accordance with regulations set by the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.

Meetings of the Board of Directors

Board of Directors' meetings for the Company are held no less than once every quarter. Additional meetings may be called to discuss special agenda items. Directors must attend, except in case of an emergency. An invitation, along with the meeting agenda and relevant documents, are sent out to each Director at least seven days before the meeting to allow adequate time to study the information. In every meeting, each Director can openly and freely express his opinion. The minutes of each meeting are properly documented and after approval from the Board, filed for auditing purposes.

Audit Committee

The Audit Committee was appointed to supervise the Company's business, including its composition, scope of authority and the responsibilities of each committee member, and management structure. The Audit Committee comprises three non-executive Independent Directors as follows:

- 1) Mr. Witit Sujjapong Chairman of Audit Committee
- 2) Mr. Krish Detter Audit Committee Member
- 3) Mr. Viroj Tangjetanaporn Audit Committee Member

The Committee is required to call meetings no less than once every quarter. A special meeting may be requested to discuss urgent agenda items. It is the duty of the Audit Committee to independently review the Company's financial reports, internal control and audit, operations, selection and appoint the Company's external auditor, disclose connected transactions or items concerning conflict of interest. Such an auditing process is aimed at strengthening the efficiency of control and supervision, in compliance with the policy of the Market for Alternative Investment ("mai").

The Audit Committee Members/Independent Directors must possess the qualifications set out by the Capital Market Supervisory, as follows:

- 1) Holds shares not exceeding 1 percent of the total shares with voting right of the Company, its parent company, subsidiaries, associates, major shareholders, and controlling parties of the Company, provided that the shares held by the related parties of such Independent Director shall be included.
- 2) Is not or has never been an Executive Director, employee, staff, advisor who receives salary, nor controlling parties of the Company, its parent company, subsidiaries, associates, same-level subsidiaries, major shareholders or controlling parties of the Company unless the foregoing status ended at least 2 years.
- 3) Is not the person who has relationships by means of descent or legal registration under the status of father, mother, spouse, brothers and sisters and children, of Management, major shareholders, controlling party or the person who is in the process of nomination to be Management or controlling party of the Company or its subsidiary.
- 4) Have no or has never had business relationships with the Company, its parent company, subsidiaries, associates, major shareholders or controlling parties of the Company in respect of holding power which may prove to be an obstacle in independent decision-making, including not being or never having been the significant shareholder or controlling parties of any person having business relationship with the Company, its parent company, subsidiaries, associates, major shareholders or controlling parties of the Company unless the foregoing status ended at least 2 years.

The business relationship mentioned under the first paragraph shall include business transaction in ordinary business manner of renter lease the immovable property, transaction related to assets or services or the financial support regardless of being lent or borrowed, guaranteed, secured, by assets, debt and any otherwise similar performance which causes liability or obligation to the Company or counter party, have provided that such liability is equal to or exceed 3 percent of the net tangible assets of the Company or equal or above 20 million baht, whichever is lower. In this regard, the calculation of such liability shall be in accordance with the calculation method of the value of connected transaction under the Notification of Capital Market Supervisory Board governing the conditions of connected transaction mutatis mutandis. The liabilities incurred during a period of 1 year prior to the date of having business relationship with the above party shall be included in calculation of such liabilities.

- 5) Is not or has never been the auditor of the Company, its parent company, subsidiaries, associates, major shareholders or controlling parties of the Company and is not the significant shareholder, controlling parties, or partner of the auditing firm which employs such auditor of the Company, its parent company, subsidiaries, associates, major shareholders, or controlling parties of the Company unless the foregoing status ended at least 2 years
- 6) Is not or has never been the professional service provider, including but not limited to legal service or financial advisor with received service fee more than 2 million baht per year from the Company, its parent company,

subsidiaries, associates, major shareholders, or controlling parties and is not the significant shareholder, controlling parties or partner of the above mentioned service firms unless the foregoing status ended at least 2 years.
7) Is not the director who is nominated to be the representative of directors of the Company, major shareholders or any other shareholder related to major shareholders.

8) Does not operate the same and competitive business with the business of the Company or its subsidiaries is neither a significant partner of the partnership, is nor an executive director, employee, staff, advisor who receives salary, does not hold more than 1 percent of the total shares with voting right of any other company which operates same and competitive business with the business of the Company or its subsidiaries.

9) Is not any otherwise which is unable to have the independent opinion regarding the business operation of the Company

Executive Committee

The Executive Committee was appointed to provide organizational direction and advise the Board of Directors on decisions and business matters ranging from strategy planning, policy, investment and risk. The Executive Committee comprises 2 members as follows

1)	Mr. Akarat Na-Ranong	Chairman of Executive Committee
2)	Ms. Naravadee Waravanitcha	Chief Executive Officer
3)	Mr. Nachanok Rattanatarot	Chief Operation Officer
4)	Mr. Pauramin Srichawla	Executive Committee

Nomination and Remuneration Committee

Nomination and Remuneration Committee comprising the three Audit Committee Members, was appointed to consider and determine the criterias and policy to nominate senior Management and the Board of Directors' compensation, including the consideration of any share incentive programmes. The Nomination and Remuneration Committee comprises 3 members as follows:

1)	Mr. Witit Sujjapong	Chairman of Nomination and Remuneration Committee
2)	Mr. Krish Detter	Nomination and Remuneration Committee Member
3)	Mr. Viroj Tangjetanaporn	Nomination and Remuneration Committee Member

Reports of the Audit Committee

The Audit Committee supervises significant business transactions, good governance, financial statements and financial information contained in the annual report. Such financial statements and reports must be prepared in accordance with generally acceptable accounting policies and standards. In addition, proper discretion, optimum evaluation and sufficient disclosure of important information must also be incorporated in the financial notes.

The Audit Committee establishes efficient and effective internal control to ensure financial information is recorded accurately, completely, sufficiently and in a timely manner, while it facilitates fault finding and prevents corruption.

Investor Relations

The Company recognises the importance of accurate, complete, transparent and thorough disclosure of information. Operating results and organisational information must be regularly released to investors, shareholders, and stakeholders to ensure they can make accurate decisions. Financial reports, operational guidelines and other information are released to investors and the public through the Stock Exchange of Thailand and the Company's website at www.foodcapitals.com email ir@foodcapitals.com

Inside Information Handling

The Company enforces strict policies regarding the use of inside information as follows:

- 1) Inside information shall be disclosed only to relevant persons, who shall handle it properly. Disclosure of such information shall be made by authorised persons only.
- 2) Directors and Management must be aware of the scope of responsibility and accountability in handling inside information, without revealing such information for personal benefit or share trading.
- 3) The Company's Directors and management must prepare a report on the securities holdings of the Directors and/or Management, spouses and minor children and persons related to the Directors and/or Management, in accordance with the Securities and Exchange Act.
- 4) The Company establishes degrees of punishment for different levels and intention concerning information mishandling, ranging from written warnings, salary deductions, unpaid employment, suspension, to termination of employment.

Human Resources Development Policy

The Company's human resource development policy emphasises the enhancement of staff quality through continual in-house training in a number of areas, as appropriate to the work functions of the staff from each division. This is to ensure that the Company's staff continually enhances its knowledge and understanding of techniques, technology and work-related skills. In addition, the Company sends personnel with suitable potential to attend external training seminars run by field experts, in order to enhance and deepen their knowledge in various specialist areas, such as technology, thus helping them to work more effectively.

Auditor Remuneration

Section 120 of the Public Companies Act B.E. 2535 requires that every year the Annual General Meeting of Shareholders appoints the Company's auditors and determines their remuneration. The existing auditors may be reappointed.

In addition, the Notification of the Securities and Exchange Commission No. Kor Jor. 39/2548 Re: Rules, Criteria and Procedures for Disclosure of Financial Status and Operating Results of Securities Issuing Companies (Item No. 20) and the Notification of the Capital Market Supervisory Board No. Tor Jor. 11/2552 Re: Rules, Criteria and Procedures for Disclosure of Financial Status and Operating Results of Securities Issuing Companies, requires that a company ensures the rotation of their auditors if such auditors have performed their duties for 5 consecutive accounting years. However the Company is not required to engage a new audit firm which means the Company may appoint any auditors in the existing audit firm to replace the existing auditors.

The resolution of the 2017 Annual General Meeting of Shareholders consider and approve to appoint Mr. Jade-sada Hungsapluek, Certified Public Accountant (Thailand) No. 3759 and/or Mr. Jirote Sirirorj, Certified Public Accountant (Thailand) No. 5113 and/or, Ms. Kannika Wipanurat Certified Public Accountant (Thailand) No. 7305 of Karin Audit Limited as the auditors of the Company and any one of them is authorised to conduct the audit and render an opinion on the financial statements of the Company.

No relationships or interests exist between the nominated auditors and the Company and its subsidiaries or any of its executives, major shareholders or their affiliates.

The remuneration of auditor for the year 2017 are the follows:

Name	Audit Fee (Baht)
The Company	1,290,000
Subsidiaries company	4,215,000
Total	5,505,000

CORPORATE SOCIAL RESPONSIBILITY POLICY

Business expansion, while giving back to society, the environment, and all stakeholders has been increasingly important to the sustainable growth of the Company. In 2016, the Company and its subsidiaries conducted the following Corporate Social Responsibilities as below.

Environment Conservation

The Company promotes an environmental-friendly business conduct as interpreted into the reduction of waste, energy-saving programs both at the store level of all of its brands as well as the corporate level. The Company uses LED light bulbs at the stores. It also advocates the avoidance of plastic bags and the use of environmental-friendly packaging in its Kyochon stores and The Coffee Bean & Tea leaf. Besides, it also promotes the use of on-line applications which helps reduce the use of papers.

Anti-corruption Policy

Anti-corruption has been an increasing focus in the business environment around the world. Operating as a franchisee of globally and regionally renowned restaurant brands, the Company has adopted best practices in promoting awareness of corruption within the group of Companies. The Company has also set internal policies to correspond to Thai and international anti-corruption policies and practices.

Activities for Society

The Company promotes sustainable development with social responsibility, environment and stakeholders. In the past, the company has carried out an activities to share and fulfill the happiness of disabled children at Prachabodee School with charity lunch.

Responsibility for Employees

The key asset of the Company is its employees. The Company has continuously helped employees enhance their operational skills, maintain a balance between company and social responsibility goals, while also maintaining a work-life balance. The Company has set suitable working hours to allow its staff to spend time after work with their families.

Responsibility for Consumer

Operating in a consumer service sector, the responsibility towards consumers has been of utmost importance to the Company. Attaining and even exceeding superior standards in terms of the quality of products, services, hygiene, and safety as required by the Company's franchisors has been an emphasis of the Company from the policy level to the daily operational level. For example, the Company strictly control the temperature of the freezer to maintain the freshness of raw material while monitoring the temperature in the hall and kitchen area for energy saving as well. Also, hygiene was done at utmost level with a very careful selection of only health-safety products for consumers and environment. Besides, the Company has set and welcomed all comments and complains on the quality of products and services via website, mobile application, facebook, call center, and feedback book, etc.



Responsibility for Stakeholders

The Company strives to grow and enhance its business relationship with its franchisors, joint-venture partners, shareholders, landlords, suppliers, third-party service providers, as well as the various regulators with which it interacts daily. As such, the Company seeks to not only comply with all guidelines, policies, agreements, by-laws, and laws governing its operations, but also to develop an enriched business association with its various stakeholders through the fostering of mutual trust and respect.

Internal Control and Risk Management

Internal Control and Internal Audit

The Company recognises the importance of internal control at managerial and operational levels in order to originate the efficiency and effectiveness in the operation, and clearly designate the scope of the responsibilities and authorisation of Management and employees in written documents. In addition, policies to optimise the usage of the Company's assets, segregate responsibilities among operating staff, supervising staff, and appraise performance, are also implemented to ensure a proper balance of power, prevention and reduction of errors, losses, and fraud, trustworthiness of financial statement and business operation including compliance with the laws, regulations, and relevant procedures, and encourage to originate the internal control appropriately and effectively.

Internal control

It is the responsibility of the Board and the Audit Committee to ensure an internal control system which is effective and facilitates the management of risk at acceptable levels. Furthermore, the Audit Committee shall regularly monitor and assess the efficiency of internal control system in the following core components: the control environment, risk assessment, control activities, information and communication systems, and monitoring and evaluation processes. The internal control system is an important mechanism that assists management in the reduction of business risks, the efficiency of business operations through proper procurement of resources and attainment of goals, the protection of Company assets from losses and corruption, the accountability of financial reporting, the compliance of all personnel with laws and regulations and the protection of shareholders' capital, including to prevent the conflict of interest, the related transactions, the safeguard and usage of the assets of the Company in order to prevent the fraud or misconduct.

Internal audit

In February 2017, the Audit Committee appointed Accounting Revolution Co., Ltd. as the Internal Auditor to perform the Internal Audit function for the Company. After the Audit Committee has considered the internal auditor's qualifications, the Audit Committee give an opinion that her qualification is properly qualified for being the internal auditor for the Company. With these qualifications and capabilities, he is able to independently audit the various departments within the Company according to the internal control assessment guidelines determined by the Securities and Exchange Commission by report directly to the Audit Committee and also report to Chief Financial Officer.

The duty of the Internal Audit Department who is independent in performing auditing work, evaluating performance and adequacy of the internal control system, the Risk Management system and the Corporate Governance system in the performances of all

units in the companies and its affiliates. They adopts the framework of COSO (The Committee of Sponsoring Organizations of the Tread way Commission) and Enterprise Risk Management, and monitoring regulations in compliance with the Stock Exchange of Thailand (SET), and Thai Institute of Directors (IOD) to be used to fulfil internal control, and follows the action plan approved by the Audit Committee using a risk-based approach and includes consultation to ensure that the Company's objectives are achieved as targeted. Internal Audit Department also regularly monitors and adjusts these implemented systems to be in line with changes in the environment and to ensure that errors can be corrected in time. In assessing the effectiveness of Risk Management, the Internal Audit Department reviews event identification and risk factors that affect the Company's objectives and then reviews the Risk Management approach. This ensures the accuracy of both event identification and risk factors and ensures

that a systematic Risk Management approach exists. It also ensures that risk is managed at the appropriate level, reported in a timely manner to all relevant personnel and reviewed continuously. In assessing the effectiveness of Internal Control, the Internal Audit Department has developed a questionnaire for each process and reviews the outcome of each operation to ensure that the Company's objectives are achieved effectively and efficiently, that rules and regulations are strictly followed, and that the financial report is reliable. In assessing the effectiveness of corporate governance, the Internal Audit Department performs audits following the good corporate governance criteria of the Securities Exchange Commission ("SEC"). This ensures that the Company has the necessary infrastructure and supporting processes to approach good corporate governance and achieve fairness for all stakeholders.

The Internal Auditor acts as a secretary to the Audit Committee to enhance the efficacy of its responsibility and accountability for all functions of the Audit Committee, as assigned by the Board of Directors and arrange Audit Committee meetings regularly. The Internal Auditor has the additional role of advising management in the area of information security and supporting employees to realise the importance of information security.

The Internal Audit Department adheres to the Standards for the Professional Practice of Internal Auditing and the Company continuously encourages its Internal Audit staff to work independently and objectively, comply with relevant standards and emphasize quality and continuous development through training programs.

Risk management

The Company has established a risk management system, whereby the Company has designated that managers at all levels must assess various risks that may arise in the business operations of the Company in both external and internal factors covering all aspect of the risks, and include them in a regular report to the Chief Executive Officer, in order that he/she may analyse, summarise and report the monthly operating results to the Board. Furthermore, there is the revision for the risk factors which are changing from external and internal source that may impact towards the organization by annually.

Assets and Material Agreements

Assets

As of 31 December 2017, the Company and its subsidiaries Fixed Assets are as follows:

(Unit: Million Baht)

No.	Description	Location	The significant of agreement	Net Book Value	Owner	Loan Facility	Remaining Loan	Property Right
1	Land (Including cost of Construction in Progress)	Samui District, Surat Thani	-	297.00	Casa Fico Co.,Ltd (Subsidiary Company)	-	-	Owner
2	Land (Property for Investment)	Samui District, Surat Thani	-	59.40	the Company	-	-	Owner
3	Leasehold	Samui District, Surat Thani	30-year leasehold agreement with remaining 21 years	80.07	Fena Park Co.,Ltd (Subsidiary Company)	-	-	Owner under leasehold agreement
4	Leasehold	Samui District, Surat Thani	30-year leasehold agreement with remaining 21 years	52.62	the Company	-	-	Owner under leasehold agreement
5	Office Equipment	Head Office	-	25.81	the Company and its subsidiaries	-	-	Owner
6	Vehicle	-	Leasing Agreement with remaining 44 months	5.42	the Company and Domino's (Thailand) Co.,Ltd (Subsidiary Company)	6.24	3.51	Vehicle under Leasing Agreement
7	Leasehold Improvement	Head Office at Metropolis Building on Sukhumvit Road	3 – 10 year Lease Agreement with the extension	199.32	the Company and its subsidiaries	-	-	Owner

No.	Description	Location	The significant of agreement	Net Book Value	Owner	Loan Facility	Remaining Loan	Property Right
		and restaurant in Bangkok, Thailand in total of 52 branches and 4 branches in Chonburi and 7 branches in Cambodia	right of 3 – 10 years					
8	Furniture and Fixtures	Head Office at Metropolis Building on Sukhumvit Road and restaurant in Bangkok, Thailand in total of 52 branches and 4 branches in Chonburi and 7 branches in Cambodia	-	76.92	the Company and its subsidiaries	-	-	Owner
9	Construction in Progress	3 Domino's shop in Bangkok under development.	-	7.74	the Company	-	-	Owner
Total				799.60				

Material Agreement of the Company

Material Agreements of the Company

Shareholders Agreement for investment in Red Planet Hotels Limited.

Through its subsidiary, Evolution Advisors Limited, the Company entered into a shareholder agreement for investment in Red Planet Hotels Limited (incorporated and registered under the laws of Cayman Islands) in May 2010. Currently, the Company has a 11.1 percent equity interest in Red Planet Hotels Limited.

Material Agreements of the Company's Subsidiaries

Domino's (Thailand) Company Limited (Change from "Fenix Pizza Company Limited")

Domino's (Thailand) Company Limited (Change from "Fenix Pizza Company Limited") has entered into the Master Franchise Agreement with Domino's Pizza International Franchise Inc. (franchisor) in May 2012, to obtain an exclusive right to operate and develop a pizza restaurant chain under the brand "Domino's Pizza" in Thailand. The Agreement remains valid in full force and effect.

CBTL (Thailand) Company Limited (Change from "Fico Coffee Company Limited")

CBTL (Thailand) Company Limited (Change from "Fico Coffee Company Limited") has entered into the Area Development Agreement with CBTL Franchising LLC (franchisor) in July 2011, to obtain an exclusive right to operate and develop a coffee shop chain under the brand "The Coffee Bean & Tea Leaf" in Thailand. The Agreement remains valid in full force and effect.

Kyochon Company Limited

Kyochon Company Limited, is a joint-venture company between the Company with a 95 percent equity interest and Kyochon F&B Company Limited has entered into the Master Franchise Agreement with Kyochon F&B Company Limited (franchisor) in October 2013, to obtain an exclusive right to operate and develop a fried chicken restaurant chain under the brand "Kyochon" in Thailand, Myanmar, Laos, and Cambodia.

D. Pizza Public Company Limited

D. Pizza Public Company Limited, is a joint-venture company registered under Cambodian law between the Company with a 65 percent equity interest and CBM Corporation Company Limited has entered into the Master Franchise Agreement with Domino's Pizza International Franchise Inc. (franchisor) in December 2014, to obtain an exclusive right to operate and develop a pizza restaurant chain under the brand "Domino's Pizza" in Cambodia. The Agreement remains valid in full force and effect.

Kyochon (Cambodia) Company Limited

Kyochon (Cambodia) Company Limited, is a joint-venture company registered under Cambodian law between the Company with a 65 percent equity interest and CBM Corporation Company Limited has entered into the Sub-franchise Agreement with Kyochon Co., Ltd. in October 2015, to obtain an exclusive right to operate and develop a restaurant chain under the brand "Kyochon Chicken" in Cambodia. The Agreement remains valid in full force and effect.

Auditor Remuneration

Section 120 of the Public Companies Act B.E. 2535 requires that every year the Annual General Meeting of Shareholders appoints the Company's auditors and determines their remuneration. The existing auditors may be reappointed.

In addition, the Notification of the Securities and Exchange Commission No. Kor Jor. 39/2548 Re: Rules, Criteria and Procedures for Disclosure of Financial Status and Operating Results of Securities Issuing Companies (Item No. 20) and the Notification of the Capital Market Supervisory Board No. Tor Jor. 11/2552 Re: Rules, Criteria and Procedures for Disclosure of Financial Status and Operating Results of Securities Issuing Companies, requires that a company ensures the rotation of their auditors if such auditors have performed their duties for 5 consecutive accounting years. However the Company is not required to engage a new audit firm which means the Company may appoint any auditors in the existing audit firm to replace the existing auditors.

The resolution of the 2017 Annual General Meeting of Shareholders consider and approve to appoint Mr. Jade-sada Hungsapruet, Certified Public Accountant (Thailand) No. 3759 and/or Mr. Jirote Sirirorote, Certified Public Accountant (Thailand) No. 5113 and/or, Ms. Kannika Wipanurat Certified Public Accountant (Thailand) No. 7305 of Karin Audit Limited as the auditors of the Company and any one of them is authorised to conduct the audit and render an opinion on the financial statements of the Company.

No relationships or interests exist between the nominated auditors and the Company and its subsidiaries or any of its executives, major shareholders or their affiliates.

The remuneration of auditor for the year 2017 are the follows:

(หน่วย: บาท)

Name	Audit Fee (Baht)
The Company	1,290,000
Subsidiaries company	4,215,000
Total	5,505,000

Legal Dispute

On 28 August 2015, a company as the plaintiff filed an arbitral dispute against the Company to claim for the outstanding service fee amount of Baht 1 million, including the penalty interest at the rate of 15% per annum. The Company filed the statement of defense that such plaintiff failed to comply with the agreement. On 2 October 2017, the company paid total of Baht 0.87 million as in accordance with compromise agreement which was agreed by both parties.

As of 31 December 2017, the Company and its subsidiaries have no any litigations or unresolved litigations cases from its regular business operations.

Risk Factors

The Company is aware that there are always risk factors associated with the business operation. Therefore, the Company always cautiously assess any potential risk, which may adversely affect the business performance, and seek proper preventions and mitigate risk to an acceptable level. The business risk factors are as follow:

Business Risk Factors

External Risk Factors

1 Fluctuated World Economy

The sluggish growth of Chinese economy has an impact on regional economic growth while the US economy as well as European economy picked up in gradual pace. The world economic growth trend adversely affected the business sentiment and confidence in private sectors domestically and internationally. The sluggish business sentiment and confidence led to a slowdown in consumption and consequently suppress the revenue growth of the Company.

Even though the Bank of Thailand reported a continuous growth of service sector, especially tourism in Thailand, which was one of the supporting factors for business growth, the Company managed the risk by diversifying its investment to other potential countries in the region. The Company also controlled its debt to equity ratio at an appropriate level to ensure sufficient working capital for uncertainties.

2 Foreign Exchange Rate Fluctuation

A proportion of revenue of the Company was generated from investment in foreign countries and thus fluctuated by the foreign exchange rates which could affect the Company's performance. However, such revenue proportion was not significant while the expense and investment amount made in the overseas business were also denominated in foreign currencies as well which provided a natural hedge.

3 Major shareholders holding more than 25% equity interest

As of 6 January 2016, FICO Corporation Co., Ltd. ("FICO") and Srichawla Family, the major shareholder of FICO (aggregately referred to as "Major Shareholders") aggregately owned almost 28 percent equity interest in the Company. Major shareholders will be able to control partly the shareholders' resolution that requires more than 75 percent of total voting rights through the vote against proposals. The Company ensures check and balance in the segregated scope and fiduciary duties of the Chairman of the Board of Directors and Chief Executive Officer under the supervision of the audit committee.

However, the fact that the major shareholders hold nearly 28 percent equity interest in the Company allows the Major Shareholders to make decisions for the benefit of shareholders as well.

4 Intense competition

Casual restaurant and quick service restaurant business are among industries that have fierce competition. Hygiene, savories, and service quality are crucial factors in business operation. Aside from the mentioned factors, active marketing strategy, efficient operations, brands' reputation and popularity are required to create competitive advantages as well.

The Company has additionally increased its operation efficiency, provided staff training to maintain the service quality, and created flexible and various marketing strategies to quickly respond to the fast-changing environment.

5 Change in consumer taste and behavior

Consumers' tastes in food and beverage consumption naturally change and evolve over time and changing surroundings. The Internet has become an influential mainstream source of information, which can easily access through mobile devices and consequently change consumers' taste and behavior these days. The businesses have to adapt promptly to the change, by continually adjusting their business strategies as well as researching consumer behavior to maintain their customer base and competitive advantages.

Food and beverage operators who have the capability of studying consumers' behavior are in an advantageous position when compared to others as they can foresee the change. The ability to predict changes will enable those operators to deploy concurrently strategies and tactics to reflect changes in consumers' tastes as they occur. The Company receives know-how and experience from global franchisors that have long experience in the industry. These franchisors will ascertain that the Company will be able to handle the changes when they occur to reduce or eliminate adverse impact.

Internal Risks Factor

6 Raw Material Price Fluctuation

The direct cost in the casual restaurant and quick service restaurant business is raw material cost. Significant changes in raw material cost significantly af-

fect the financial performance of the company. Food and beverage operators typically adjust their selling price to reflect higher raw material cost, which will, to an extent, reduce the impact of such change. Aside from method as mentioned earlier to abate the risk, supply chain management, which is a know-how of the franchisors provides the various benefits to the Company, realizing from operating under exclusive franchises from franchisors that have long successful track records.

7 Skilled labor shortage

Skilled labor is significant to the profitability of the casual restaurant and quick service restaurant as an opportunity to generate revenue in the future directly relates to the quality of their services and customers' experience.

Given the shortage of skilled labor and the general turnover rate in the labor market, players attract labor force with lucrative remuneration and thus creates high turnover in the labor market. The Company attempts to mitigate its reliance on labor by simplifying the work process at the stores. The Company also launches a campaign to promote online purchase, on mobile application and LINE GIFT SHOP to help reduce the reliance on labor. Besides, the Company has cooperated with The Vocational Education Commission for the Dual Vocational Education program in 2015. With this program, the students have on-job training opportunity that should be beneficial for the future career for all the attendees of the program. All of these activities are to reduce the risk from the shortage in labor workforce.

8 Performance of Associated Firms and Joint-Ventures

The performance of associated firms and joint-ventures directly affects the Company's performance. In other words, when the performance of these firms is positive, the Company's net profit shifts upwards and vice versa. Therefore, the Company has studied all possible outcome before making any investment decisions. The investment has diversified regarding business nature, geographies and other related factors to balance risk profile and the return. The Company regularly monitors the performance of the invested companies to assess its overall investment performance.

9 Risk of Debt Service Capability

As of 31 December 2017, the Company's outstanding debt was Baht 735.12 million, mainly due to the maturity of the unsecured debentures, and promissory note. However, the Company has hedged such risk. The Board of Directors' Meeting No. 3/2018 held on February 27, 2018 resolved to approve the transaction of disposal of investment in subsidiary, comprised of investment in Casa Fico Co., Ltd. and Fena Park Co., Ltd. to Srichawla Group by way of exercise Put Option. Source of debt repayment also obtained from the divestment of 3 subsidiaries comprised 1) Fenix Iron Fairies Co., Ltd. 2) FC Commissary Co., Ltd. and 3) Evolution Foods (Thailand) Co., Ltd.

Investment risk of securities holders

1 Risk from major shareholders holding shares in the Company more than 25%

The Company has a large shareholders - Srichawla Group ("Major shareholders"). The Srichawla Family and Fico Corporation Co., Ltd. holding shares in the Company as of 22 November 2017, the major shareholders are able to control the resolutions of the shareholders' meeting which required more than 75% of the total voting rights by voting against the proposal. To manage such risks, the Company's management structure is designed to balance the power and review the management. The scope of duties and responsibilities of the Chairman and Chief Executive Officer are clearly separated. The Audit Committee oversees the management of the Company.

However, the shareholders are the major shareholders of the Company. Such shareholders are motivated to make decisions for the benefit of the Company. This is a common interest of all shareholders.

2 Risks from Goodwill

As discussed in Note 18 to the financial statements, as at December 31, 2017 the Company has balance of goodwill from business combination of Food Group amounting to Baht 84.63 million. During the year 2017, impairment loss on goodwill of Baht 137.06 million was recognized in the consolidated statement of comprehensive income. Those amounts are thus significant to the consolidated financial statements. The consideration of the impairment of goodwill is, therefore, the significant accounting estimate requiring the management to exercise a high degree of judgement in identifying the cash generating units, estimating the cash inflows that are expected to be generated from that group of assets in the future, and setting an appropriate discount rate and long-term growth rate. There are thus risks with respect to the amount of goodwill.

General Information

Company Name

Symbol	Food Capitals Public Company Limited
Registration Number	FC
Business Type	0107546000415
Head Office	Invest in hospitality and food & beverage sectors
	18/8 Fico Place Building, 2nd Floor
	Sukhumvit 21 Road (Asoke), Klongtoey Nua,
	Wattana, Bangkok 10110
Telephone	0-2259-9522
Facsimile	0-2259-9590
Website	www.foodcapitals.com

Investor Relations Contact Information

Telephone	0-2259-9522
E-mail	ir@foodcapitals.com

Company Secretary

Telephone	Ms. Naravadee Waravanitcha
	0-2259-9522

Registered Capital (as of 31 December 2016)

Registered Capital	THB 3,178,403,680 divided into 3,178,403,680 ordinary shares with a par value of THB 1
Issued and Paid-up Capital	THB 2,136,460,276 divided into 2,136,460,276 ordinary shares with a par value of THB 1
Security and Warrant Registrar	Thailand Securities Depository Co., Ltd. 93 Ratchadaphisek Road, Dindaeng, Bangkok 10400
	Telephone 0-2009-9000
	Facsimile 0-2009-9991
	E-mail SETContactCenter@set.or.th
	Website http://www.set.or.th/tsd

Auditor	Karin Audit Limited
	Boonyamitr Building, 8th Floor, Unit B, No. 138, Silom Road
	Suriyawong, Bangrak, Bangkok
	Mr. Jadesada Hungsapruet (CPA register No. 3759)
	Ms. Kannika Wipanut (CPA register No. 7305)
	Mr. Jirote Siriroraj (CPA register No. 5113)
	Telephone +66 2634 2484-6
	Facsimile +66 2634 2668
	E-mail audit@karinaudit.co.th



INDEPENDENT AUDITOR'S REPORT

To The Shareholder of Food Capitals Public Company Limited and its subsidiaries

Opinion

I have audited the financial statements of Food Capitals Public Company Limited and its subsidiary, which comprise the consolidated and separate statements of financial position and as at December 31, 2017, and the related consolidated and separate statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial position of Food Capitals Public Company Limited and its subsidiary as at December 31, 2017, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the consolidated financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Material Uncertainty Related to Going Concern

Without modify my opinion, I draw attention to the Note 40 to financial statements, which states that for the year ended December 31, 2017, the Group posted net loss of Baht 943.33 million and resulted negative of net cash flows from operation amount of Baht 237.97 million. As of December 31, 2017 the Group had deficit of Baht 2,196.57 million. For the year ended December 31, 2017, The Company posted net loss of Baht 586.17 million and resulted net negative cash flows from operation amount of Baht 145.83 million. As of December 31, 2017 the Company had deficit of Baht 1,519.62 million.

As discussed in Note 23 to the financial statements, the Company has a debenture of Baht 600 million, due for repayment on May 11, 2018. The Board of Directors' Meeting No. 2/2018 held February 21, 2018 approved various matters in accordance with the Merger & Acquisition plan i.e. the transaction of the Entire Business Transfer ("EBT") and the Allocation of Securities to be allotted to the Private Placement and including disposition of investments in subsidiaries. The Company will arranging the Annual General Meeting of Shareholders on April 23, 2018 to consider and approve as in according to the resolutions proposed by the Company's Board of Directors.



Material Uncertainty Related to Going Concern (CONT.)

The consolidated and separate financial statements have been prepared on a going concern basis under assumption that the shareholders will be resolved propose Agenda in the Annual General Meeting of Shareholders following to the Business integration Plan through Entire business Transfer transaction. Pursuant to the condition precedent of the Share Subscription Agreement, the Company has to dispose its investment in subsidiaries and redeemed of the Company's debenture before the completion of the Entire Business Transfer. However, the appropriateness of these assumptions is subject to the approved resolutions from such Shareholders' Meeting, including process to improve the Company's profitability and maintain adequate cash flows for the Company, and subject to the succession of the Company's capital restructure as well as ability to obtain debt repayment within maturity date. These circumstances indicate the existence of a material uncertainty which casts significant doubt about the Group's and the Company's ability to continue as going concern.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. In addition to the matters described in the Material Uncertainty Related to Going Concern section, I have determined the matters described below to be the key audit matters to be communicated in my report.

Key Audit Matters included Audited Procedures are as follows:

Revenue recognition

Risk

Revenues from sales are the Group's significant item in the statement of comprehensive income and it is a key performance indicator on which the financial statements' users focus. The Group has numerous sales made by cash and credit cards through a large number of branches. In addition, because of the intensified competition of the food and beverage industry, the Group has to continually adapt its promotional activities in order to boost sales. Therefore there are thus risks with respect to revenue recognition.

Risk Responses of Auditor

My audit procedures responded to the risk referred to above are as follows:

- I examined the Group's revenue recognition by assessing and testing the Group's internal controls with respect to the revenue cycle by making enquires of responsible executives, gaining an understanding of controls and selecting representative samples to test the operation of the designed controls.
- I applied a sampling method to select sales and service transactions occurring near the end of the accounting period to examine the supporting documents. I also performed analytical procedures of disaggregated data to detect possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers.



Impairment of Goodwill

Risk

As discussed in Note 18 to the financial statements, as at December 31, 2017 the Company has balance of goodwill from business combination of Food Group amounting to Baht 84.63 million. During the year 2017, impairment loss on goodwill of Baht 137.06 million was recognized in the consolidated statement of comprehensive income. Those amounts are thus significant to the consolidated financial statements. The consideration of the impairment of goodwill is, therefore, the significant accounting estimate requiring the management to exercise a high degree of judgement in identifying the cash generating units, estimating the cash inflows that are expected to be generated from that group of assets in the future, and setting an appropriate discount rate and long-term growth rate. There are thus risks with respect to the amount of goodwill.

Risk Responses of Auditor

My audit procedures responded to the risk referred to above are as follows:

- I assessed the identification of cash generating units and the financial models selected by management by gaining an understanding of the management's decision-making process and assessing whether the decisions made were consistent with how assets are utilised.
- In addition, I tested the significant assumptions applied by management in preparing estimates of the cash flows expected to be realised from the assets, by comparison those assumptions with information from both internal and external sources and comparing past cash flow projections to actual operating results in order to evaluate the exercise of management judgement in estimating the cash flow projections. I also evaluated the discount rate applied by the management through analysis of the moving average finance costs of the Company and of the industry and involving internal expert to assist in the assessment of this information by comparing it to external sources based on an expert's knowledge and past experience, tested the calculation of the realisable values of the assets using the selected financial model and considered the impact of changes in key assumptions on those realisable values. Moreover, I reviewed the disclosure made with respect to impairment assessment for goodwill.



Deferred tax

Risk

As discussed in Note 29, The Group has disclosed its accounting policy and details relating to deferred tax. A deferred tax asset is recognised when it is highly probable that the Group's taxable profit will be sufficient to allow utilisation of the deferred tax in the future. Determining whether there will be sufficient future taxable profit to utilise temporary differences or taxable losses requires significant management judgement with respect to preparation of business plans and projections of future taxable profit based on approved business plans. Therefore, there is a risk with respect to the amount of deferred tax assets.

Risk Responses of Auditor

My audit procedures responded to the risk referred to above are as follows:

- I gained an understanding of and tested the key related controls over the preparation and approval of the estimates of future taxable profit for the purposes of deferred tax asset recognition. I assessed the estimates of future taxable profit by checking the required information and key economic assumptions used in the projections against information from both internal and external sources, with consideration of information and assumptions that directly affect revenue growth and gross profit margin, such as interest rates, consumer spending and gross domestic product.
- I compared the past projections with actual taxable profits to assess the exercise of management judgment in estimating taxable profits. I also tested the calculation of future taxable profit based on the above information and assumptions, and considered the effects of changes to key assumptions on the projected future taxable profits.
- In addition, I reviewed the disclosure of information regarding temporary differences and unused tax losses for which deferred tax assets were not recognised by the Group.

Other matters

The consolidated financial statements of Food Capitals Public Company Limited and its subsidiary and the separate financial statement of Food Capitals Public Company Limited as at December 31, 2016 and the related consolidated and separate statements of comprehensive income, changes in shareholders' equity and cash flows for the year ended December 31, 2016, and notes to the consolidated financial statements were audited and reviewed by other auditor, who expressed unqualified opinions on those statements, under her reports dated March 1, 2017.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.



My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation, whether.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control if I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Jadesada Hungsapruet



Mr. Jadesada Hungsapruet
 Certified Public Accountant (Thailand)
 Registration No. 3759
 Karin Audit Company Limited
 Bangkok, Thailand.
 February 27, 2018



Food Capitals Public Company Limited and its subsidiaries
Statements of financial position

		(Unit: Baht)			
		Consolidated financial statements		Separate financial statements	
Notes		2017	2016	2017	2016
Assets					
Current assets					
Cash and cash equivalents	7	31,635,778	300,228,119	1,202,408	252,659,555
Trade and other current receivables	8	54,261,400	27,590,851	108,171,817	43,855,308
Short-term loan to unrelated party	9	5,143,125	5,348,820	-	-
Short-term loans to related parties	6	-	-	624,159,839	515,000,801
Inventories	11	28,759,463	35,704,583	-	-
Other current assets		25,133,460	15,900,574	4,053,704	4,941,771
Total current assets		144,933,226	384,772,947	737,587,768	816,457,435
Non-current assets					
Receivable from sale of investment	10	-	36,113,779	-	23,400,000
Investments in associates	12	-	-	-	-
Investments in subsidiaries	13	-	-	875,188,822	1,142,759,137
Other investments	14	246,340,001	594,338,521	-	-
Long-term loans to a related party	6	-	-	108,122,840	101,386,768
Project development cost in progress	15	297,000,000	327,011,544	-	-
Investment properties	16	54,699,268	59,403,868	54,699,268	59,403,868
Leasehold improvements and equipment	17	315,212,585	341,597,915	24,347,742	39,391,750
Goodwill	18	84,632,954	213,310,113	-	-
Intangible assets	19	102,070,338	56,285,485	8,552,821	9,202,449
Leasehold right of land	20	132,681,908	139,464,142	52,616,611	55,364,914
Deferred tax assets	29	23,330,328	22,352,006	-	-
Other non-current assets		65,918,960	62,357,692	4,447,207	4,196,490
Total non-current assets		1,321,886,342	1,852,235,065	1,127,975,311	1,435,105,376
Total assets		1,466,819,568	2,237,008,012	1,865,563,079	2,251,562,811

Food Capitals Public Company Limited and its subsidiaries
Statements of financial position (continued)

		(Unit: Baht)			
		Consolidated financial statements		Separate financial statements	
Notes		2017	2016	2017	2016
Liabilities and shareholders' equity					
Current liabilities					
Bank overdraft	21	26,911,818	1,883,032	26,911,818	-
Trade and other current payables	22	164,065,965	129,910,866	19,525,580	25,348,319
Current portion of share payable		11,145,762	-	11,145,762	-
Current portion of debentures	23	596,877,422	-	596,877,422	-
Current portion of long-term loans from related parties	6	138,239,726	-	138,239,726	-
Short-term loans from unrelated parties		8,859,773	3,924,762	-	-
Other current financial liabilities		1,023,103	1,165,982	883,152	861,868
Other current liabilities		19,818,798	14,797,012	16,648,644	8,615,690
Total current liabilities		966,942,367	151,681,654	810,232,104	34,825,877
Non-current liabilities					
Debentures	23	-	588,177,109	-	588,177,109
Non-current portion of share payable		7,818,896	-	7,818,896	-
Long-term loans from related parties	6	28,609,977	159,078,059	59,601,391	159,078,059
Deferred tax liabilities	29	20,707,044	18,997,077	-	-
Provision for long-term employee benefits	24	7,733,334	1,945,637	1,572,522	1,304,561
Other non-current financial liabilities		3,507,153	4,469,684	3,507,154	4,313,938
Other non current liabilities		16,025,298	15,684,842	5,135,000	531,890
Total non-current liabilities		84,401,702	788,352,408	77,634,963	753,405,557
Total liabilities		1,051,344,069	940,034,062	887,867,067	788,231,434

Food Capitals Public Company Limited and its subsidiaries
Statements of financial position (continued)

	Notes	(Unit: Baht)			
		Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Shareholders' equity					
Share capital					
Registered	25				
3,178,403,680 ordinary shares of Baht 1 each					
(31 December 2016: 2,887,153,921 ordinary shares					
Baht 1 each)		3,178,403,680	2,887,153,921	3,178,403,680	2,887,153,921
Issued and paid up	25				
2,136,460,276 ordinary shares of Baht 1 each					
(31 December 2016: 1,959,306,678 ordinary shares					
Baht 1 each)		2,136,460,276	1,959,306,678	2,136,460,276	1,959,306,678
Share premium	25	467,709,525	519,528,644	467,709,525	519,528,644
Share discount on business acquisition	25	(144,820,000)	(120,020,000)	(144,820,000)	(120,020,000)
Warrants	26	37,963,921	37,963,921	37,963,921	37,963,921
Retained earnings (deficit)					
Appropriated - Statutory reserve	27	2,661,312	2,661,312	2,661,312	2,661,312
Unappropriated		(2,200,228,930)	(1,256,900,146)	(1,522,279,022)	(936,109,178)
Other components of shareholders' equity		124,857,721	125,623,065	-	-
Equity attributable to owners of the Company		424,603,825	1,268,163,474	977,696,012	1,463,331,377
Non-controlling interests of subsidiaries		(9,128,326)	28,810,476	-	-
Total shareholders' equity		415,475,499	1,296,973,950	977,696,012	1,463,331,377
Total liabilities and shareholders' equity		1,466,819,568	2,237,008,012	1,865,563,079	2,251,562,811

----- Directors

----- Directors

Food Capitals Public Company Limited and its subsidiaries
Statements of comprehensive income
For the year ended 31 December 2017

		(Unit: Baht)			
		Consolidated financial statements		Separate financial statements	
Notes		2017	2016	2017	2016
Continuing operations					
Sales	6	695,837,797	671,418,191	-	-
Advisory income		7,063,455	11,281,190	-	-
Sub-franchise income		98,184	889,716	-	-
Total revenues from sales and services		702,999,436	683,589,097	-	-
Cost of sales	6	(254,321,545)	(252,864,663)	-	-
Total costs of sales and services		(254,321,545)	(252,864,663)	-	-
Gross profit		448,677,891	430,724,434	-	-
Management income	6	1,813,954	1,988,920	63,640,000	32,236,000
Interest income	6	1,069,341	1,687,555	49,474,302	40,135,791
Other income	6	15,280,872	25,917,392	13,620,407	15,176,258
Selling expenses		(553,242,865)	(524,470,237)	-	-
Administrative expenses		(857,707,385)	(373,476,018)	(667,201,831)	(407,597,085)
Financial costs	6	(46,295,168)	(31,125,927)	(45,702,722)	(30,746,069)
Share of profit from investments in associates		-	762,720	-	-
Loss before income tax revenue		(990,403,360)	(467,991,161)	(586,169,844)	(350,795,105)
Income tax revenue	29	11,565,530	13,315,254	-	-
Loss for the years from continuing operations		(978,837,830)	(454,675,907)	(586,169,844)	(350,795,105)
Discontinued operations					
Loss for the years from discontinued operations		(1,964,348)	-	-	-
Loss for the years		(980,802,178)	(454,675,907)	(586,169,844)	(350,795,105)
Other comprehensive income:					
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of financial statements in foreign currency		299,936	(1,980,935)	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax					
		299,936	(1,980,935)	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial gain - net of income tax		-	1,445,204	-	937,752
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax					
		-	1,445,204	-	937,752
Other comprehensive income for the years		299,936	(535,731)	-	937,752
Total comprehensive income for the years		(980,502,242)	(455,211,638)	(586,169,844)	(349,857,353)

Food Capitals Public Company Limited and its subsidiaries**Statements of comprehensive income (continued)****For the year ended 31 December 2017**

(Unit: Baht)				
Note	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Profit (loss) attributable to:				
Equity holders of the Company				
Loss for the years from continuing operations	(941,364,436)	(423,361,374)	(586,169,844)	(350,795,105)
Loss for the years from discontinued operations	(1,964,348)	-	-	-
Loss for the years attributable to equity holders of the Company	<u>(943,328,784)</u>	<u>(423,361,374)</u>	<u>(586,169,844)</u>	<u>(350,795,105)</u>
Non-controlling interest of the subsidiaries				
Loss for the years from continuing operations	(37,473,394)	(31,314,533)		
Loss for the years from discontinued operations	-	-		
Loss for the years attributable to non-controlling interests of the subsidiaries	<u>(37,473,394)</u>	<u>(31,314,533)</u>		
	<u>(980,802,178)</u>	<u>(454,675,907)</u>		
Total comprehensive income attributable to:				
Equity holders of the Company	(980,036,834)	(426,275,874)	(586,169,844)	(349,857,353)
Non-controlling interest of the subsidiaries	<u>(465,408)</u>	<u>(28,935,764)</u>		
	<u>(980,502,242)</u>	<u>(455,211,638)</u>		
Earnings per share	30			
Basic earnings per share				
Loss attributable to equity holders of the Company	<u>(0.450)</u>	<u>(0.220)</u>	<u>(0.280)</u>	<u>(0.180)</u>
Basic earnings per share for continuing operations				
Loss from continuing operations attributable to equity holders of the Company	<u>(0.450)</u>	<u>(0.220)</u>		
Diluted earnings per share				
Loss attributable to equity holders of the Company	<u>(0.450)</u>	<u>(0.220)</u>	<u>(0.280)</u>	<u>(0.180)</u>
Diluted earnings per share for continuing operations				
Loss from continuing operations attributable to equity holders of the Company	<u>(0.450)</u>	<u>(0.220)</u>		

Food Capitals Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity

For the year ended 31 December 2017

(Unit: Baht)

Consolidated financial statements													
Equity attributable to owners of the Company													
	Issued and paid-up capital	Share premium	Share discount on business acquisition	Warrants	Retained earnings (deficit)		Other components of equity		Total other components of shareholders' equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity	
					Appropriated - statutory reserve	Unappropriated	Exchange differences on translation of financial statements	Other comprehensive income					Other changes by the owners
Balance as at 1 January 2016	1,959,269,063	519,589,836	(120,020,000)	37,963,921	2,661,312	(834,983,976)	18,742,214	110,538,467	129,280,681	1,693,680,837	51,281,404	1,744,962,241	
Loss for the year	-	-	-	-	-	(423,361,374)	-	-	-	(423,361,374)	(31,314,533)	(454,675,907)	
Other comprehensive income for the year	-	-	-	-	-	1,445,204	(2,148,106)	-	(2,148,106)	(702,902)	387,171	(325,731)	
Total comprehensive income for the year	-	-	-	-	-	(421,916,170)	(2,148,106)	-	(2,148,106)	(424,064,276)	(31,147,362)	(455,211,638)	
Ordinary shares issued (Note 25)	37,615	18,808	-	-	-	-	-	-	-	56,423	-	56,423	
Surplus on change in percentage of shareholding in a subsidiary	-	-	-	-	-	-	-	(1,509,510)	(1,509,510)	(1,509,510)	-	(1,509,510)	
Non-controlling interests invested in the subsidiaries	-	-	-	-	-	-	-	-	-	-	(1,486,490)	(1,486,490)	
Equity attributable to non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	10,196,924	10,196,924	
Balance as at 31 December 2016	1,999,306,678	519,528,644	(120,020,000)	37,963,921	2,661,312	(1,256,900,146)	16,594,108	108,028,957	125,623,065	1,268,163,474	28,810,476	1,296,973,950	
Balance as at 1 January 2017	1,999,306,678	519,528,644	(120,020,000)	37,963,921	2,661,312	(1,256,900,146)	16,594,108	108,028,957	125,623,065	1,268,163,474	28,810,476	1,296,973,950	
Ordinary shares issued (Note 25)	177,153,598	(51,819,119)	(24,800,000)	-	-	-	-	-	-	100,534,479	-	100,534,479	
Total comprehensive income for the year	-	-	-	-	-	(943,328,784)	-	-	-	(943,328,784)	(37,473,394)	(980,802,178)	
Other comprehensive income for the year	-	-	-	-	-	-	(785,344)	-	(785,344)	(785,344)	(468,408)	(1,253,752)	
Balance as at 31 December 2017	2,176,460,276	467,709,525	(144,820,000)	37,963,921	2,661,312	(2,200,228,930)	15,808,764	108,028,957	124,837,721	1,264,603,825	(6,128,326)	1,258,475,499	

Food Capitals Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity (continued)

For the year ended 31 December 2017

(Unit: Baht)

	Separate financial statements						
			Share discount		Retained earnings (deficit)		Total
	Issued and	Share	on business		Appropriated -		shareholders'
	paid-up capital	premium	acquisition	Warrants	statutory reserve	Unappropriated	equity
Balance as at 1 January 2016	1,959,269,063	519,509,836	(120,020,000)	37,963,921	2,661,312	(586,251,825)	1,813,132,307
Ordinary shares issued (Note 25)	37,615	18,808	-	-	-	-	56,423
Other comprehensive income for the year	-	-	-	-	-	937,752	937,752
Total comprehensive income for the year	-	-	-	-	-	(350,795,105)	(350,795,105)
Balance as at 31 December 2016	1,959,306,678	519,528,644	(120,020,000)	37,963,921	2,661,312	(936,109,178)	1,463,331,377
Balance as at 1 January 2017	1,959,306,678	519,528,644	(120,020,000)	37,963,921	2,661,312	(936,109,178)	1,463,331,377
Ordinary shares issued (Note 25)	177,153,598	(51,819,119)	(24,800,000)	-	-	-	100,534,479
Total comprehensive income for the year	-	-	-	-	-	(586,169,844)	(586,169,844)
Balance as at 31 December 2017	2,136,460,276	467,709,525	(144,820,000)	37,963,921	2,661,312	(1,522,279,022)	977,696,012

Food Capitals Public Company Limited and its subsidiaries
Cash flows statement
For the year ended 31 December 2017

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash flows from operating activities				
Loss before tax from continuing operations	(990,403,360)	(467,991,161)	(586,169,844)	(350,795,105)
Loss before tax from discontinued operations	(1,964,348)	-	-	-
Loss before tax	(992,367,708)	(467,991,161)	(586,169,844)	(350,795,105)
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Trade accounts receivable and other current receivables (increase) decrease	(2,112,811)	29,617,321	(59,853,518)	28,360
Inventories decrease	7,853,636	12,893,413	-	-
Other current assets (increase) decrease	3,062,355	(1,360,480)	3,409,601	(7,315,422)
Other - non current assets (increase) decrease	3,255,135	(5,108,072)	232,245	114,557
Trade and other current payables increase (decrease)	8,238,093	(12,964,440)	(5,822,738)	13,596,217
Other current liabilities increase (decrease)	4,076,112	(621,799)	8,032,955	505,928
Other non-current liabilities increase	-	-	5,122,861	-
Depreciation and amortisation	124,883,281	110,943,638	12,842,769	10,971,389
Loss on written-off deposits	-	1,724,636	-	-
Allowance for impairment of project development cost in progress	30,011,544	11,655,234	-	-
Allowance for impairment of leasehold improvement and equipment (reverse)	4,025,938	14,483,710	(514,082)	514,082
Allowance for impairment of intangible assets	4,328,321	1,548,308	-	-
Impairment of Investment property	4,704,600	-	4,704,600	-
Provisions for liabilities increase (decrease)	659,937	95,543	(263,929)	1,148,125
Unrealised loss on exchange	205,695	39,675	-	-
Loss on impairment of investments in a subsidiary	-	-	397,455,522	201,800,000
Loss on impairment of other investments	347,998,520	-	-	-
Share of profit from investments in associates	-	(762,720)	-	-
Loss on sale of investment in subsidiary	-	2,294,491	-	59,000,000
Bad debts and allowance for doubtful accounts	36,113,779	54,147,892	25,713,787	52,000,000
Allowance for short-term loan to subsidiary	-	-	87,394,729	5,598,000
Reduction of inventories to net realisable value	306,406	72,471	-	-
Loss on disposal of equipment and intangible assets	33,099,399	39,063,557	3,944,272	4,115,142
Allowance for impairment of goodwill	137,063,908	43,736,040	-	-

Food Capitals Public Company Limited and its subsidiaries**Cash flows statement****For the year ended 31 December 2017**

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Interest income	(1,069,341)	(1,687,555)	(49,474,302)	(40,135,791)
Interest expenses	46,295,168	31,125,927	45,702,722	30,746,069
Cash used in Operating Activities	(199,368,033)	(137,054,371)	(107,542,350)	(18,108,449)
Cash paid for interest expenses	(38,025,252)	(18,483,814)	(37,803,895)	(17,943,543)
Cash received from income tax refund	-	3,190,770	-	3,190,770
Cash paid for corporate income tax	(575,815)	(1,251,684)	(482,963)	(74,809)
Net Cash used in Operating Activities	(237,969,100)	(153,599,099)	(145,829,208)	(32,936,031)
Cash flows from investing activities				
Net cash received from sale of investment in subsidiary				
from cash paid	-	25,814,538	-	27,000,000
Interest income	1,069,341	1,687,555	1,011,466	6,235,180
Cash Increase from purchase subsidiaries	9,296,542	-	-	-
Cash paid for additional investment in a subsidiary	(39,809,001)	(3,000,000)	(73,720,549)	(78,000,000)
Cash paid for purchase of leasehold improvements and equipment	(86,609,660)	(119,213,292)	(1,419,192)	(35,122,203)
Proceeds from disposal of leasehold improvements and equipment	5,043,271	5,261,453	5,043,271	522,541
Cash paid for purchase of intangible assets	(10,077,576)	(11,461,971)	(1,455,099)	(5,273,856)
Increase in short-term loans to related parties	-	-	(155,425,000)	(78,068,784)
Decrease in restricted bank deposit	-	2,753,292	-	2,753,292
Other cash paid from investing activities	-	56,423	-	56,423
Net cash flows used in investing activities	(121,087,083)	(98,102,002)	(225,965,103)	(159,897,407)
Cash flows from financing activities				
Increase in bank overdrafts	25,028,786	1,883,032	26,911,818	-
Non-controlling interests invested in subsidiaries	-	9,247,324	-	-
Proceeds from the issuance of the share capital	63,334,479	-	63,334,479	-
Proceeds from the issuance of the debentures	-	600,000,000	-	600,000,000
Deferred debenture issuing costs	-	(15,231,506)	-	(15,231,506)
Repayment of long-term loans from banks	-	(96,158,463)	-	(94,977,055)
Repayment of loans from unrelated parties	-	(57,500,000)	-	(57,925,342)
Repayment of financial liabilities	(1,339,225)	(707,023)	(785,501)	(446,672)
Cash receipt from short-term loans from related parties	-	1,990,935	30,876,368	-
Cash receipt from short-term loans from non - related parties	4,670,554	-	-	-

Food Capitals Public Company Limited and its subsidiaries
Cash flows statement
For the year ended 31 December 2017

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Net cash flows provided from financing activities	91,694,594	443,524,299	120,337,164	431,419,425
(Decrease) increase in translation adjustments	(1,230,752)	2,317,983	-	-
Net (decrease) increase in cash and cash equivalents	(268,592,341)	194,141,181	(251,457,147)	238,585,987
Cash and cash equivalents at beginning of year (Note 7)	300,228,119	106,086,938	252,659,555	14,073,568
Cash and cash equivalents at end of year (Note 7)	31,635,778	300,228,119	1,202,408	252,659,555

Additional information for cash flows

1. For the purpose of preparing the statement of cash flows, cash and cash equivalents items include cash in hand and cash at banks and short-term investment in promissory notes which are due within 3 months.
2. The Company issued newly ordinary shares of 62 million, with a par value of Baht 1 per share, at the offered price each of Baht 1, as part of its consideration paid for an investment in G Enterprise & Co Company Limited in according to the Share Purchase Agreement. The Company recorded new ordinary share at Baht 0.60 per share, equivalent to fair value at the date of shares issued. (Notes 13 and 25)

FOOD CAPITALS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2017

1. General information

Food Capitals Public Company Limited (“the Company”) is listed on the Market for Alternative Investment (MAI) and is incorporated and domiciled in Thailand. Its major shareholder is the Srichawla Group. The Company is principally engaged in mass market consumption businesses, with a main focus on the food and beverage industry. The registered office of the Company is at 725 Metropolis Building, 14th floor, Sukhumvit Road, Klongton Nua, Wattana, Bangkok 10110.

On 20 December 2017, the Company Changes the registered office of the Company from 18/8 Fico Place Building, 2nd Floor, Sukhumvit 21 (Asoke) Road, Klongtoey Nua, Wattana, Bangkok 10110

2. Basis of preparation

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

The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5.

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

FOOD CAPITALS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2017
2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of Food Capitals Public Company Limited and the following subsidiary companies ("the Group")

Company's name	Nature of business	Country of incorporation	Percentage of shareholding (%)	
			As at 31 December 2017	As at 31 December 2016
Held by the Company				
Monster Media Co., Ltd.	Dormant	Thailand	100	100
Casa Fico Co., Ltd.	Residential real estate development	Thailand	92.5*	92.5*
Fena Park Co., Ltd.	Hotel real estate development	Thailand	92.5*	92.5*
Fenix Iron Fairies Co., Ltd.	Sales of food and beverage	Thailand	100	100
Evolution Land Co., Ltd.	Investment in real estate	Thailand	100	100
Evolution Holdings Limited	Holding company	Mauritius	100	100
FC Commissary Co., Ltd.	Sales of food and beverage	Thailand	100	100
Evolution Foods (Thailand) Co., Ltd.	Holding company	Thailand	90	90
G Enterprise & Co Company Limited	Sales of food and beverage	Thailand	100	-
Food Capitals (USA), Inc.	Holding company	United States of America	100	-

* Included 42.5% indirect stake held through the subsidiary, Evolution Land Co., Ltd.

Held by subsidiaries

Maggie Choo's Co., Ltd.	Sales of food and beverage	Thailand	100	100
Evolution Advisors Limited	Investment advisory	Cayman Islands	100	100
Evolution Capital International Pte. Ltd.	Dormant	Singapore	100	100
PhotoMe.com Co., Ltd.	In during liquidation	Thailand	100	100
D. Pizza Plc.	Sales of food and beverage	Cambodia	58.5	58.5
Domino's (Thailand) Co., Ltd.	Sales of food and beverage	Thailand	90	90
CBTL (Thailand) Co., Ltd.	Sales of food and beverage	Thailand	89.8	89.8
Kyochon Co., Ltd.	Sales of food and beverage	Thailand	85.2	85.2
Evolution Foods International Limited	Holding company	British Virgin Islands	100	100
Kyochon Cambodia Limited	Sales of food and beverage	Cambodia	58.5	58.5
Osha Thai Geary Inc.**	Holding company	United States of America	-	-

**Osha Thai Geary Inc., had incorporated under the law of the state of California, United States of America on 24 April 2017.

As at 31 December 2017, such subsidiary has not yet to call up for its share capital.

b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.

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- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent significant accounting policies.
- e) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currency" in the statements of changes in shareholders' equity.
- f) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.
- g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.
- h) The separate financial statements present investments in subsidiaries and associates under the cost method.

2.3 The separate financial statements present investments in subsidiaries and associates under the cost method.

3. New financial reporting standards

3.1 Revised accounting standards and related financial reporting standards. Significant impact on the Company Effective January 1, 2017, the following are applicable.

TAS 1 (Revised 2016)	Presentation of Financial Statements
TAS 34 (Revised 2016)	The interim financial statements

TAS 1 (Revised 2016) Clarity on several important issues follows:

- Significance - Businesses should not aggregate or divide information in a form that allows users to understand the transaction. If the transaction is material. Must disclose sufficient information to explain the impact on financial position or performance.
- Isolation list and the total - line item identified in the TAS 1 may need to be shown separately. If relevant to understanding the financial position and results of operations of the Company. There are also new guidelines for using aggregation.
- Notes to Financial Statements - Confirm that the notes to the financial statements do not need to be sequenced. Financial Statement Presentation.

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- Other comprehensive income on investments accounted for under equity method - Share of other comprehensive income Gains or losses arising from investments accounted for under equity method are recognized as a component of profit or loss. Each group is presented as a separate line item in the statement of comprehensive income.

TAS 34 (Revised 2016) the significant change is to clarify the definition of reference in the standard to "the information disclosed in the notes to the interim financial statements or elsewhere in the interim financial report "that the entity making use of this relief must refer to the interim financial statements to the other reports that contain such information. The users of the financial statements must be able to access other reports with the information in the same manner and at the same time as the interim financial statements.

Revised accounting standards and the related financial reporting standards. No significant impact on the Company.

- 3.2** Revised accounting standards this will be effective for accounting period beginning on or after January 1, 2018 with significant changes and related to the Company, which has not yet adopted the standard. The amendment is effective before the effective date. Are as follows:

TAS 7 (Revised 2017) Statement of Cash Flows

TAS 12 (Revised 2017) Income taxes

TAS 7 (Revised 2017) Additional disclosures on changes in liability of cash flow and non-cash items have been disclosed.

TAS 12 (Revised 2017) the accounting method for deferred tax is clarified when assets are measured at fair value less than the tax base of the asset. In the following.

- The assets are measured at fair value is lower than the tax bases of the assets. It is considered to have a temporary difference that a tax deduction occurs.
- In estimating future taxable income. It can be assumed that the Company will benefit from the higher value of the asset value of the account.
- In cases where the tax law has limitations on the source of tax profits. That can take advantage of assets. Deferred tax only in given categories. Considered to be the utilization of deferred tax assets must be evaluated together with the deferred tax assets of the same type only.
- Estimated future taxable income will not include the tax deductible amount resulting from the reversal of the temporary difference that is used to tax.

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The Company's management has assessed and determined that the revised standards will not have a significant impact on the Company.

4. Significant accounting policies
4.1 Revenue recognition
Sales of goods

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

Rendering of services

Service revenue is recognised when services have been rendered taking into account the stage of completion.

Interest income

Interest income is recognised on an accrual basis based on the effective interest rate.

4.2 Cash and cash equivalents

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

4.3 Trade accounts receivable

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

4.4 Inventories

Inventories are valued at the lower of cost (under the first in - first out method) and net realisable value.

4.5 Investments

- a) Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for impairment loss (if any).
- b) Investments in associates are accounted for in the consolidated financial statements using the equity method.
- c) Investments in subsidiaries and associates are accounted for in the separate financial statements using the cost method net of allowance for impairment loss (if any).

The weighted average method is used for computation of the cost of investments.

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In the event the Company reclassifies investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date. The difference between the carrying amount of the investments and the fair value on the date of reclassification are recorded in profit or loss or recorded as other components of shareholders' equity, depending on the type of investment that is reclassified.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

4.6 Project development cost in progress

Project development cost in progress is stated at cost less allowance for impairment loss in value of projects (if any). Project development cost consists of land and construction in progress.

Construction in progress consists of the cost of design, cost of advisor, cost of construction and public utility costs. The Group records cost of design, advisor, construction and public utilities based on the actual cost incurred.

4.7 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives. Depreciation of the investment properties is included in determining income.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

4.8 Leasehold improvements and equipment/Depreciation

Leasehold improvements and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of leasehold improvements and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Leasehold improvement	3, 5, 10 and 12 years
Office equipment	2, 3, 4 and 5 years
Furniture and fixtures	3 and 5 years
Motor vehicles	5 years

Depreciation is included in determining income.

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No depreciation is provided on construction in progress.

An item of leasehold improvements and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

4.9 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.10 Intangible assets

Intangible assets acquired through business combination are initially recognised at their fair value on the date of business acquisition while intangible assets acquired in other cases are recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

	Useful lives
Franchises	5 and 10 years
Customer loyalty	10 years
Computer software	3, 5 and 10 years

No depreciation is provided on intangible assets under development.

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4.11 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

4.12 Leasehold right of land and amortisation

Leasehold rights of land are stated at cost less accumulated amortisation and allowance for loss on impairment of assets (if any).

Amortisation of leasehold rights of land is calculated by reference to their costs on the straight-line basis over the lease period of 30 years and included in determining income.

4.13 Related party transactions

Related parties comprise individuals or enterprises that control, or are controlled by the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies, and individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

4.14 Long-term leases

Leases of property, plant or equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases is depreciated over the useful life of the asset.

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Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

4.15 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

4.16 Impairment of assets

At the end of each reporting period, the Company performs impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Company also carries out annual impairment reviews in respect of goodwill. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Company estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

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4.17 Employee benefits
Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits
Defined contribution plans

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

Defined benefit plans

The Company and its subsidiaries have obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

4.18 Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.19 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

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Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company recognises deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.20 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

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5. Significant accounting judgements and estimates

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

Goodwill

The initial recognition and measurement of goodwill, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Deferred tax assets

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

6. Related party transactions

During the year, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Thousand Baht)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	2017	2016	2017	2016	
Transactions with subsidiaries (eliminated from the consolidated financial statements)					
Management income	-	-	61,751	30,300	Contract price based on cost plus margin
Interest income	-	-	48,463	38,574	At interest rate of 4.5% to 12.625% per annum
Other income	-	-	6,609	-	Contract price based on agreement
Purchase of goods and services	-	-	205	-	Cost plus margin
Financial costs	-	-	115	-	At interest rate of 7.5 per annum

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	Consolidated		Separate		(Unit: Thousand Baht)
	financial statements		financial statements		Transfer pricing policy
	2017	2016	2017	2016	
Transactions with associates					
Management income	936	936	936	936	Contract price based on cost plus margin
Transactions with related companies					
Sales	700	823	-	-	Cost plus margin
Other income	6,506	7,654	6,506	7,462	Contract price based on cost plus margin
Disposal of leasehold improvement and equipment	4,815	-	4,815	-	Contract price based on normal price charged to third party
Purchase of goods and services	24,446	24,130	16,370	8,983	Cost plus margin
Financial cost	7,772	7,772	7,772	7,772	At interest rate of 1% and 7.5% per annum
Transactions with directors					
Sale	38	-	-	-	Cost plus margin
Financial cost	-	604	-	604	At interest rate of 6.8% per annum

The balances of the accounts as at 31 December 2017 and 2016 between the Company and those related parties are as follows:

	Consolidated financial Statements		Separate financial statements	
	2017	2016	2017	2016
Trade and other receivables (Note 8)				
<u>Trade receivables - related parties</u>				
Related companies	177	443	-	-
Directors	-	68	-	-
	177	511	-	-

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			(Unit: Thousand Baht)	
	Consolidated financial Statements		Separate financial statements	
	2017	2016	2017	2016
Other current receivables - related parties				
Subsidiaries	-	-	96,057	34,027
Associates	294	486	294	487
Related companies	10,073	4,166	6,536	4,166
Management	10,129	-	-	-
	20,496	4,652	102,887	38,680
Accrued income - related parties				
Associates	-	-	50	76
Related companies	-	-	-	1,843
	-	-	50	1,919
Receivable from sale of investment - related party				
Subsidiaries	-	-	75,400	75,400
Less: Allowance for doubtful debts	-	-	(75,400)	(52,000)
	-	-	-	23,400
Deposit - related parties				
Related companies	4,335	6,702	-	2,367
Short-term loans to related parties				
Subsidiaries	-	-	721,672	524,520
Less: Allowance for doubtful debts	-	-	(97,512)	(9,519)
	-	-	624,160	515,001
Long-term loans to related party				
Subsidiary	-	-	108,123	101,387
Other payable - related parties (Note 22)				
Related companies	844	741	12	26
	844	741	12	26
Long-term loans from related parties				
Subsidiary	-	-	30,991	-
Related companies	28,610	28,338	28,610	28,338

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	(Unit: Thousand Baht)			
	Consolidated financial Statements		Separate financial statements	
	2017	2016	2017	2016
Related parties				
- Current portion	138,240	-	138,240	-
- Long term loans	-	130,740	-	130,740
	166,850	159,078	197,841	159,078

Loans to related parties/loans from related parties

Loans to/loans from related parties are clean loans. As at 31 December 2017 and 31 December 2016, the balance of loans between the Company and those related parties and the movement are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements			
	Balance as at 1 January 2017	Increase during the year	Change in Classification	Balance as at 31 December 2017
Long-term loans from related parties				
Related companies	28,338	272	-	28,610
Related parties				
- Due within 1 year	-	-	138,240	138,240
- Long-term loans	130,740	7,500	(138,240)	-
Total	159,078	7,772	-	166,850

	(Unit: Thousand Baht)			
	Separate financial statements			
	Balance as at 1 January 2017	Increase during the year	Change in Classification	Balance as at 31 December 2017
Short-term loans to related parties				
Subsidiaries	524,520	197,152	-	721,672
Less: Allowance for doubtful debts	(9,519)	(87,993)	-	(97,512)
Total	515,001	109,159	-	624,160
Long-term loans to related party				
Subsidiary	101,387	6,736	-	108,123

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(Unit: Thousand Baht)

	Separate financial statements		
	Balance as at 1 January 2017	Increase during the year	Change in Classification
			Balance as at 31 December 2017
Long-term loans to related parties			
Subsidiary	-	30,991	-
Related companies	28,338	272	-
Related parties			
- Due within 1 year	-	-	138,240
- Long term loans	130,740	7,500	(138,240)
Total	159,078	38,763	-

The Group has a loan facility from a related company through a line of credit of Baht 30 million. As at 31 December 2017, the Group's outstanding loan and interest payable was Baht 28 million (31 December 2016: Baht 28 million). The loan is unsecured, bears interest at 1% per annum and is due for repayment on call.

As at 31 December 2017, the Company changed in classification borrowing from related parties of Baht 138 million as long-term loan from related parties, due within 1 year in the statement of financial position since such borrowing will be due for repayment on 26 May 2018.

The Company classified borrowings from related company as non-current liabilities due to the fact that the lender agreed not to recall the loans and interest payable in the forthcoming 12 months.

Directors and management's remunerations

During the years ended 31 December 2017 and 2016, the Group had employee benefit expenses payable to their directors and management as below:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Short-term employee benefits	22,891	15,513	22,891	12,995
Post-employment benefits	2	426	2	426
Total	22,893	15,939	22,893	13,421

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7. Cash and cash equivalents

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2017	2016	2017	2016
Cash	3,764	2,703	53	87
Bank deposits	27,872	297,525	1,149	252,573
Total	31,636	300,228	1,202	252,660

As at 31 December 2017, bank deposits in saving accounts carried interest at 0.1-0.9 per annum (2016: 0.1-0.75 per annum).

8. Trade and other current receivables

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2017	2016	2017	2016
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	86	24	-	-
Past due				
Up to 3 months	86	158	-	-
3 - 6 months	5	167	-	-
6 - 12 months	-	158	-	-
Over 12 months	-	4	-	-
Total	177	511	-	-
Less: Allowance for doubtful debts	-	-	-	-
Total trade receivables - related parties, net	177	511	-	-
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	13,783	120	-	-
Past due				
Up to 3 months	203	1,220	-	-
3 - 6 months	195	774	-	-

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	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
			2017	2016
	2017	2016		
6 - 12 months	27	891	-	-
Over 12 months	2,365	4,683	-	-
Total	16,573	7,688	-	-
Less: Allowance for doubtful debts	(2,286)	(3,490)	-	-
Total trade receivables - unrelated parties, net	14,287	4,198	-	-
Total trade receivables - net	14,464	4,709	-	-
Other current receivables				
Other current receivables - related parties	20,496	4,652	102,887	38,680
Other current receivables - unrelated parties	9,980	1,204	442	82
Accrued income	67	5,008	50	2,569
Advances	343	1,306	3,428	85
Revenue Department receivable	12,003	11,484	3,162	2,521
Total	42,889	23,654	109,969	43,937
Less: Allowance for doubtful debts	(3,091)	(772)	(1,797)	(82)
Total other current receivables - net	39,798	22,882	108,172	43,855
Total Trade and other current receivables - net	54,262	27,591	108,172	43,855

9. Short-term loan to unrelated party

As at 31 December 2017 and 31 December 2016, the Group has an outstanding short-term loan to an unrelated party amounting to USD 150,000. The loan is unsecured, with no interest.

10. Receivable from sale of investment

During the current year 2017, the Company's management assessed recoverability of receivable from sale of investment due from Food Planet Inc., which was resulted from a share sell and purchase agreement. Provision on impairment loss on receivable from sales of investment were accounted in the consolidated statement of comprehensive income and the separate of comprehensive income for the year ended 31 December 2017 and 2016 of Baht 36.1 million and 23.4 million, respectively, due to the uncertainty in the amounts and in term of duration expected to be received.

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11. Inventories

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
			2017	2016
	2017	2016	2017	2016
Food and beverages	7,752	6,379	-	-
Food materials	10,721	18,699	-	-
Restaurant operating supplies and others	9,894	11,854	-	-
Goods in transit	1,698	-	-	-
Total	30,065	36,932	-	-
Reduce cost to net realisable value	(1,306)	(1,227)	-	-
Inventories-net	28,759	35,705	-	-

12. Investments in associates

(Unit: Thousand Baht)								
Company's name	Nature of business	Country of incorporation	Consolidated financial statements					
			Percentage of Shareholding (%)		Cost		Carrying amounts based on equity method	
			2017	2016	2017	2016	2017	2016
Associates under Evolution Land Co., Ltd.:								
Andaman Beach Residences Co., Ltd.	Residential real estate Development	Thailand	51.0	51.0	5,218	5,218	-	-
Phang Nga Hotel Co., Ltd.	Hotel real estate development	Thailand	51.0	51.0	5,218	5,218	-	-
Total					10,436	10,436	-	-
Less : Allowance for impairment loss on investment					(10,436)	(10,436)	-	-
Investment in associates - net					-	-	-	-

On 27 December 2017 The Board of Directors Meeting No. 11/2017, has Approved the Company and Evolution Land co., Ltd., a subsidiary, dispose of investment in 2 associated companies to a non-related party, comprising 1) Preferred shares of Andaman Beach Residence Limited of 51,000 shares, and 2) preferred shares of Phang Nga Hotel Co., Ltd. of 51,000 shares at the total price of Baht 10.20 million.

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13. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows:

(Unit: Thousand Baht)

Company's name	Paid-up capital		Percentage of shareholding (%)		Cost	
	2017	2016	2017	2016	2017	2016
Monster Media Co., Ltd.	10,000	10,000	100	100	10,000	10,000
Casa Fico Co., Ltd.	285,000	285,000	92.5*	92.5*	146,377	146,377
Fena Park Co., Ltd.	100,000	100,000	92.5*	92.5*	33,833	33,833
Fenix Iron Fairies Co., Ltd.	4,000	4,000	100	100	141,198	141,198
Evolution Land Co., Ltd.	229,108	229,108	100	100	229,108	229,108
Evolution Holdings Limited	USD 4,675**	USD 4,675**	100	100	146,198	146,198
FC Commissary Co., Ltd.	10,000	10,000	100	100	5,639	5,639
Evolution Foods (Thailand) Co., Ltd.	661,130	661,130	90	90	698,435	698,435
Food Capitals (USA), Inc.	USD 1,000**	-	100	-	35,131	-
G Enterprise & Co Company Limited	125,000	-	100	-	94,754	-
Total					1,540,673	1,410,788
Less Allowance for impairment loss on investment					(665,484)	(268,029)
Investment in subsidiaries - net					875,189	1,142,759

* Included 42.5% indirect stake held through the subsidiary, Evolution Land Co., Ltd.

** USD expressed in thousand

Investment in Evolution Foods (Thailand) Co., Ltd.

During the current year, the Company considered to recognize allowance for impairment loss on Evolution Foods (Thailand) Co., Ltd., of Baht 299 million (2016 : Baht 179 million) , due to the recoverable amount is less than the carrying amount.

Investment in Evolution Land Co., Ltd.

During the current year, the Company considered to recognize allowance for impairment loss on Evolution Land Co., Ltd. of Baht 131 million (2016 : Baht 23 million) , due to the recoverable amount is less than the carrying amount.

Investment in Food Capitals (USA), Inc.

On 18 January 2017, the Company registered the establishment of the subsidiary - Food Capitals (USA), Inc., a limited company, incorporated in the State of Delaware, United States of America, with the registered capital amount of USD 1. Subsequently, on 13 March 2017, Food Capitals (USA), Inc., increased its registered capital to be USD 1,000,000.

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The Company paid for an investment in such subsidiary on 28 April 2017.

Investments in G Enterprise & Co Company Limited

On 24 February 2017, the Company entered into a Share Sale and Purchase Agreement to acquire the entire shares of G Enterprise & Co Company Limited (G Enterprise), comprised of 25,000,000 ordinary shares at the par value of Baht 5 per share, equal to 100% of registered and paid-up capital of G Enterprise from the unrelated existing shareholders with a consideration price of not exceeding Baht 121.81 million. G Enterprise is engaged in restaurant business under tradenames "Chingcha Chalee", "Moommum Park", "Umami Fallabella" and "Pirate Chambre".

As of 25 February 2017, the Company paid the first installment of consideration paid in cash of Baht 29.81 million.

On 6 March 2017, the Company issued newly ordinary shares of 62 million, with a par value of Baht 1 per share, at the offered price each of Baht 1, as part of its consideration paid for an investment in G Enterprise, according to the resolution of the Extraordinary Shareholder's meeting no. 1/2017 held on 28 February 2017. Pursuant to the Share Purchase Agreement, the Company has commitment on share payable of Baht 30 million by way of instalment payment in cash into 30 instalment on a monthly basis of Baht 1 million each, starting in March 2017. The instalment will be made based upon the operation results of G Enterprise in accordance with the agreeable condition as stipulated in the Share Purchase Agreement.

As at 31 December 2017, the Company has commitment on share payable of Baht 20 million.

The book value of net assets of G Enterprise at the acquisition date are as follows:

	(Unit: Thousand Baht)		
	Book Value	Adjustment value	Value of record
Cash and cash equivalents	9,297	-	9,297
Trade and other current receivables	26,122	-	26,122
Inventories	1,215	-	1,215
Other current assets	230	-	230
Building improvement and equipment	35,339	8,095	43,434
Intangible assets	386	55,874	56,260
Other non - current assets	6,821	-	6,821
Deferred tax assets	-	1,094	1,094
Trade payables and other current payables	(38,301)	-	(38,301)
Other current liabilities	(946)	-	(946)
Provision for employee benefit	(4,245)	-	(4,245)
Provision for decommissioning costs	(1,223)	-	(1,223)

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	(Unit: Thousand Baht)		
	Book Value	Adjustment value	Value of record
Deferred tax liabilities	-	(13,391)	(13,391)
Book value of net assets acquired	34,695	51,672	86,367
Total consideration paid	(94,754)	-	(94,754)
Goodwill (Note 18)	60,059	(51,672)	8,387

In accordance with TFRS3, management is required to make a preliminary assessment of the fair values of businesses acquired as at the acquisition date. During the measurement period, which must not exceed one year from the acquisition date, the acquirer shall retrospectively adjust the provisional amounts recognised at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date. Finalisation of the fair values for certain acquisitions of businesses acquired during 2017 is dependent on determination of the ultimate purchase price and completion of the purchase price allocation exercise.

In consideration of fair value of assets from business acquisition in G Enterprise & CO Co., Ltd., the Company has engaged an independent appraiser authorized by the Securities & Exchange Commission (SEC) determined the measurement of the identifiable assets and considered the possibility that the Group received economic benefit reasonably. The Company anticipated that no material changes in the fair value as compared to the fair value on the date of acquisition of business, except of the following assets.

Leasehold improvement and equipment

Fair value of the acquired leasehold improvement and equipment determined by using cost approach based on gross current replacement cost of the asset, then depreciating value to reflect the anticipated effective useful life of the asset from new, the age of the asset and estimated residual value at the end of assets' useful life.

Based upon this valuation approach, total fair value of leasehold improvement and equipment is over than its book value of Baht 8 million.

Intangible assets

The fair value of the acquired intangible assets as a result from the business acquisition representing trademark from operates restaurant business under tradenames "Chingcha Chalee", "Moommum Park", "Umami Fallabella" and "Pirate Chambre". Trademark valuation determined by using income approach based on future projected revenues, calculating by using royalty rates reference to market benchmark under the same industry sector, then discount royalty payment into the present value. Based on this valuation approach, total fair value of trademark is Baht 56 million.

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Investment in Mr. Jones International Company Limited

During the year 31 December 2016, Mr. Jones International Company Limited, a subsidiary, increased its registered share capital from Baht 8 million, divided into 80,000 ordinary shares with a par value of Baht 100 per share to Baht 86 million, divided into 860,000 ordinary shares with a par value of Baht 100 per share. The Company invested in these additional shares, representing 780,000 ordinary shares at Baht 100 per share, totaling Baht 78 million. The additional capital has no effect to the Company's shareholding in that company.

In August 2016, the Company sold all of investments in such subsidiary to third party in the amount of Baht 27 million. As the result, the Group recorded loss on sale of investment in the subsidiary amounting to Baht 2 million in the consolidated statement of comprehensive income and Baht 59 million in the separate statement of comprehensive income for the year ended 31 December 2016. The Company recorded the loss in administrative expenses.

Investment in Casa Fico Co., Ltd. and Fena Park Co., Ltd.

The investment in Casa Fico Co., Ltd. and Fena Park Co., Ltd. has a key condition which is agreed between the Company and the seller in accordance with the sale and purchase agreement dated 14 November 2012, as follows:

- 1) The Group has issued a promissory note as a conditional corporate guarantee in the amount of Baht 100 million to the Srichawla Group as protection against loss of value of the consideration which results from the acquisition of investment in Casa Fico Co., Ltd. and Fena Park Co., Ltd., on 26 November 2012. The guarantee shall be valid for a period of 3 years ending 26 November 2015. The final amount payable under the guarantee shall be adjusted based on the share price of the Company at the end of the guarantee period. However, the principle of this condition is to grant an opportunity for the Group to be free from paying such obligation if the Group's share price is at least equal to Baht 2.00 per share where (a) in the next 3 years from the closing date of the transaction or (b) on the time that the Group decides to sell all shares in Casa Fico Co., Ltd. and Fena Park Co., Ltd. and/or the land/leasehold right owned by these two companies before the end of guarantee period. In that event, such guarantee will be revoked and the Group will not be bound to pay that amount to the Srichawla Group. On the contrary, if the Group's share price is less than Baht 2.00 per share within the specified time, in both (a) and (b) described above, the Group must pay the determined amount in accordance with the calculation method, which is limited to Baht 100 million. The Group estimated that there was no likelihood that the Group would incur such liability at acquisition date.

As of 31 December 2016, the Company has contractual obligation to pay a guarantee payment in full amount of Baht 100 million plus accrued interest in an amount of Baht 31 million under such corporate guarantee and promissory note issued to Srichawla group due to the fact that the Company's share price was failed below Baht 2.00 per share at the end of guarantee period. The Company received a grant from Srichawla group accepted the waiver on a default of the promissory note and agreed to provide the extension of the maturity date of such

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promissory note for a period of 18 months from the original maturity date as from on 26 November 2015 to 26 May 2017 ("the second maturity date").

On 27 February 2017, the Company received a grant from Srichawla group accepted the extension of the maturity date of the promissory note for a period of 12 months from the second maturity date or within 30 days from the date Fena Park Co., Ltd. and Casa Fico Co., Ltd. ("the subsidiaries"), can sell its the land/leasehold right and receive the payment(s) from the buyer in full. As such the maturity date of the promissory note is extended to no longer than 26 May 2018.

The Company, therefore, presented an amount due for payment under promissory note issued to Srichawla group plus accrued interest as long-term loans from related parties in the statement of financial position as of 31 December 2017

- 2) If Casa Fico Co., Ltd. and Fena Park Co., Ltd. have not developed or sold the land or leasehold rights owned by each respective company on 26 November 2017, the Company shall have the right within the exercise period of 60 days (the Exercise Period) to sell all of those shares to Srichawla Group (the Put Option), and Srichawla Group agrees to buy all those shares for a total consideration of Baht 184 million for all shares in Casa Fico Co., Ltd., and Baht 65 million for all shares in Fena Park Co., Ltd.

On 12 December 2017, the Company accepted request made by Srichawla Group to extend the Exercise period of Put Option for another 6 months from the original exercise date which shall be made within 25 January 2018, extended the new exercise period can be made until 25 July 2018. Subsequently, the Board of Directors No. 3/2018 held on 27 February 2018, resolved the Company to exercise its Put Option right and to sell back the shares in those subsidiaries to Srichawla Group. Subject to the approval in Annual General of Shareholders Meeting to be held on 23 April 2018, the Company will be transferred of 50% shares interest in Casa Fico Co., Ltd. and Fena Park Co., Ltd. to Srichawla Group, considered as connected person transaction (as discussed in Note 39.13).

On 21 November 2017, the Board of Directors Meeting No. 9/2017, to consider and approve the entering into the transaction of divestment of Evolution Foods (Thailand) Company Limited.

On 15 December 2017, the Board of Directors Meeting No. 10/2017, to consider and approve the entering into the transaction of divestment of the subsidiaries consists of

1) Fenix Iron Fairies Company Limited

2) FC Commissary Company Limited

The Company will be held the Annual General Meeting of Shareholders to consider and approve the divestment of these subsidiaries on 23 April 2018 (as discussed in Note 39.10).

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14. Other investment

Company's name	Percentage of Shareholding (%)		(Unit: Thousand Baht)	
			Consolidated	
			financial statements	
			Cost	
	2017	2016	2017	2016
Red Planet Hotels (Thailand) Limited	50.9	50.9	3,562	3,562
Red Planet Hotels Two (Thailand) Limited	51.0	51.0	7,140	7,140
Red Planet Hotels Three (Thailand) Limited	51.0	51.0	6,120	6,120
Red Planet Hotels Four (Thailand) Limited	51.0	51.0	4,080	4,080
Red Planet Hotels Five (Thailand) Limited	51.0	51.0	6,120	6,120
Red Planet Hotels Limited	11.3	11.3	567,317	567,317
Total			594,339	594,339
Less : Impairment losses on investment			(347,999)	-
Other investments - Net			246,340	594,339

During the third quarter 2017, the Company recognised loss from devaluation of investment in Red Planet Hotels Limited Group in totaling amount Baht 314.3 million, based on net realizable value from the disposition of investment indicated in Letter of Intent offered from a non-related company.

Subsequently , during the the fourth quarter, 2017, The Company is appointed a financial advisor "Avantgarde Capital Co., Ltd." to conduct the reassessment of investment in Red Planet Hotels Group which valuation report completed in November 2017, by using income approach based on Discounted Cash Flow Method. The Company recognized loss on impairment of investments amount of Baht 33.7 million, presented in administrative expenses.

As at 31 December 2017 and 31 December 2016, the Group has pledged investments in five related companies with three local financial institutions to secure their credit loan facilities as follows:

- 1) Pledged 15,499 preference shares of Red Planet Hotels (Thailand) Limited to secure its credit loan facility of Baht 92 million.
- 2) Pledged 51,000 preference shares of Red Planet Hotels Two (Thailand) Limited to secure its credit loan facility of Baht 72 million.

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- 3) Pledged 50,900 preference shares of Red Planet Hotels Three (Thailand) Limited to secure its credit loan facility of Baht 60 million.
- 4) Pledged 25,500 preference shares of Red Planet Hotels Four (Thailand) Limited to secure its credit loan facility of Baht 95 million.
- 5) Pledged 61,199 preference shares of Red Planet Hotels Five (Thailand) Limited to secure its credit loan facility of Baht 120 million.

The Company also entered into guarantee agreement with such group of financial institutions to secure the related company's credit facilities in the full amount of the outstanding debt (Note 33.4). Consequently, the Company is entitled to receive debt guarantee income from certain related companies.

15. Project development cost in progress

The net book value of project development cost in progress as at 31 December 2017 and 2016 is presented below:

(Unit: Thousand Baht)

	Consolidated financial statements		
	Land	Construction in progress	Total
31 December 2017			
Cost	297,000	46,267	343,267
Less : Allowance for impairment loss	-	(46,267)	(46,267)
Net book value	297,000	-	297,000
31 December 2016			
Cost	297,000	46,267	343,267
Less : Allowance for impairment loss	-	(16,255)	(16,255)
Net book value	297,000	30,012	327,012

Cost of project development cost in progress consists of land and construction in progress of LeamSett project located in Samui , Surat Thani province in which real estate development project owned by a subsidiary – Casa Fico Co.,Ltd. The land valuation assessed by K.K. Valuation Co., Ltd. based on Market Approach report dated 26 September 2017 was Baht 308.9 million.

During the year ended 31 December 2017, the Group had recognized loss on impairment of project development cost in progress amount Baht 30 million (2016 : Baht 11.6 Million).

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16. Investment properties

	(Unit: Thousand Baht)	
	Consolidated financial statements /	
	Separate financial statements	
	2017	2016
Land	54,699	54,699
Project development cost	4,705	4,705
Less: impairment of project development cost	(4,705)	-
Net	54,699	59,404

During the year ended 31 December 2017, the Company had recognized loss on impairment of project development cost of Baht 4.7 million in the consolidated and separate statement of comprehensive income, presented under administrative expenses.

17. Leasehold improvements and equipment

(Unit: Thousand Baht)

	Consolidated financial statements					
	Leasehold improvement	Kitchen equipment	Office equipment	Furniture and fixtures	Motor vehicles	Construction in progress
						Total
Cost:						
31 December 2016	319,246	137,802	58,826	75,681	7,896	1,446
Additions	8,452	15,345	10,170	1,845	-	42,488
Disposals/write-off	(56,713)	(2,674)	(13,315)	(7,970)	(5,967)	(2,433)
Transfers in (out)	45,985	-	-	184	-	(46,169)
Increase due to sale of subsidiary	29,380	13,284	1,729	28,385	7,920	12,406
31 December 2017	346,350	163,757	57,410	98,125	9,849	7,738
Accumulated depreciation:						
31 December 2016	84,285	69,634	29,333	47,863	1,417	-
Depreciation for the year	49,617	27,352	10,379	12,716	1,811	-
Depreciation on disposals/write-off	(23,143)	(2,129)	(11,033)	(6,100)	(5,967)	-
Increase due to sale of subsidiary	8,620	9,533	1,598	22,759	7,160	-
31 December 2017	119,379	104,390	30,277	77,239	4,421	-
Allowance for impairment loss:						
31 December 2016	23,803	581	635	1,747	-	-
Increase during the year	13,322	945	833	437	-	-
Decrease during the year	(9,478)	-	(141)	(374)	-	-
31 December 2017	27,647	1,526	1,327	1,810	-	-
Net book value:						
31 December 2017	199,324	57,841	25,806	19,076	5,428	7,738
Depreciation for the year						
2017 (the balance in selling and administrative expenses)						101,912

	Consolidated financial statements						(Unit: Thousand Baht)	
	Leasehold improvement	Kitchen equipment	Office equipment	Furniture and fixtures	Motor vehicles	Construction in progress	Total	
Cost:								
31 December 2015	355,630	135,502	48,295	72,070	2,417	259	614,173	
Additions	23,618	11,084	7,179	6,066	6,570	45,663	100,180	
Disposals/write-off	(65,200)	(3,506)	(944)	(971)	(1,091)	(5,022)	(76,734)	
Transfers in (out)	31,214	-	6,737	1,503	-	(39,454)	-	
Decrease due to sale of subsidiary	(25,822)	(4,621)	(2,366)	(2,975)	-	-	(35,784)	
Translation adjustment	(194)	(657)	(75)	(12)	-	-	(938)	
31 December 2016	319,246	137,802	58,826	75,681	7,896	1,446	600,897	
Accumulated depreciation:								
31 December 2015	75,638	46,917	21,720	38,563	1,817	-	184,655	
Depreciation for the year	44,794	25,802	8,819	10,980	690	-	91,085	
Depreciation on disposals/write-off	(28,349)	(1,749)	(578)	(635)	(1,090)	-	(32,401)	
Decrease due to sale of subsidiary	(7,814)	(1,308)	(636)	(1,042)	-	-	(10,800)	
Translation adjustment	16	(28)	8	(3)	-	-	(7)	
31 December 2016	84,285	69,634	29,333	47,863	1,417	-	232,532	
Allowance for impairment loss:								
31 December 2015	9,797	581	494	1,374	-	-	12,246	
Increase during the year	35,204	228	166	373	-	-	35,971	
Decrease during the year	(21,198)	(228)	(25)	-	-	-	(21,451)	
31 December 2016	23,803	581	635	1,747	-	-	26,766	
Net book value:								
31 December 2016	211,158	67,587	28,858	26,071	6,479	1,446	341,599	
Depreciation for the year								
2016 (the balance in selling and administrative expenses)								91,085

	Separate financial statements					(Unit: Thousand Baht)	
	Leasehold improvement	Office equipment	Furniture and fixtures	Motor vehicles	Construction in progress	Total	
Cost:							
31 December 2016	21,423	20,838	8,930	6,598	333	58,122	
Additions	205	358	79	-	777	1,419	
Disposals/write-off	(9,709)	(11,355)	(3,831)	(27)	-	(24,922)	
Transfer in (out)	1,110	-	-	-	(1,110)	-	
31 December 2017	13,029	9,841	5,178	6,571	-	34,619	
Accumulated depreciation:							
31 December 2016	1,199	11,923	4,689	405	-	18,216	
Depreciation for the year	3,734	2,353	807	1,095	-	7,989	
Depreciation on disposals/write-off	(2,348)	(10,551)	(3,008)	(27)	-	(15,934)	
31 December 2017	2,585	3,725	2,488	1,473	-	10,271	
Allowance for impairment loss:							
31 December 2016	-	141	373	-	-	514	
Decrease during the year	-	(141)	(373)	-	-	(514)	
31 December 2017	-	-	-	-	-	-	
Net book value:							
31 December 2017	10,444	6,116	2,690	5,098	-	24,348	
Depreciation for the year							
2017 (the balance in administrative expenses)							7,989

	Separate financial statements					(Unit: Thousand Baht)
	Leasehold improvement	Office equipment	Furniture and fixtures	Motor vehicles	Construction in progress	Total
Cost:						
31 December 2015	14,474	12,265	5,012	1,118	-	32,869
Additions	526	2,073	2,637	6,571	29,470	41,277
Disposals/write-off	(14,474)	(237)	(222)	(1,091)	-	(16,024)
Transfer in (out)	20,897	6,737	1,503	-	(29,137)	-
31 December 2016	21,423	20,838	8,930	6,598	333	58,122
Accumulated depreciation:						
31 December 2015	8,755	10,962	4,391	1,118	-	25,226
Depreciation for the year	2,280	1,198	520	378	-	4,376
Depreciation on disposals/write-off	(9,836)	(237)	(222)	(1,091)	-	(11,386)
31 December 2016	1,199	11,923	4,689	405	-	18,216
Allowance for impairment loss:						
31 December 2015	-	-	-	-	-	-
Increase during the year	4,638	141	373	-	-	5,152
Decrease during the year	(4,638)	-	-	-	-	(4,638)
31 December 2016	-	141	373	-	-	514
Net book value:						
31 December 2016	20,224	8,774	3,868	6,193	333	39,392
Depreciation for the year						
2016 (the balance in administrative expenses)						4,376

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As at 31 December 2017, the subsidiaries had office equipment and vehicle under finance lease agreements with net book values amounting to Baht 5 million (2016: 6 million).

As at 31 December 2017 and 2016 certain equipment items have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets amounted to approximately Baht 28 million and Baht 38 million, respectively (The Company only: Baht 2 million and Baht 22 million, respectively).

18. Goodwill

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	2017	2016
Goodwill	308,046	308,046
Increase from acquisition of subsidiary net book values (Note 13)	60,059	-
Decrease change of fair value as at purchasing (Note 13)	(51,672)	-
Goodwill from acquisition of subsidiary during the years	8,387	-
Less: impairment of goodwill	(231,800)	(94,736)
Net	84,633	213,310

Goodwill is resulted from the acquisition of the entire business of Food Group, including Domino's (Thailand) Co., Ltd., CBTL (Thailand) Co., Ltd. and Fenix Iron Fairies Co., Ltd. from Fico Foods Co., Ltd. on 26 November 2012. Goodwill is allocated to the Group's cash-generating units (CGUs) identified according to business segment.

For the purposes of assessing impairment, assets are grouped at the lowest level of each identifiable cash flow (cash-generating unit). The Group recoverable amount assessment is based on cash flow projection of business plan prepared by management.

Key assumptions used in the recoverable amount assessment include:

	2017	2016
EBITDA margin ¹	3.1%-27.0%	0.3% - 28.0%
Growth rate ²	4.0%	0.0%
Discount rate ³	9.0%	9.0%

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¹Budgeted stabilised EBITDA margin.

²Weighted average growth rate used to extrapolate cash flows beyond the budget period.

³Post-tax discount rate applied to the cash flow projections.

Management determined budgeted gross margin based on past performance and its expectations of market development. The discount rates used reflect specific risks relating to the relevant segments.

Based on the assessment of the value of goodwill in the year 2015, the management has considered that there are changes in circumstances indicate that the allocated goodwill to CBTL (Thailand) Co., Ltd. totaling Baht 95 million has potential impairment. The management assessed that the recoverable amount of this cash-generating unit is less than the carrying amount therefore impairment loss of Baht 51 million was recognised in the statement of comprehensive income for the year ended 31 December 2015.

However, based on the change in business plan as at 31 December 2016, the Group's management considered that there is an indication that the allocated goodwill to CBTL (Thailand) Co., Ltd. may be impaired. The recoverable amount of this cash-generating unit is reassessed and the Group found that such recoverable amount is less than previously assessment. Therefore, impairment loss on goodwill of Baht 44 million was recognised in the consolidated statement of comprehensive income for the year ended 31 December 2016 to reflect the recoverable amount based on the current circumstances.

Goodwill increased during the years - net of fair value adjustment as resulted from the acquisition of G Enterprise & Co Company Limited (G Enterprise), the management is expected that the Company will receive benefit from such acquisition due to leading operate in restaurant business and good performance based results, including the growth of business's opportunity in the future.

During the year ended 31 December 2017, the management has assessed to the value of goodwill which allocated to Domino's (Thailand) Co., Ltd. and Fenix Iron Fairies Co., Ltd. may be impaired. Based on the change of circumstances and business plan, management assessed that the recoverable amount of this cash-generating unit is less than the carrying amount, therefore impairment loss of Baht 84.5 million and Baht 52.6 million respectively, was recognized in the consolidated statement of comprehensive income for the year ended 31 December 2017 to reflect the recoverable amount based on the current circumstances and business plan.

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19. Intangible assets

The net book value of intangible assets as at 31 December 2017 and 2016 is presented below:

(Unit: Thousand Baht)

	Consolidated financial statements					Total
	Franchise	Trademark	Customer loyalty	Computer software	Intangible assets under development	
Cost						
31 December 2016	64,718	-	4,861	27,369	326	97,274
Additions	3,321	-	-	2,924	4,028	10,273
Disposals	(288)	-	-	(5,869)	-	(6,157)
Transfer in (out)	-	-	-	3,080	3,080	-
Increase from purchase of subsidiaries	-	55,874	-	975	-	56,849
31 December 2017	67,751	55,874	4,861	28,479	1,274	158,239
Accumulated amortisation						
As at 31 December 2016	25,367	-	959	13,061	-	39,387
Amortisation for the year	6,879	4,679	464	4,206	-	16,228
Disposals	(155)	-	-	(5,810)	-	(5,965)
Increase from purchase of subsidiaries	-	-	-	589	-	589
31 December 2017	32,091	4,679	1,423	12,046	-	50,239
Allowance for impairment loss						
31 December 2016	1,578	-	-	24	-	1,602
Increase (Decrease)	4,352	-	-	(24)	-	4,328
31 December 2017	5,930	-	-	-	-	5,930
Net book value						
31 December 2016	37,773	-	3,902	14,284	326	56,285
31 December 2017	29,730	51,195	3,483	16,433	1,274	102,070

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(Unit: Thousand Baht)

	Consolidated financial statements				
	Franchise	Customer loyalty	Computer software	Intangible assets under development	Total
Cost					
31 December 2015	61,663	4,861	18,439	4,324	89,287
Additions	4,800	-	1,015	5,298	11,113
Disposals	(1,745)	-	-	-	(1,745)
Transfer in (out)	-	-	9,294	(9,294)	-
Sale of subsidiary	-	-	(1,379)	-	(1,379)
Translation adjustment	-	-	-	(2)	(2)
31 December 2016	64,718	4,861	27,369	326	97,274
Accumulated amortisation					
As at 31 December 2015	18,132	523	11,760	-	30,415
Amortisation for the year	7,320	475	1,886	-	9,681
Disposals	(128)	-	-	-	(128)
Sale of subsidiary	-	-	(622)	-	(622)
Translation adjustment	43	(39)	37	-	41
31 December 2016	25,367	959	13,061	-	39,387
Allowance for impairment loss					
31 December 2015	273	-	-	-	273
Increase (Decrease)	1,305	-	24	-	1,329
31 December 2016	1,578	-	24	-	1,602
Net book value					
31 December 2015	43,258	4,338	6,679	4,324	58,599
31 December 2016	37,773	3,902	14,284	326	56,285

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(Unit: Thousand Baht)			
Separate financial statements			
	Computer software	Intangible assets under development	Total
Cost			
31 December 2016	18,116	328	18,444
Additions	-	1,456	1,456
Disposals	(5,869)	-	(5,869)
Transfer in (out)	510	(510)	-
31 December 2017	12,757	1,274	14,031
Accumulated amortisation			
31 December 2016	9,218	-	9,218
Amortisation for the year	2,104	-	2,104
Disposals	(5,844)	-	(5,844)
31 December 2017	5,478	-	5,478
Allowance for impairment loss			
31 December 2016	24	-	24
Decrease	(24)	-	(24)
31 December 2017	-	-	-
Net book value			
31 December 2016	8,874	328	9,202
31 December 2017	7,279	1,274	8,553

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(Unit: Thousand Baht)			
Separate financial statements			
	Computer software	Intangible assets under development	Total
Cost			
31 December 2015	8,822	4,324	13,146
Additions	-	5,298	5,298
Transfer in (out)	9,294	(9,294)	-
31 December 2016	18,116	328	18,444
Accumulated amortisation			
31 December 2015	8,758	-	8,758
Amortisation for the year	460	-	460
31 December 2016	9,218	-	9,218
Allowance for impairment loss			
31 December 2015	-	-	-
Increase	24	-	24
31 December 2016	24	-	24
Net book value			
31 December 2015	64	4,324	4,388
31 December 2016	8,874	328	9,202

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20. Leasehold right of land

Movements of leasehold right of land account for the years ended 31 December 2017 and 2016 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cost	185,749	185,749	82,449	82,449
<u>Less</u> Accumulated amortisation	(47,067)	(40,285)	(26,332)	(23,584)
<u>Less</u> Allowance for impairment	(6,000)	(6,000)	(3,500)	(3,500)
Net book value	132,682	139,464	52,617	55,365
Net book value at beginning of year	139,464	146,232	55,365	58,091
Amortisation	(6,782)	(6,768)	(2,748)	(2,726)
Net book value at ending of year	132,682	139,464	52,617	55,365

There are 2 leasehold rights of land on Samui Island for which the management has conducted a feasibility analysis for future real estate development projects or resale for profit.

Leasehold right of land is amortised by the straight-line method over the land lease period of 30 years. Under the lease agreement, buildings and building improvements constructed on the leasehold land will be transferred to the lessor at the end of the lease agreement.

21. Overdraft

The Company has overdrafts with a commercial bank in the line of credit of Baht 30 million, As at 31 December 2017, the outstanding overdrafts is Baht 26.9 million. The company's overdrafts is unsecured, bears interest at MOR per annum.

As at 31 December 2016, the subsidiaries has overdrafts with a commercial bank in the line of credit of Baht 2 million. As at 31 December 2016, the outstanding overdrafts was Baht 1.9 million, bears interest at MOR per annum. The subsidiaries' overdrafts has been cancelled in 2017.

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22. Trade and other payables

			(Unit: Thousand Baht)	
	Consolidated		Separate	
	financial statements		Financial statements	
	2017	2016	2017	2016
Trade and other current payables	124,960	94,767	11,437	7,978
Other payables - related parties	844	741	12	26
Accrued expenses	33,232	29,373	3,046	12,314
Accrued interest expenses	5,030	5,030	5,030	5,030
Total trade and other payables	164,066	129,911	19,525	25,348

23. Debentures

Pursuant to the Extraordinary General Meeting of Shareholder No. 1/2016 of the Company held on 14 June 2016 resolved the issuance of the debentures in an amount of not exceeding Baht 1,300 million for the purpose to finance the expansion of the Company's business.

On 11 August 2016, the Company issued Baht 600 million of 1 year and 9 months unsecured debentures (600,000 units with a face value of Baht 1,000 each) and the principal will be redeemed on 11 May 2018. The debentures bear interest at a fixed rate of 6.00 percent per annum, payable every 3 months throughout the life of the debentures.

Movements in the debenture account during the years ended 31 December 2017 were summarised below:

	(Unit: Thousand Baht)	
	Consolidated financial	
	statements /	
	Separate financial	
	statements	
Balance as at 1 January 2017		600,000
Amortisation of deferred debenture issuing cost		12,109
Less: Deferred debenture issuing costs		(15,232)
Balance as at 31 December 2017		596,877

The issuance of debenture contains specified some covenants such as maintain debt-to-equity ratio at all times.

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24. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2017	2016	2017	2016
Provisions for long-term employee at beginning of year	1,946	2,291	1,305	1,094
Included in profit or loss:				
Current service cost	3,326	1,027	2,148	1,096
Interest cost	135	73	39	53
Reversed during the year	(1,919)	-	(1,919)	-
Increase from purchase of subsidiary	4,245	-	-	-
Included in other comprehensive income:				
Actuarial gains arising from				
Demographic assumptions changes	-	(122)	-	(44)
Financial assumptions changes	-	270	-	174
Experience adjustments	-	(1,593)	-	(1,068)
Benefits paid during the year	-	-	-	-
Provisions for long-term employee benefits at end of year	7,733	1,946	1,573	1,305

All expenses of long-term employee benefit are included in selling and administrative expenses.

As at 31 December 2017, the weighted average duration of the liabilities for long-term employee benefit is 11 years (separate financial statements: 11 years) (2016: consolidated financial statements: 11 years, separate financial statements: 11 years).

Significant actuarial assumptions are summarised below:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	%	%	%	%
Discount rate	2.7 to 3.0	3.0	3.0	3.0
Salary increase rate	3.0 to 8.0	3.0 to 8.0	3.0 to 8.0	3.0 to 8.0
Turnover rate	25	25	25	25

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The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2017 are summarised below:

			(Unit: Thousand Baht)	
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(736)	836	(225)	250
Salary increase rate	780	(701)	247	(226)

As of 31 December 2016 as follows:

			(Unit: Thousand Baht)	
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(140)	160	(84)	94
Salary increase rate	157	(141)	92	(84)

25. Share capital

Share capital have changed for the year ended 31 December 2017 as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements / Separate financial statements			
	Share Capital Registered	Issued and Paid-up capital	Share premium	Share discount On business acquisition
As at 1 January 2017	2,887,154	1,959,307	519,529	(120,020)
Share capital decrease	(296,542)	-	-	-
Share capital increase	587,792	-	-	-
Issued share capital	-	177,153	(51,819)	(24,800)
As at 31 December 2017	3,178,404	2,136,460	467,710	(144,820)
As at 1 January 2016	2,887,154	1,959,269	519,510	-
Issue share of warrants	-	38	19	-
As at 31 December 2016	2,887,154	1,959,307	519,529	-

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On 2 February 2016, the Company received payment for the exercise of warrants to purchase the Company's ordinary shares No. 4 ("FC-W4") as detailed below:

Date of exercise	Quantity of exercised warrants (Units)	Conversion ratio (Warrant : share)	Ordinary shares issued for exercised warrants (Shares)	Exercise price (Baht)	Date that the Stock Exchange of Thailand approved ordinary shares as listed securities
2 February 2016	376,200	10 : 1	37,615	1.50	24 February 2016

The Company registered the increase in the issued and paid-up capital from Baht 1,959,269,063, divided into 1,959,269,063 ordinary shares with a par value of Baht 1 per share to the new issued and paid-up capital of Baht 1,959,306,678, divided into 1,959,306,678 ordinary shares with a par value of Baht 1 per share with the Ministry of Commerce on 17 February 2016.

The Extraordinary General Meeting of Shareholders No. 1/2017 held on 28 February 2017 has resolved on the following matters:

- 1) Approved the decrease of the registered capital of the Company from Baht 2,887,153,921 to Baht 2,590,611,678 by cancelling the Company's registered ordinary shares reserved for (1) the adjustment of rights for warrants to purchase ordinary shares of the Company No. 1 (FC-W1) of 21,738,529 shares with a par value of Baht 1 per share, (2) the adjustment of rights for warrants to purchase ordinary shares of the Company No. 2 (FC-W2) of 15,397,059 shares with a par value of Baht 1 per share (3) reserved for the exercise of warrants to purchase ordinary shares of the Company No. 3 (FC-W3) in the number of 38,903,891 shares with a par value of Baht 1 per share, and (4) reserve for the exercise of warrants to purchase ordinary shares of the Company No. 4 (FC-W4) in the number of 220,502,764 shares with a par value of Baht 1 per share due to the expiration of the exercise period of warrants to purchase ordinary shares of FC-W3 and FC-W4. Following the capital decrease, the Company's registered capital shall be equivalent to Baht 2,590,611,678 and the paid-up capital shall be equivalent to Baht 1,959,306,678. The portion of the capital which has not been paid-up is reserved for the exercise of FC-W1 and FC-W2.
- 2) Approved the capital increase up to Baht 587,792,002 from Baht 2,590,611,678 to Baht 3,178,403,680 by issuing of the newly issue ordinary shares of Baht 587,792,002 with a par value of Baht 1 per share to reserve for the General Mandate. The Board of Directors have been received the authorization to determine details and conditions of the issue and offer of newly issued ordinary shares, including authority to sign any related documents and agreements, perform any action necessary and appropriate for the issue and offer of newly issued ordinary shares, and register the newly-issued ordinary shares as listed securities with the Stock Exchange of Thailand.

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- 3) Approved the allocation of the newly issue share of up to 587,792,002 shares with a par value of Baht 1 per share under the General Mandate which will be allotted to (1) allotment of newly issued ordinary shares not exceeding 391,861,335 shares (20% of the Company's paid-up capital on the date that the Board of Directors resolves to increase capital under a general mandate) to the existing shareholders; and (2) allotment of newly issued ordinary shares of not exceeding 195,930,667 shares (10% of the Company's paid-up capital on the date that the Board of Directors resolves to increase capital under a general mandate) to specific persons. The Board of Directors is authorized to consider and determine whether share allocation shall be made once or several time and whether shares shall be offered to any group before others or offered to all groups together at the same time, and to determine offer price, offer period, and other details and conditions relating to the allotment of newly issued shares. The Company shall completely allocate the newly issued shares either by the date of the next annual general meeting or by the date required by law to hold the next annual general meeting, whichever occurs earlier. Following the allotment of newly-issued shares under (1) and (2) above, the total increase in paid-up capital must not be more than 30% of paid-up capital as of the date that the Company's Board of directors approved the capital increase or not exceeding 587,792,002 shares.

The Board Meeting No. 2/2017 held on 1 March 2017 has also resolved the allotment of newly issued shares as follows:

- 1) Approved the allotment of newly issued ordinary shares of the Company of not exceeding 391,861,335 shares at the par value of Baht 1 per share to the existing shareholders of the Company proportionally (Rights Offering) at the subscription ration of 5 existing ordinary shares to 1 newly issued ordinary shares where the existing shareholders have the right to subscribe newly issued ordinary shares proportionally according to such subscription ratio. The existing shareholders may oversubscribe for the newly issued ordinary shares.
- 2) Approved the allocation of newly issued shares of 62,000,000 shares with the par value at 1 Baht each to the private placement the existing shareholders of G Enterprise & Co Company Limited have sold the entire business of G Enterprise & Co Company Limited to the Company and on 1 March 2017, the Company and the existing shareholders as the seller of G Enterprise & Co Company Limited have amended the payment method of second installment of Baht 62 million by offering newly issued shares of the Company to the existing shareholders as the representative of the existing shareholders of G Enterprise & Co Company Limited instead of the payment by way of cash in accordance with the amendment of the share purchase agreement between the Company and the existing shareholders of G Enterprise & Co Company Limited as the seller.

On 9 March 2017, the Company registered a decrease of share capital with the Ministry of Commerce from Baht 2,887.1 million, divided into 2,887,153,921 ordinary shares with a par value of Baht 1 per share to Baht

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2,590.6 million, divided into 2,590,611,678 ordinary shares with a par value of Baht 1 per share.

Subsequently, on 10 March 2017, the Company registered an increase of share capital with the Ministry of Commerce from Baht 2,590.6 million, divided into 2,590,611,678 ordinary shares with a par value of Baht 1 per share to Baht 3,178.4 million, divided into 3,178,403,680 ordinary shares with a par value of Baht 1 per share.

The Company issued 62,000,000 new ordinary shares at a price of Baht 1.00 per share, equivalent to fair value at Baht 0.60 per share at the date of shares issued, totalling of Baht 37.2 million for the second instalment consideration paid in relation to acquisition of G Enterprise & Co Company Limited instead of cash. Share discount on business acquisition were accounted of Baht 24.8 million. The Company registered the increase in the issued and paid-up capital from Baht 1,959.3 million, divided into 1,959,306,678 ordinary shares with a par value of Baht 1 per share, to the new issued and paid-up capital of Baht 2,021.3 million, divided into 2,021,306,678 ordinary shares with a par value of Baht 1 per share, with the Ministry of Commerce on 20 March 2017.

On 7 April 2017, there were subscriptions of the Right Offering Shares of 115,153,598 shares at Baht 0.55 per share, totaling Baht 63.3 million in accordance with the resolution of the Extraordinary General Meeting of Shareholders No. 1/2017. Discount on ordinary shares were accounted in the amount of Baht 51.8 million from the issuance of the Right Offering Shares. The Company registered the increase in the issued and paid-up capital from Baht 2,021 million, divided into 2,021,306,678 ordinary shares with a par value of Baht 1 per share, to the new issued and paid-up capital of Baht 2,136 million, divided into 2,136,460,276 ordinary shares with a par value of Baht 1 per share. The Company registered such change in issued and paid-up capital with the Ministry of Commerce on 11 April 2017.

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26. Warrants

As at 31 December 2017, the Company's warrants are as follows:

Type of warrant	Exercise price per share	Exercise ratio (Warrant : share)	Number of warrants outstanding as at 1 January 2017	Number of warrants exercised during the year	Number of warrants outstanding as at 31 December 2017	Term of warrant
FC-W1 ⁽¹⁾	1.408	1 : 1.065	347,000,000	-	347,000,000	23 December 2010 - 22 December 2020
FC-W2	2.00	1 : 1.00	261,750,000	-	261,750,000	9 January 2013 - 22 December 2020
FC-W4(2)	1.50	10 : 1.00	2,205,403,790	(376,200)	-	End of Exercise Period

⁽¹⁾The Company adjusted for the exercise price and conversion ratio of FC-W1 effective from 3 December 2012

⁽²⁾ FC-W4 was expired on 2 February 2016.

During the year ended 31 December 2017, there are no warrants exercised for FC-W1 and FC-W2.

The Stock Exchange of Thailand has changed warrants symbol to conform with the change in the Company's symbol with effective from 28 June 2016.

27. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5% of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered share capital. The statutory reserve is not available for dividend distribution.

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28. Expenses by nature

Significant expenses by nature are as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2017	2016	2017	2016
Salary and wages and other employee benefits	283,097	259,518	69,230	39,892
Depreciation and amortization	124,883	110,944	12,843	10,971
Rental and service expenses from operating lease agreements	159,048	153,395	13,690	7,956
Professional fees	43,018	26,342	30,718	19,596
Advertising and promotional expenses	30,203	27,333	-	-
Bad debts and doubtful accounts	36,114	54,148	113,109	57,598
Impairment loss on investment	347,999	-	397,456	201,800
Impairment loss on assets	38,742	27,687	4,191	514
Impairment loss on goodwill	137,064	43,736	-	-
Raw materials and consumables used	247,477	233,490	-	-
Loss on sale of investment in subsidiary	-	2,294	-	59,000

29. Income tax

Income tax expenses for the years ended 31 December 2017 and 2016 are made up as follows:

	Consolidated		(Unit: Baht)	
	financial statements		Separate	
	2017	2016	2017	2016
Current income tax:				
Current income tax charge	-	-	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(11,566)	(13,315)	-	-
Income tax expense (revenue) reported in the statements of comprehensive income	(11,566)	(13,315)	-	-

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Reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the years ended 31 December 2017 and 2016.

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2017	2016	2017	2016
Accounting loss before tax	(992,368)	(467,991)	(586,170)	(350,795)
Applicable tax rate of the Company	3% and 20%	3% and 20%	20%	20%
Accounting loss before tax multiplied by applicable tax rate	(198,473)	(93,598)	(117,234)	(70,159)
Effects of preparing the consolidated financial statements	86,896	(2,638)	-	-
Share of (gain) loss from investments in associates and joint ventures	-	153	-	-
Effect of different tax rate	9,062	10,969	-	-
Proceeds from sale of investment in subsidiary	-	5,567	-	-
Deferred tax assets for which have not been recognised during the year because future taxable profits may not be sufficient	75,969	54,088	113,843	66,890
Effects of:				
Non-deductible expenses	14,980	12,144	3,391	3,269
Income tax expenses (revenue) reported in the statement of comprehensive income	(11,566)	(13,315)	-	-

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The components of deferred tax assets and deferred tax liabilities are as follows:

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2017	2016	2017	2016
Deferred tax assets				
Provision for reinstatement cost	3,584	3,031	-	-
Provision for long-term employee benefits	1,229	128	-	-
Fair value adjustment arising on business combination	121	208	-	-
Unused tax loss	18,396	18,985	-	-
Total	23,330	22,352	-	-
Deferred tax liabilities				
Other investment	2,709	12,338	-	-
Fair value adjustment arising on business combination	17,998	6,659	-	-
Total	20,707	18,997	-	-

As at 31 December 2017 and 2016, the Group has deductible temporary differences and unused tax losses totaling Baht 2,649 million and Baht 981 million, respectively (the Company only: Baht 1,149 million and Baht 153 million respectively), on which deferred tax assets have not been recognised as the Company believes future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

As at 31 December 2017, the unused tax losses amounting to Baht 1,258 million will expire by 2022 (2016: Baht 930 million will expire by 2021).

30. Earnings per share

Basic earnings per share is calculated by dividing profit (loss) for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share is calculated by dividing profit (loss) for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year plus the weighted average number of ordinary shares which would need to be issued to convert all

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dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued.

The following table sets forth the computation of basic earnings per share and diluted earnings per share:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Loss for the year from continuing operations	(941,364)	(423,361)	(586,170)	(350,795)
Loss for the year from discontinued operations	(1,964)	-	-	-
Loss attributable to equity holders of the Company	(943,328)	(423,361)	(586,170)	(350,795)
Ordinary share (Beginning)	1,959,307	1,959,269	1,959,307	1,959,269
Issue of Ordinary Shares-weighted average in during year	134,733	38	134,733	38
Weighted average number of ordinary shares	2,094,040	1,959,307	2,094,040	1,959,307
Basic earnings per share for equity holder of company (Baht/share)	(0.450)	(0.220)	(0.280)	(0.180)
Basic earnings per share for continuing operations (Baht/share)	(0.450)	(0.220)	(0.280)	(0.180)

There is no disclosure of diluted earnings per share for the year ended 31 December 2017 and 2016 since the exercise price of the warrants was higher than the average market price of the ordinary shares.

31. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

For management purposes, the Group is organised into business units based on their products and services and during the current year, the Group has changed the organisation of their reportable segments by discontinued operation of wireless value added service and interactive solution and internet based information services.

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At present, the Group has three reportable segments as follows.

- 1) Food and beverage operations
- 2) Business advisory services, investment and property development consulting services
- 3) Property development

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements. However, the Group financing activities (including finance costs) and income taxes are managed on a Group basis and are not allocated to operating segments.

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Revenue and profit information regarding the Group's operating segments for years ended 31 December 2017 and 2016 are as follows.

(Unit: Thousand Baht)

	For the years ended 31 December							
	Food and beverage operations		Business advisory services, investment and property development consulting services		Property development		Consolidation	
	2017	2016	2017	2016	2017	2016	2017	2016
Revenue from sales and advisory income	695,937	672,308	7,063	11,281	-	-	703,000	683,589
Cost of sales	(254,322)	(252,865)	-	-	-	-	(254,322)	(252,865)
Gross profit	441,615	419,443	7,063	11,281	-	-	448,678	430,724
Other income	7,347	15,431	10,003	14,074	814	89	18,164	29,594
Selling and administrative expenses	(584,173)	(560,867)	(665,507)	(210,183)	(36,387)	(18,057)	(1,286,067)	(789,107)
Share of profit from investments in associates	-	763	-	-	-	-	-	763
Loss before depreciation and amortisation, financial costs and income tax	(135,211)	(125,230)	(648,441)	(184,828)	(35,573)	(17,968)	(819,225)	(328,026)
Depreciation and amortisation	(98,721)	(97,143)	(22,024)	(7,551)	(4,138)	(4,145)	(124,883)	(108,839)
Loss before financial costs and income tax	(233,932)	(222,373)	(670,465)	(192,379)	(39,711)	(22,113)	(944,108)	(436,865)
Financial costs							(46,295)	(31,126)
Loss before income tax revenue							(990,403)	(467,991)
Income tax revenue							11,565	13,315
Loss for the year from continuing operations							(978,838)	(454,676)

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Geographic information

	(Unit: Thousand Baht)			
	Revenue*		Non-current assets**	
	2017	2016	2017	2016
Thailand	601,469	593,919	732,352	1,137,420
Cambodia	94,468	78,389	63,784	62,063
Others	7,063	11,281	219,318	630,452
Total	703,000	683,589	1,015,454	1,829,935

* Revenue from external customers is based on locations of the customers.

** Non-current assets other than financial instruments, deferred tax assets, net defined benefit assets and rights arising under insurance contracts.

Information of major customers

For the years ended 31 December 2017 and 2016, the Group has no major customer with revenue of 10% or more of an entity's revenues.

32. Provident fund

The Group and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Group contributed to the fund monthly at the rates of 3% - 8% of basic salary (2016: at the rates of 3% - 8% of basic salary). The fund, which is managed by Tisco Asset Management Limited and TMB Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2017 amounting to approximately Baht 1.8 million (2016: Baht 2 million) were recognised as expenses.

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33. Commitment and contingent liabilities

33.1 Capital commitments

As at 31 December 2017, two subsidiaries have commitments in respect of technical assistance, design and structural work of project construction in progress in accordance with the terms and conditions outlined in the agreement amounting to Baht 76 million (31 December 2016: Baht 76 million).

33.2 Operating lease and service commitments

The Group entered into several operating leases agreements in respect of the lease unit of building for offices and restaurants, office equipment and related service agreements. The terms of the agreements are generally between 1 to 10 years. In addition, there are operating lease of land agreements for a contract period of 28 to 30 years.

Future minimum lease payments required under these operating leases contracts and service agreements were as follows:

		(Unit: Million Baht)			
		Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Land lease payable:					
In up to 1 year		6.6	6.3	0.4	0.4
In over 1 up to 5 years		26.8	26.5	1.7	1.7
In over 5 years		114.3	121.3	3.7	4.1
		(Unit: Million Baht)			
		Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
		Baht	USD	Baht	Baht
Building and equipment lease payable:					
In up to 1 year		105.5	0.4	91.1	0.4
In over 1 up to 5 years		52.9	0.9	68.1	0.9
In over 5 years		-	0.4	-	0.1

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33.3 Commitment related to franchise agreements

- a) Domino's (Thailand) Company Limited (a subsidiary) entered into a franchise agreement with Domino's Pizza International, LLC. This franchise right provides the subsidiary with the exclusive right to operate the restaurant within Thailand. The subsidiary is committed to pay franchise fee and royalty fee as stipulated in the franchise agreement date 10 May 2012.
- b) CBTL (Thailand) Company Limited (a subsidiary) entered into a franchise agreement with CBTL Franchising, LLC. This franchise right provides the subsidiary with the exclusive right to operate the restaurant within Thailand. The subsidiary is committed to pay franchise fee and royalty fee as stipulated in the franchise agreement date 15 July 2011.
- c) Kyochon Company Limited (a subsidiary) entered into a franchise agreement with Kyochon F&B Company Limited in Korea. This franchise right provides the subsidiary with the exclusive right to operate the restaurant within Thailand, Laos, Cambodia and Myanmar under trademark "Kyochon". The subsidiary is committed to pay franchise fee and royalty fee as stipulated in the franchise agreement date 1 October 2013.
- d) D. Pizza Plc. (a subsidiary) entered into a franchise agreement with Domino's Pizza International, LLC. This franchise right provides the subsidiary with the exclusive right to operate the restaurant within Cambodia. The subsidiary is committed to pay franchise fee and royalty fee as stipulated in the franchise agreement date 4 December 2014.

33.4 Guarantees

As at 31 December 2017, the Company has contingency liabilities in respect of debt guarantees to three local financial institutions. The Company, as a guarantor, shall commit to guarantee the satisfaction and discharge of any and all debts, liabilities and obligations of any kind owing at the date or thereafter from the principal to the financial institution under the credit facility incurred by the related companies, Red Planet Hotels (Thailand) Limited, Red Planet Hotels Two (Thailand) Limited, Red Planet Hotels Three (Thailand) Limited, Red Planet Hotels Four (Thailand) Limited and Red Planet Hotels Five (Thailand) Limited in the facility amount of Baht 92 million, Baht 72 million, Baht 60 million, Baht 95 million and Baht 120 million, respectively. The Company receives a debt guarantee from Red Planet Hotels Limited, an related company, incorporated in the Cayman Islands, committing to guarantee all obligations by the Company to five related companies in addition to indemnities and warranties to the Company.

FOOD CAPITALS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS****31 DECEMBER 2017****33.5 Litigations**

On 28 August 2015, a company as the plaintiff filed an arbitral dispute against the Company to claim for the outstanding service fee amount of Baht 1 million, including the penalty interest at the rate of 15% per annum. The Company filed the statement of defense that such plaintiff failed to comply with the agreement. On 2 October 2017, the company paid total of Baht 0.87 million as in accordance with compromise agreement which was agreed by both parties.

As of 31 December 2017, the Company and its subsidiaries have no any litigations or unresolved litigations cases from its regular business operations.

34. Fair value hierarchy

As at 31 December 2017, the Group had the assets that were measured at fair value using different levels of inputs as follows.

	(Unit: Million Baht)			
	Consolidated financial statements			
	Level 1	Level 2	Level 3	Total
Assets for which fair value are disclosed				
Investment properties	-	55	-	55

35. Financial instrument**35.1 Financial risk management**

The Group's financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade accounts receivable, loans, investments, trade accounts payable and short-term and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group is exposed to credit risk primarily with respect to trade and other receivables and loans. The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Group does not have high concentrations of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of receivables and loans as stated in the statement of financial position.

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Interest rate risk

The Group's exposure to interest rate risk relates primarily to its cash at banks, loans and borrowings with interest. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

Significant financial assets and liabilities classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

Consolidated financial statements as at 31 December 2017						
	Fixed interest rate		Floating interest rate	Non-interest bearing	Total	Interest rate
	Within 1 year	1-5 years				
	(Million Baht)					(% p.a.)
Financial assets						
Cash and cash equivalents	-	-	28	3	31	0.1% - 0.5%
Trade and other receivables	-	-	-	47	47	-
Short-term loan to unrelated party	-	-	-	5	5	-
	-	-	28	55	83	
Financial liabilities						
Bank overdraft	-	-	27	-	27	MOR
Trade and other payables	-	-	159	-	159	-
Payables from investment	11	8	-	-	19	6.1%
Debentures	597	-	-	-	597	6.0%
Short-term loans from unrelated parties	8	-	-	-	8	7.5% , 15%
Liabilities under finance lease agreements	1	3	-	-	4	5.05%
Long-term loans from related parties	138	28	-	-	166	1%, 7.5%
	755	39	186	-	980	

FOOD CAPITALS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS****31 DECEMBER 2017****Consolidated financial statements as at 31 December 2016**

	Fixed interest rate		Floating	Non-		Interest
	Within	1-5	interest	interest		rate
	1 year	years	rate	bearing	Total	(% p.a.)
	(Million Baht)					
Financial assets						
Cash and cash equivalents	-	-	297	3	300	0.1 - 0.75%
Trade and other receivables	-	-	-	11	11	-
Accrued income	-	-	-	5	5	-
Short-term loan to unrelated party	-	-	-	5	5	-
Restricted bank deposits	-	-	-	36	36	-
	-	-	297	60	357	
Financial liabilities						
Bank overdraft	-	-	2	-	2	MOR
Trade and other payables	-	-	-	130	130	-
Short-term loans from unrelated parties	4	-	-	-	4	7.5%, 15%
Debentures	-	588	-	-	588	6%
Liabilities under finance lease agreements	1	4	-	-	5	5.05%
Long-term loans from related parties	-	159	-	-	159	1%, 7.5%
	5	751	2	130	888	

Separate financial statements as at 31 December 2017

	Fixed interest rate		Floating	Non-		Interest
	Within	1-5	interest	interest		rate
	1 year	years	rate	bearing	Total	(% p.a.)
	(Million Baht)					
Financial assets						
Cash and cash equivalents	-	-	1	-	1	0.1-7.5%
Trade and other receivables	-	-	-	106	106	-
Short-term loan to related parties						7.5%, MLR-3%, 3.85-3.975%, MLR+0.5%, MLR+1%
	624	-	-	-	624	
Long-term loans to related parties	-	108	-	-	108	12.5-12.625%
	624	108	1	106	839	
Financial liabilities						
Bank overdraft	-	-	27	-	27	MOR
Trade and other payables	-	-	14.5	-	14.5	-

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Separate financial statements as at 31 December 2017

	Fixed interest rate		Floating	Non-		
	Within	1-5	interest	interest		Interest
	1 year	years	rate	bearing	Total	rate
	(Million Baht)					(% p.a.)
Payables from investment	11	8	-	-	19	6.1%
Debentures	597	-	-	-	597	6.0%
Liabilities under finance lease agreements	1	3	-	-	4	5.05%
Long-term loans from related parties	138	59	-	-	197	1%, 7.5%
	<u>747</u>	<u>70</u>	<u>41.5</u>	<u>-</u>	<u>858.5</u>	

Separate financial statements as at 31 December 2016

	Fixed interest rate		Floating	Non-		
	Within	1-5	interest	interest		Interest
	1 year	years	rate	bearing	Total	rate
	(Million Baht)					(% p.a.)
Financial assets						
Cash and cash equivalents	-	-	250	3	253	0.10-0.375%
Trade and other receivables	-	-	-	39	39	-
Accrued income	-	-	-	3	3	-
Short-term loan to related parties	-	-	-	-	-	7.5%, MLR-3%, 3.85-3.975%, MLR+0.5%, MLR+1%
	-	-	515	-	515	
Long-term loans to related parties	-	101	-	-	101	12.5-12.625%
	<u>-</u>	<u>101</u>	<u>765</u>	<u>45</u>	<u>911</u>	
Financial liabilities						
Trade and other payables	-	-	-	25	25	-
Debentures	-	588	-	-	588	6%
Liabilities under finance lease agreements	1	4	-	-	5	5.05%
Long-term loans from related parties	-	159	-	-	159	1%, 7.5%
	<u>1</u>	<u>751</u>	<u>-</u>	<u>25</u>	<u>777</u>	

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Foreign currency risk

The Group has no significant exposure to foreign exchange risk. As a result, the Group considers that it is not necessary to use derivative financial instruments to hedge such risk since management believes that future movements in market foreign exchange will not materially affect the Group's operating results.

35.2 Fair values of financial instruments

Since the majority of the Company's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statements of financial position.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depending on the nature of the instrument.

35.3 Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2017, the Group's debt-to-equity ratio was 2.5:1 (2016: 0.7:1) and the Company's was 0.8:1 (2016:0.5:1).

36. Reclassification

Certain transactions in the consolidated and separate financial statements as at 31 December 2016 have been reclassified in accordance with the Notification of the Department of Business Development dated 11 October 2016 regarding "The Brief Particulars in the Financial Statements B.E. 2016".

Account	Amount (Thousand Baht)		Original listing	New listing
	Consolidated	Separate		
Accrued income	5,008	2,569	Accrued income	Trade and other current receivables
Revenue Department Receivable	11,484	2,521	Revenue Department Receivable	Trade and other current receivables

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37. Purchase of group business "Osha"

In March 2017, Food Capitals (USA), Inc., a wholly owned subsidiary, incorporated in the State of Delaware, United States of America, had entered into a transaction to acquire all restaurants and bar's business under the trade name of "Osha" which consisting of all issued and fully-paid shares of (1) Osha Thai 2nd Street, Inc.(2) Osha Thai Embarcadero, Inc. (3) New Osha Thai, Inc. (4) After Osha LLC representing limited companies, incorporated in California, United States of America in order to acquire the exclusive right to operate and manage the restaurants and bars' business under the trade name of "Osha" from the existing shareholder with the transaction value of up to USD 8,500,000. Such transaction have condition precedent which were agreed by the parties.

Subsequently, in November 2017, The Company considered the cancellation of acquisition of Osha Group. The Company is in the negotiating process with the Seller to obtain mutual termination letter , between the Company and the Seller pertaining to such cancellation of the Share Purchase Agreement. The Company management is expected that the mutual termination letter will be obtained within end of the first quarter of 2018.

38. Business Integration plan

The Company, represented by a major shareholder Mr. Krit Srichawla and other shareholders of the Company (comprising Fico Corporation Company Limited, Mr. Akraej Srichawla, Mr. Theprit Srichawla, Mr. Amorn Srichawla and Mr. Sanjay Kumar Singh) and PRG Development Co., Ltd. ("PRGD"), will be entering into a Share Subscription Agreement, pursuant to the business integration plan between the Company and PRGD, by transferring the entire assets and liabilities of PRGD, i.e. all shares in Prime Road Alternative Co., Ltd. ("PRA") which are held by PRGD, to the Company. The EBT will include the entire assets and liabilities of PRGD, including without limitations, any rights, duties, obligations, commitments and liabilities that PRGD may have as at the date of the acceptance of the EBT (the "EBT Transaction"). The Company will be allotted of 14,881,481,481 newly issued securities of the Company with at the Par Value of Baht 1 per share, at the price of Baht 0.27 (the price is below the par value of the Company's share), thus having total value of Baht 4,018,000,000, as pay in kind consideration to PRGD for the EBT of share in PRA amounting to 4,018,001 shares at the par value of Baht 1,000 per share to the Company (the "Allocation of Securities") (the transactions shall be collectively referred to as the "EBT Transaction and the Allocation of Securities").

If 1) the Extraordinary General Meeting of shareholders of the Company considers and approves the increase in the registered capital of the Company and the allocation of newly issued shares pursuant to the EBT Transaction and the Allocation of Securities, and 2) the subscription of newly issued shares of the Company pursuant to the EBT Transaction and the Allocation of Securities, including the conditions precedent to the Shares Subscription Agreement between the Company, the major shareholders of the Company and PRGD (and/or designated person) ("Share Subscription Agreement") pursuant to the completion of the Allocation of Securities, and the Company has

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registered the paid up capital increase for the newly issued shares allocated to PRGD, and 3) the completion of the subscription of Warrant RO. Thus, PRGD will hold a total of 14,881,481,481 shares in the Company, representing approximately 87.45 percent of total voting rights in the Company after the allocation. This shareholding percentage is more than 75 of the total voting right in the Company, thereby causing PRGD to have the obligation to make a Mandatory Tender Offer. However, PRGD will have the obligation to make a Mandatory Tender Offer when 1) the conditions precedent to the Shares Subscription Agreement become completed, and 2) the conditions to the tender offer documents become completed.

The tender offer price shall be at Baht 0.27 per share, the tender offer price shall be the highest price which the tender offeror acquired the securities within 90 days prior to the submission of the tender offer in exchange for the EBT from PRGD. Thus, the tender offer price is the fair value price of PRGD (Baht 4,018,000,000) which are appraised by the financial advisor, by comparing to the amount of shares in the Company using for the exchange (14,881,481,481 shares), pursuant to section 247 of the Securities and Exchange Act (as amended) (the "SEC Act") and the Notification of the Capital Market Supervisory Board Tor Chor 12/2554 re: criteria, conditions and methods of takeover, dated 13 May 2011, as amended. In this regard, if any person(s) who receive the shares from the allocation holding the shares and reaching the trigger point, the person(s) shall make a tender offer according to the relevant rules. However, in this case, the person who has the obligation to make a Mandatory Tender Offer will not has the obligation to make a tender offer for FC-W1 and FC-W2 since the exercise price according to the warrants are higher than the tender offer price, and the person who has the obligation to make a Mandatory Tender Offer will not receive any warrant by paying consideration within 90 days prior to the submission of the tender offer to the Securities and Exchange Commission.

39. Subsequent Event

The Company will be held the 2018 Annual General Meeting of Shareholders on April 23, 2018 to consider and approve of the key matters in accordance with the Merger & Acquisition plan as discussed in Note 38 as follows:

- 39.1 To consider and approve the reduction in the registered capital of the Company in respect of the shares as a General Mandate.
- 39.2 To consider and approve the amendment to Clause 4 of the Memorandum of Association with respect to the registered capital, number of shares and share value to correspond with the capital reduction of the Company with respect to the shares as a General Mandate.
- 39.3 To consider and approve the transfer of the legal reserve and the net amount of share premium and share discount to offset the deficit of the Company.
- 39.4 To consider and approve the increase in the registered capital of the Company.
 - (1) Private Placement allocation, which is at below market price, at the specific offering price at Baht 0.27 (the price is below the par value of the Company's share), in the amount of

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14,881,481,481 shares, each at the par value of Baht 1, thus having the total value of offering of not exceeding Baht 4,018,000,000.

- (2) Allocation for the Warrants Right Offering (Warrant RO) in the amount of 7,317,714,958 shares, each at the Par Value of Baht 1.
- (3) Allocation for the adjustment of the rights of FC-W1 and FC-W2 in the amount of 541,392,500 shares, each at the Par Value of Baht 1.

39.5 To consider and approve the amendment to Clause 4 of the Memorandum of Association of the Company with respect to the registered capital and the number of shares of the Company to correspond with the increase in the registered capital.

39.6 To consider and approve the allocation of the securities of the Company as follows:

- (1) Private Placement allocation which shall be made as a consideration (Pay-in-Kind) to the Newly Established Private Company A pursuant to the EBT plan.
- (2) Allocation for the Warrants Rights Offering (Warrant RO).
- (3) Allocation for the adjustment of the rights of FC-W1 and FC-W2.

39.7 To consider and approve the issuance and offering of Warrants for the newly issued ordinary shares to the existing shareholders by the Rights Offering (Warrant RO). The Record Date for the allocation of securities and offering of the Warrant RO will be determined after the allocation of the capital increase ordinary shares being completed. The key term and condition of Warrant RO can be summarized as follows:

	Exercise Price		Conversion Ratio		Number of shares issued to accommodate the warrants	
	Original	Revise	Original	Revise	Original	Revise
Warrants to purchase ordinary shares of Food Capitals Public Company Limited No. 5(FC-W5)	1,408 THB/share	1,000 THB/share	1 Unit of Warrant is entitled to purchasing 1.065 ordinary share	1 Unit of Warrant is entitled to purchasing 1.580 ordinary share	Not more than 3,020,684,662 shares	Not more than 4,481,391,331 shares
Warrants to purchase ordinary shares of Food Capitals Public Company Limited No. 6)FC-W6(2,000 THB/share	1,077 THB/share	No Changes: 1 Unit of Warrant is entitled to purchasing 1 ordinary share		No Change: Not more than 2,836,323,627 shares	

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- 39.8 To consider and approve the business integration plan between the Company and PRGD by way of the EBT.
- 39.9 To consider and approve the authorization of Miss Naravadee Waravanitcha or Mr. Sittiwate Jewsittipapai either one of them or the designated person of Miss Naravadee Waravanitcha or the designated person of Mr. Sittiwate Jewsittipapai to have the power to take any actions in connection with the EBT Transaction and the Allocation of Securities, the change of the record date for the allocation and offering of securities including the newly issued shares and the Warrants, the connected transactions and the execution of any relevant agreements, the determination of the record date for the attending of the meeting, and other actions required for or in connection with the above matters.
- 39.10 To consider and approve the entering into the transaction of divestment of subsidiaries as follows (the vote of each agenda items shall be separated). This entering into the transaction of divestment of subsidiaries shall occur prior to the completion of the EBT Transaction and the Allocation of Securities, which will be completed within April 30, 2018, pursuant to the conditions precedent of the Memorandum of Understanding among the Company, Mr. Krit Srichawla, other shareholders of the Company (comprising Fico Corporation Company Limited, Mr. Akradej Srichawla, Mr. Theprit Srichawla, Mr. Amorn Srichawla and Mr. Sanjay Kumar Singh), Mr. Somprasong and Mr. Surachet, dated 28 September 2017, and pursuant to the Shares Subscription Agreement.
- 39.10.1 The transaction of divestment of below subsidiaries to the third parties.
- | | | |
|----|--|--------------------|
| 1) | Evolution Foods (Thailand) Company Limited | Disposal of Assets |
| 2) | Fenix Iron Fairies Company Limited | Disposal of Assets |
| 3) | FC Commissary Company Limited | Disposal of Assets |
- 39.10.2 The transaction of divestment of below subsidiaries to the major shareholders, or their designated persons which is the connected transaction if they cannot be divested to the third parties pursuant to Agenda Item 39.10.1. The payment term shall be within 15 months as from the date of completion of the EBT Transaction and the Allocation of Securities. This period is as a result of the negotiation for the major shareholders are obliged to purchase the investment in these subsidiaries. If the Company cannot find the interested buyers. The period is the total time that the major shareholders expected to spend on the process of disposal of investment in ordinary shares of the subsidiaries, the process of acquiring those who are interested in acquiring outside shares of the subsidiary, throughout the process of negotiation to enter into the share purchase agreement until the payment is completed. In addition, this period is also provided for the major shareholders to provide the source of funds to purchase the investment in subsidiaries.

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- | | | |
|----|--|---|
| 1) | Evolution Foods (Thailand) Company Limited | which is the disposal of assets and connected transaction |
| 2) | Fenix Iron Fairies Company Limited | which is the disposal of assets and connected transaction |
| 3) | FC Commissary Company Limited | which is the disposal of assets and connected transaction |
- 39.11 To consider and approve the change of the Company's name, the Company's corporate seal, including the amendment to the memorandum of association, the articles of association, the list of objectives and the authorized directors of the Company, to be consistent with the change of the Company's name and the Company's corporate seal, pursuant to the business integration plan, as per the details as follows, after the completion of the EBT Transaction.
- the change to the name of the Company
- from "Food Capitals Public Company Limited"
- Ticker symbol as "FC"
- to "Prime Road Power Public Company Limited"
- Ticker symbol as "PRIME"
- the amendment to the Articles of Association of the Company.
 - the amendment to the list of objectives of the Company.
 - the amendment to the Memorandum of Association of the Company to correspond the change to the name, the Articles of Association and the objectives of the Company
- 39.12 To consider and approve the change in the number of member of the Company's Board of Directors from 10 to 7 persons.
- 39.13 To consider and approve the exercise of Put Option to sell back shares of subsidiaries companies which consisted of Casa Fico Company Limited and Fena Park Company Limited to Srichawla Group who is considered as the connected person. At the time the Company entered into the EBT transaction, Put Option granted by the Srichawla Group since receive of the share transferred of Casa Fico Company Limited and Fena Park Company Limited.

FOOD CAPITALS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2017
40. Going Concern

For the year ended December 31, 2017, the Group posted net loss of Baht 943.33 million and resulted negative of net cash flows from operation amount of Baht 237.97 million. As of December 31, 2017 the Group had deficit of Baht 2,196.57 million.

For the year ended December 31, 2017, The Company posted net loss of Baht 586.17 million and resulted net negative cash flows from operation amount of Baht 145.83 million. As of December 31, 2017 the Company had deficit of Baht 1,519.62 million.

As discussed in Note 23 to the financial statements, the Company has a debenture of Baht 600 million, due for repayment on May 11, 2018. The Board of Directors' Meeting No. 2/2018 held February 21, 2018 approved various matters in accordance with the Merger & Acquisition plan i.e. the transaction of the Entire Business Transfer ("EBT") and the Allocation of Securities to be allotted to the Private Placement and including disposition of investments in subsidiaries. The Company will arranging the Annual General Meeting of Shareholders on April 23, 2018 to consider and approve as in according to the resolutions proposed by the Company's Board of Directors.

The consolidated and separate financial statements have been prepared on a going concern basis under assumption that the shareholders will be resolved propose Agenda in the Annual General Meeting of Shareholders following to the Business integration Plan through Entire business Transfer transaction. Pursuant to the condition precedent of the Share Subscription Agreement, the Company has to dispose its investment in subsidiaries and redeemed of the Company's debenture before the completion of the Entire Business Transfer. However, the appropriateness of these assumptions is subject to the approved resolutions from such Shareholders' Meeting, including process to improve the Company's profitability and maintain adequate cash flows for the Company, and subject to the succession of the Company's capital restructure as well as ability to obtain debt repayment within maturity date.

These consolidated and separate financial statements do not include reclassification or adjustment of assets and liabilities which may be necessary if the Group and the Company could not able to continuing its operating as going concern. The value of the Group's assets may be lower than its book value. Assume liabilities may be occurred in case if the Group could not able to continue to operate on a going concern basis.

41. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 27 February 2018.

Appendix 1 - President, Directors and Executive Management Background as of 31 December 2017

No	Name / Surname	Age	Education	Percentage of Shares	Relationship between director/ management	Past 5 Years Experiences		
						Period	Position	Company/Business
1	Mr. Akradej Srichawla	65	Seventh Day Adventist School	6.07% (129,601, 200 shares)	Father of Mr. Krit Srichawla	May 2017 - Present	Chairman of the Board of Director	Food Capitals PCL.
						Mar 2016 - Present	Director	Food Capitals PCL.
2	Mr. Akarat Na Ranong	62	<u>Master Degree</u> Business Administration (Management), Marshall University, U.S.A. <u>Bachelor Degree</u> Economics, Chulalongkorn University	-	-	May 2017 - Present	Deputy Chairman of the Board of Directors / Chairman of the Board of Director	Food Capitals PCL.
						2016 - May 2017	Chairman of the Board of Director	Food Capitals PCL.
						2013 - Present	Director	Food Capitals PCL.
						2011 - Present	Lecturer	Mahidol University - College of Music
						2011 - Present	Independent Director / Chairman of Audit Committee / Nominating and Remuneration Committee	Krungthai Card PCL - Consumer Finance
						2011 - Present	Independent Director / Audit Committee	Finansa PCL - Financial Advisory and Management
						2011 - Present	Independent Director / Audit Committee	Finansa Securities Co., Ltd. - Investment Banking
						2011 - Present	Independent Director / Audit Committee	Finansa Asset Management Co., Ltd. - Fund Management
3	Ms. Naravadee Waravanitcha	53	<u>Master Degree</u> MBA, Warwick University, Coventry, U.K. (under C.P.Land corporate scholarship) MA, International Business, Sofia University, Tokyo, Japan (under the scholarship of The Japanese Ministry of Education) <u>Bachelor Degree</u> BA, Political Science, International Relations, Thammasat University	-	-	2017 - Present	Managing Director Chief Executive Officer	Food Capitals PCL.
						2012 - 2017	Executive Vice President: Investment and Hotel Management, Managing Director: Khonkaen International Trade and Exhibition Center (KICE)	C.P.Land Public Company Limited
4	Mr. Krit Srichawla	40	<u>Master Degree</u> MBA, American University of Hawaii, USA <u>Bachelor Degree</u> BBA, American University of Hawaii, USA	9.37% (200,102,000 shares)	Grandson of Mr. Amorn Srichawla	2017 - Present	Director	Food Capitals PCL.
						2016 - May 2017	Chairman of the Board of Director	Food Capitals PCL.
						2012 - June 2016	Chairman of the Board of Director	Food Capitals PCL.
						1994 - Present	Chairman of the Board of Director	Fico Corporation Co., Ltd.

5	Mr. Thosaphol Pengsom	55	<u>Master Degree</u> LL.B., Ramkhamhang University <u>Bachelor Degree</u> Master of Arts in Criminal Justice Administration, Thammasat University	-	-	June 2016 - Present	Director	Food Capitals PCL.
						1986 - Present	Lawyer	Bangbuathong Law office (Owner)
6	Mr. Witit Sujjapong	63	<u>Master Degree</u> M.S. in Economics, Hitotsubashi University, Japan <u>Bachelor Degree</u> B.S. in Economics, Hitotsubashi University, Japan Thai Institute of Directors - Director Certification Program (DCP57)	0.04% (840,000 shares)	-	2006 - Present	Independent Director / Chairman of Audit Committee	Food Capitals PCL.
						2005 - Present	Audit Committee / Director	Easy Buy PCL. - Consumer Finance
						2006 - Present	Director	Advanced Concept Plating Co., Ltd. - Electronic parts manufacturer
7	Mr. Viroj Tangjetanaporn	56	<u>Bachelor Degree</u> Bachelor in Finance, University of New South Wales, Australia Thai Institute of Directors – Director Accreditation Program (DAP) / Audit Committee Programme (ACP)	-	-	2012 - Present	Independent director / Audit Committee	Food Capitals PCL.
						2011 - Present	Director	PropMaxx Co., Ltd.
						2007 - Present	Chairman of Audit Committee / Independent Director	UOB Kay Hian Securities (Thailand) PCL. Investment Banking
8	Mr. Krish Dettter	48	<u>Bachelor Degree</u> University of Southern California, Los Angeles, U.S.A. Thai Institute of Directors - Director Certification Program (DCP)	0.03% (726,862 shares)	-	2007 - Present	Audit Committee / Independent Director	Food Capitals PCL.
						2007 - Present	Managing Director	Espy Capital Co., Ltd. -Importing Sanitary ware
						2002 - 2006	Vice President, Head of Capital Markets Department	SCB Securities Co., Ltd. - Investment Banking
9	Mr. Nuttawut Phaoborom	54	Role of the Compensation Committee(RCC), Thai Institute of Directors Association 2008 Audit Committee Program (ACP), Thai Institute of Directors Association 2005 Directors Accreditation Program (DAP), Thai Institute of Directors Association 2004 <u>Master Degree</u> MBA, City University (Seattle, U.S.A) 1990 <u>Bachelor Degree</u> Economics The University of the Thai Chamber of Commerce	-	-	2017 - Present	Independent Director	Food Capitals PCL.
10	Mr. Na-chanok Rattananarot	53	<u>Bachelor Degree</u> Interior Design Syracuse University, USA.	2.82% (62,000,000 shares)	-	2017 - Present	Chief Operating Officer	Food Capitals PCL.
						1997 - Present	Chief Executive Officer	G Enterprise & Co Company Limited
						1997 - 2008	Managing Director	Muang Doo Company Limited

No	Name / Surname	Age	Education	Percentage of Shares	Relationship between director/ management	Past 5 Years Experiences		
						Period	Position	Company/Business
11	Mr. Pauramin Srichawla	29	<u>Bachelor Degree</u> Bachelor of Arts with Honours in Management Studies in the Second Class, Division Two The University of Nottingham	-	Grandson of Mr. Amorn Srichawla	2010 - Present	Managing Director	Everest World Co.,Ltd.
						2014 - Present	Managing Director	Chocoholic Co.,Ltd.
						2017 - Present	Managing Director	Domino's (Thailand) Company Limited
12	Ms. Suttiruk Kamjanaphan	46	<u>Master Degree</u> MBA , International Relations and Diplomacy Thammasat University <u>Bachelor Degree</u> BA , Journalism and Mass Communication Thammasat University	-	-	2014 - Present	General Manager	Food Capitals PCL.
						2003 - 2014	Delivery Business Manager	Yum Restaurants International (Thailand) Co.,Ltd.
						2001 - 2003	Local Area Marketing Manager	SF Cinema City Co.,Ltd
						1995 - 2001	Cinema Business , Area Manager	Entertain Golden Village Co.Ltd.
13	Ms. Suttinee Klayasit	40	<u>Bachelor Degree</u> BA, Economics The University of the Thai Chamber of Commerce	-	-	2014 - Present	General Manager	Food Capitals PCL.
						2009 - 2014	Control Division Manager	Almet Thai Saving and Credit Cooperative Limited
						2006 - 2009	Assistant Operation Manager	GFA Corporation (Thailand) Co.,Ltd
14	Mr. Pitch Manakijpairoj	38	<u>Master Degree</u> Master of Commerce and Accountancy, Chulalongkorn University <u>Bachelor Degree</u> Bachelor of Accountancy, Bangkok University	0.00% (100 shares)	-	2009 - Present	Vice President - Accounting and Finance	Food Capitals PLC.

Remark: number of shareholding as of 22 November 2017

Details of director, authorized directors of the subsidiaries and associate companies

		Akarat Na-Ranong	Krit Srichawla	Naravadee Waravanitcha	Akradej Srichawla	Nuttawut Paoborom	Witit Sujjapong	Krish Dettar	Viroj Tangchettanaporn	Tossaphon Phengsom
Food Capitals Public Company Limited		/	/	Y/	X/	/	/	/	/	/
Subsidiaries	1. Evolution Land Co., Ltd.		/		/					
	2. Monster Media Co., Ltd.		/		/					
	3. Evolution Advisors Limited		/							
	4. Evolution Holdings Limited		/							
	5. FC Commissary Co., Ltd.		/	/	/					
	6. Evolution Capital International Pte. Ltd.									
	7. Domino's (Thailand) Co., Ltd.		/	/	/					
	8. CBTL (Thailand) Co., Ltd.		/	/	/					
	9. Fenix Iron Fairies Co., Ltd.		/	/	/					
	10. Maggie Choo's Co., Ltd.		/	/	/					
	11. Casa Fico Co., Ltd.		/		/					
	12. Fena Park Co., Ltd.		/		/					
	13. Kyochon Co., Ltd.		/	/	/					
	14. Photome.com Co., Ltd.									
	15. D. Pizza PCL.		/							
	16. Evolution Foods (Thailand) Co., Ltd.		/	/	/					
	17. Evolution Foods International Limited		/							
	18. Kyochon (Cambodia) Limited		/							
	19. G Enterprise & CO Co., Ltd.		/	/	/					
Associates	1. Andaman Beach Residences									
	2. Phang Nga Hotel									

X = Chairman of the Board of Director

Y = Chief Executive Officer

/ = Director

Details of the Chief Internal Auditor and Compliance Information

In February 2017, the Audit Committee appointed Accounting Revolution Co., Ltd. to conduct internal audit review of the Group's company focused in work procedures in relation to internal control over cash receiving processes, as well as risk assessment. The Internal Audit is responsible report their internal audit results directly to the Audit Committee, include monitor and detective processes. The Internal Audit outsource performed the audit in accordance with the rules and regulations prescribed by the Stock Exchange of Thailand. And the Securities and Exchange Commission.

Internal Audit Firm	Accounting Revolution Co., Ltd.
Position	Ms. Sasivimon Suksai, Certified Public Accountant (CPA)
Shareholding (%)	-
Relationship with the Company	-

Education background:

March 1993	MBA: Master degree of Business Administration, Chulalongkorn University
March 1988	BBA: Major in Accounting, Thammasat University

Professional Experience:

2006 - Present	Director, Accounting Revolution Co., Ltd. 1. Financial and costing system design and implementation 2. Internal control review and development internal control process
2002 - 2006	Director, Auditor, Thana-ake Advisory Services Co., Ltd. 1. Financial and costing system design and implementation 2. Internal control review and development internal control process 3. Assurance services
1996 - 2006	Director: CAS Co., Ltd. 1. Financial and costing system design and implementation 2. Internal control review and development internal control process 3. Assurance services
1991 - 1996	Director: VAS Consultant Co., Ltd. 1. Financial and costing system design and implementation 2. Assurance services
1988 - 1991	Assistant Auditor: SGV Arthur Andersen (currently KPMG Poomchai Audit). 1. External Auditor 2. Financial and costing system design and implementation
Criminal recorded in past 10 years	None

Details of the latest appraisal report

Company's name of assets owner	Details		The company's name conducted the appraise value	Purpose of	Date of appraisal report
	Assets details	Appraisal Value (Baht)			
Food Capitals PCL.	Vacant land, 10 title deeds, Taling-Ngam Sub-district, Koh Samui district, Suratthani. Total land area 19-2-99.1 rai.	63,200,000	K.K. Valuation Co., Ltd.	To assess the current value of land.	25 October 2017
Food Capitals PCL.	Leasehold right of land, 2 title deeds, Taling-Ngam Sub-district, Koh Samui district, Suratthani. Total land area 21-2-33.7 rai.	53,600,000	K.K. Valuation Co., Ltd.	To assess the current value of assets.	25 October 2017
Casa Fico Co., Ltd. (subsidiary company)	Vacant land, 7 title deeds, Mared Sub-district, Koh Samui district, Suratthani. Total land area 26-2-87.2 rai.	308,900,000	K.K. Valuation Co., Ltd.	To assess the current value of land.	25 October 2017
Fena Park Co., Ltd. (subsidiary company)	Leasehold right of land, 11 title deeds, Mared Sub-district, Koh Samui district, Suratthani. Total land area 23-1-56 rai.	80,800,000	K.K. Valuation Co., Ltd.	To assess the current value of assets.	25 October 2017

