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Vision

“To offer delicious and healthy food along with extraordinary dining service for the happiness and joy of our customers ”

Missions

- To be an excellent restaurant operator that offers healthy and delicious food to customers
- To learn and deeply understand the needs of our customers and to provide the best meal and service for our customers at a reasonable price
- To provide a quick and warm service to maximize customer’s satisfaction
- To be a restaurant with the highest level of hygiene standard amidst a relaxed atmosphere
- To generate an appropriate and sustainable profit for the company’s stakeholders
- To make employees happy and contented in their work
- To assist and provide social and environmental support



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# Fulfill Happiness

At MK Group, we pride ourselves in fulfilling our customers in both their stomachs and hearts. With our attention to detail and utmost care in every aspect, we serve over millions of happy customers.







# Fertile Farm... Where the Happiness Begins

The origin of our “happy diet” of fresh vegetables and quality meats have been taken care of and farmed by professional farmers, dedicated to finding the best ingredients for our customers.

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Fresh Ingredients...  
From Farm  
to Kitchen

When the pure, freshly  
farmed ingredients arrive at  
our central kitchen, they will  
be selected and prepared  
meticulously to ensure that  
only the best quality goes  
out to our customers.







# Every Signature Dish... Cooked with the Heart

Every dish that we serve is cooked with care. We put our hearts into cooking...even in the tiniest detail. We guide every process with our world-standard management system so that our customers can enjoy their happy meal time.

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# Food Service Expert

We create a happy eating experience with our service. Our friendly employees are dedicated to taking care of customers with professional standards of service, making sure that every one of our customers is happy and satisfied.



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# MK Restaurant Group...

*Serving Every  
Moment of  
Happiness*

We strive to be a part of our customers' special moments with their loved ones. We stand by our aim to "spread the happiness through our food and service" and we continue to develop and improve our trusted menus for the greater health of everyone.

Annual Report 2014 | MK Restaurant Group Public Company Limited

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Income Statement (Million Baht)	2014	2013	2012
Revenues from Sales and Services	14,637	13,969	12,987
Total Revenues	15,105	14,240	13,141
Gross Profit	9,616	9,342	8,748
Profit before Financial Costs and Income			
Tax Expenses (EBIT)	2,534	2,548	2,628
Net Profit	2,042	2,039	2,031

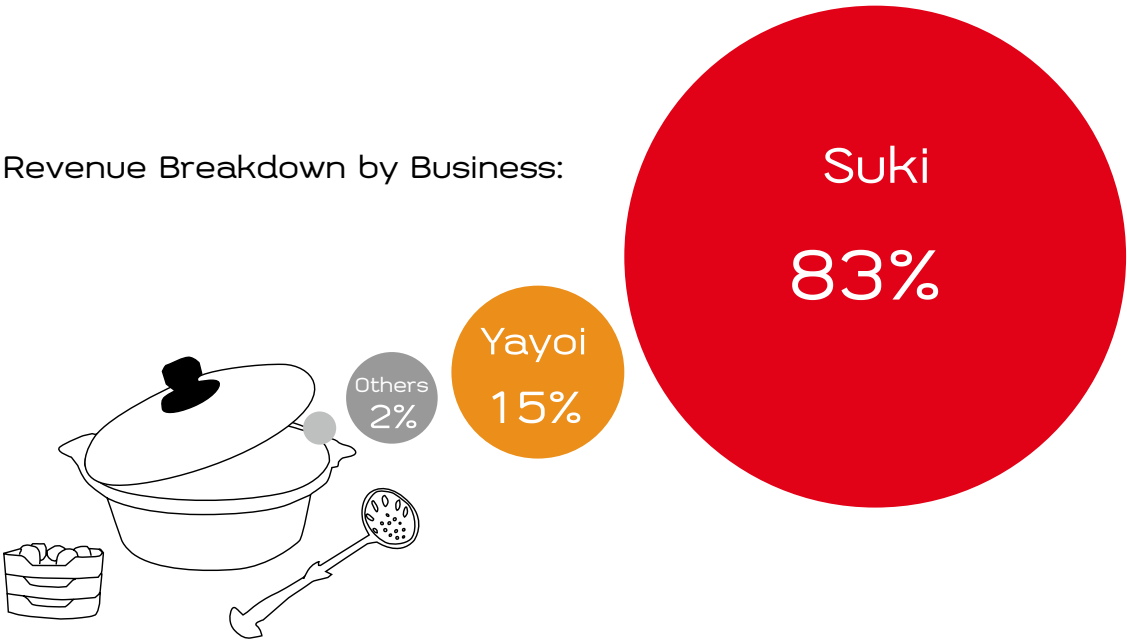
Balance Sheet (Million Baht)			
Total Assets	14,903	15,006	5,086
Total Liabilities	2,222	2,482	3,615
Shareholders's Equity	12,681	12,524	1,471
Paid-up Capital	907	906	720
Net cash from operating activities	3,031	2,247	3,111

Financial Ratio			
Gross Profit Margin (%)	65.7	66.9	67.4
Net Profit Margin (%)	13.5	14.3	15.5
Return on Equity (%)	16.2	29.1	143.9
Return on Assets (%)	13.7	20.3	45.4
Debt to Equity Ratio (Times)	0.2	0.2	2.5
Current Ratio (Times)	4.7	2.2	0.4

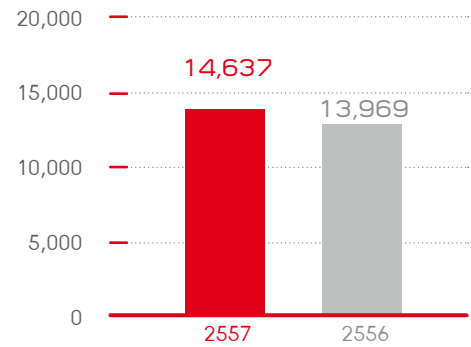
Per Share Data			
Par Value (Baht per Share)	1	1	1
Earning per Share (Baht)	2.3	2.6	4.1
Dividend per Share (Baht)	1.8	1.6	4.5
Dividend Payout Ratio (%)	80.0	71.1	109.4

Notes: Board of Directors had the resolution on February 24, 2015 to propose the 2014 dividend payment per share to the 2015 Annual General Meeting for shareholders's approval on April 24, 2015.

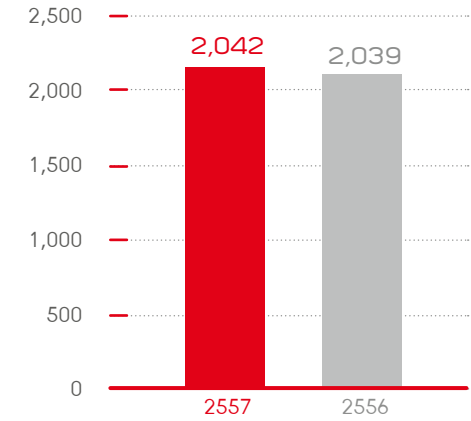
Revenue Breakdown by Business:



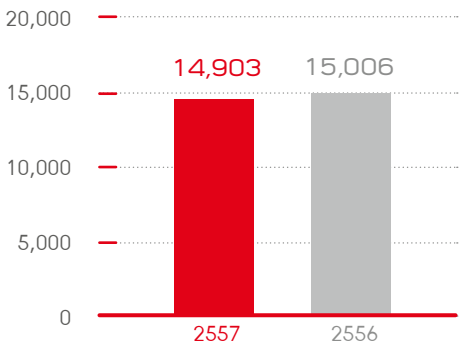
Revenues from Sales and Services



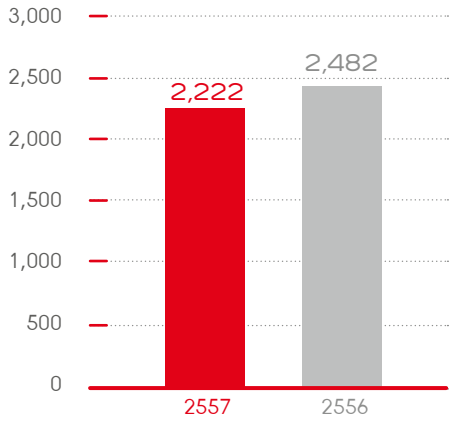
Net Profit



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## MESSAGE FROM THE CHAIRMAN

The year 2014 was another relatively tough year for the Company's operations. This was due largely to several unfavorable factors including (1) the more intense competition not only from existing competitors, but also from the continuing inroads into the restaurant market by new local restaurants as well as new international restaurant chains; (2) the protracted political conflict which had since escalated in the last quarter of 2013 and lasted until after the military seized power on May 22, 2014 in order to end the conflict; and (3) the significant slowdown of the Thai economy as indicated by the economic data of the National Economic and Social Development Board (NESDB) that the Thai economy grew at just 0.7 percent in 2014, the lowest growth rate since the devastating flood which wreaked great havoc to the Thai economy in 2011. Furthermore, the Company's operations were also adversely affected by the persistently high household debt and the sharp drop in agricultural prices as they had significant negative impact on the consumers' income and purchasing power. The rising household debt was reflected by the data of the Bank of Thailand that the ratio of household debt to GDP has risen steadily from 82.3 percent at the end of 2013 to 83.5 percent and 84.7 percent at the end of the second quarter and the third quarter of 2014 respectively, while the consumers' weak purchasing power was indicated by the sluggish private consumption which, according to the data of NESDB, grew by a mere 0.3 percent in 2014. Although the Thai economy managed to recover in the second half of 2014, the pace of the recovery is relatively slow and far from what most people expected that the economy would bounce back very quickly after the coup ended the political conflict.

In respond to the unfavorable operating environment as mentioned above, the Company adopted various strategies and measures to ensure that the planned profit goal would be attained at the acceptable level. The key strategies and measures implemented by the Company included: (1) Scaling down advertising and sales promotion activities in order to cut cost in the first half of 2014, while resuming such activities vigorously including launching promotional campaigns by offering new menu

items to customers from time to time to boost sales in the second half of 2014. (2) Instituting stricter control of major cost and expense items particularly the purchase of major food items where the total annual purchase value of the item accounted for a significant percentage of total annual food cost. (3) As a trial project to improve service employees' efficiency and customer services, the Company experimented with a customer self-ordering system at selected restaurant locations by installing tablet device at each service table so that customers can order their meals by themselves conveniently and fast. Largely as a result of the vigorous implementation of these strategies and measures, the Company was able to achieve another year of fairly satisfactory operating result in 2014. This was indicated by the fact that the Company's revenue from sales and services climbed to Baht 14,637 million in 2014 representing an increase of 4.8 percent year on year, while total revenue of the Company rose to Baht 15,105 million in 2014 or up by 6.1 percent over the previous year mainly due to the increase in interest income. Thanks to the increase in sales and the effective control of costs and expenses, the Company managed to earn a consolidated net income of Baht 2,042 million for the year 2014 as compared to Baht 2,039 million of the previous year.

Despite the much slowdown of the Thai economy, the Company continued to expand its branch network in 2014 by opening 55 new restaurant outlets consisting of 29 MK Sukiyaki restaurants, 17 Yayoi Japanese restaurants, 8 Teppanyaki style Japanese restaurants operated under "Miyazaki" brand, and 1 Le Siam Thai restaurant. Thus, the number of restaurants in operations at the end of 2014 totaled 557 consisting of 401 MK restaurants, 6 MK Gold restaurants, 129 Yayoi restaurants, 13 Miyazaki restaurants, 4 Thai restaurants under "Na Siam" and "Le Siam" brands, and 4 other restaurants operated under different brands. To prepare for future business expansion, the construction of the Company's third and its largest central kitchen was completed and became operational in March of this year. It is situated at km.21 in the inbound direction of Bangna-Trad Road. Equipped with three central kitchen facilities located at three strategic locations, the Company is now ready to accommodate its future branch expansion of up to 1,000 restaurant branches. I am also delighted to report that during 2014, MK Restaurant Group was awarded two notable awards which included "the 2014 Most Powerful Brand" by

Chulalongkorn University and "the 2014 Best Public Company in the Agriculture and Food Industry category" by Money and Banking Magazine. These accolades are a testament to the consumers' great admiration of the MK brand. We believe that being a brand which is well recognized and admired by customers would provide a critical competitive advantage in attracting customers to continue using our services despite the unfavorable condition of economic slowdown and intense competition.

Having carefully considered the Company's operating result, financial and liquidity positions, the Board of Directors has resolved to recommend to the 2015 Annual General Meeting of Shareholders to pay an annual dividend of Baht 1.80 per share which amounted to a total dividend of Baht 1,631.8 million and accounted for 80 percent of the consolidated net profit of the Company for the year 2014. As an interim dividend of Baht 0.80 per share was paid to shareholders on September 4, 2014, the final dividend of Baht 1.00 per share, if approved by shareholders, will be paid on May 21, 2015 to shareholders who are entitled to receive the dividend.

Looking forward, we expect to face greater challenges in 2015 as it is expected that the Thai economy would grow at a relatively slow pace and the purchasing power of consumers would remain weak. Furthermore, we anticipate that the competition in the restaurant market would be even more intense in 2015. However, we are confident that with the continuing strong support of our customers together with our talented management team and dedicated employees, we would be able to effectively meet those challenges and achieve our expected goal for the year 2015 as we have done in the past.

On behalf of the Board of Directors, I would like to extend my heartfelt gratitude to all our shareholders, customers and business partners for their continued support. I also wish to express my sincere appreciation to our management team and employees for their dedication and hard work. Together, our future success will be assured as we enter the year of the Goat.

(Mr. Rit Thirakomen)  
Chairman and Chief Executive Director

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Board of Directors

**Mrs. Vilai Chattanrassamee**  
*Independent Director*

**Dr. Annop Tanlamai**  
*Independent Director and  
Chairman of Audit Committee*

**Mr. Rit Thirakomen**  
*Chairman of the Board  
of Directors*

**Mr. Attapon Chodchoy**  
*Independent Director*

**Mr. Somchai Hanjikasem**  
*Director*

**Dr. Katiya Greigarn**  
*Independent Director*

**Mr. Somchai Pipitvijitkorn**  
*Director*

**Mr. Thanong Chotisorayuth**  
*Independent Director*

**Mr. Pravit Tantiwasinchai**  
*Director*

**Mr. Sujint Chumpolkajana**  
*Director*





## Nature of Business

In 1986, the first MK Suki welcomed its customers for the first time at Central Plaza, Ladprao branch. As not so many restaurants had such a clear position to offer suki menu at that time, the concept of MK restaurant was warmly received by customers. The introduction of sophisticated restaurant management techniques and marketing strategies to run the business led the Company to consistently expand new branches in both Bangkok and other provinces.

MK Restaurant Group Public Company Limited (the "Company") was incorporated on July 10, 1989, with an initial capital of Baht 1 million to operate suki restaurants. Aside from this, the Company started opening Japanese restaurants under the "Yayoi" brand and trademark in 2006. In October 2012, the Company operated two more Japanese restaurants under two different trademarks of "Hakata" and "Tenjin" (which later changed into "Miyazaki"). The Company also runs Thai restaurant business under "Na Siam" and "Le Siam" trademarks as well as a coffee shop and bakery outlet known as "Le Petit". Finally, we

have our own training institute to train qualified service personnel.

As of December 31, 2014, the Company boasted 407 MK Suki Restaurants (including 6 MK Gold Restaurants); 129 Yayoi Japanese restaurants; 3 Hakata Japanese restaurants, 13 Miyazaki Japanese restaurants, 3 Le Siam Thai restaurants, 1 Na Siam Thai restaurant and 1 Le Petit coffee shop and bakery nationwide. The Company has also sold MK Suki franchise to overseas operators in Japan, Vietnam and Indonesia. In addition, a joint-venture company has been set up to operate a restaurant business in Singapore.

### Products and Services

#### 1 Suki Restaurant Business

The suki restaurant business operated by the Company can be classified into two categories as follows:

##### 1) MK Suki Restaurant

MK Suki is a restaurant run by the Company offering suki as its main dish. More than 100 items of a variety of meat, meatballs and fresh vegetables are offered as suki for customers to simmer in a cast-iron pot. In addition, MK Suki also offers various other dishes; namely dim sum such as steamed buns, pork dumpling, shrimp dumpling and egg roll as well as à la carte dishes such as MK roasted duck, honey-roasted pork, steamed spare ribs roasted with fermented soybean, Hong Kong slow-cooked beef, Jade noodle, wonton soup and a myriad desserts, ice cream and beverages.

MK Suki positions itself as a family restaurant whose target customers are family, friends and colleagues in medium to high income brackets. The restaurant highlights its relaxed ambience where everyone can slowly cook his own suki in a pot on the table while taking time chatting and catching up. Customers can also be office workers whose lunch time is limited and therefore are vying for a quality lunch in less than an hour as one of MK Suki's service signatures is fast and efficient service.

As of December 31, 2014, there were 401 MK Suki restaurants around Thailand, most of which are located in shopping malls, modern trade outlets and community malls such as Big C, Tesco Lotus, Central, Robinson, The Mall, Major, Esplanade, all of which share the same characteristic as a place where medium to high income earners mostly shop.



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Japanese Restaurant Business



1) Yayoi Restaurant

Yayoi Restaurant is run by MK Interfood Co., Ltd. our subsidiary, which has been franchised a license to run Japanese restaurant under the Yayoi Ken trademark by Plenus Co., Ltd. a listed company in Japan's stock exchange and one of Japanese's leading restaurant operators. Yayoi opened its first branch in Thailand in 2006.

Yayoi Restaurant is decorated in a bright colorful theme to convey informal and relaxed ambience and provide fast and quality service underlined with freshly-cooked food offered at a reasonable price tag. This very concept is inspired by the Japanese way of living which insists that no matter how fast life is to be, everyday's living must be handled in a refined and sophisticated manner including food. This truly accords with Thai lifestyle which places much priority to the food we eat.

Yayoi Restaurant offers both à la carte Japanese menus and set menus always served with rice, salad and miso soup. Yayoi's recommended menus are pork Tonkatsu with miso sauce, sizzling grilled pork, rice with a variety of beef, Japanese-styled bento, Udon,

Ramen and hors d'oeuvres such as Japanese dumpling, Japanese pizza and a myriad of scrumptious desserts and delightful beverages.

Yayoi has regularly collaborated with Japan-based Yayoi Ken's chefs to introduce seasonal menus while retaining the much unique Japanese element in its food. As of December 31, 2014, there were 129 Yayoi Restaurant nationwide.

2) Hakata Restaurant

MK Restaurant Group Plc. opened the first Hakata Restaurant at Siriraj Hospital. The eatery offers Japanese ramen of various types and forms as well as Japanese dumpling and beverages. Hakata, Siriraj Branch, is part of the Company's corporate social responsibility (CSR) project as net profit less expenses from the restaurant has been entirely donated to Siriraj Hospital.

As of December 31, 2014, MK Restaurant Group Plc. operated three Hakata branches.

3) Miyazaki Restaurant

It was not until October 2012 when MK Restaurant Group Plc. opened the first Miyazaki Japanese Restaurant at The Scene Town in Town Shopping Center inside Soi Ladprao 94. The restaurant offers Japanese Teppanyaki grilled dishes, desserts and beverages. The Company boasted 13 Miyazaki Restaurant branches as of December 31, 2014.

2) MK Gold Restaurant



Gold Restaurant's theme of decoration is luxury in gold. The eatery is adorned with elegant and colorful lighting for glittering effect. Dinnerware is porcelain while the Sukiyaki cast-iron pot is golden. The restaurant's store sign, roasted duck kitchen at the front, placemats and staff's uniforms have been meticulously designed to reflect the element of gold and an air of luxury.

Like MK Suki, MK Gold Restaurant, which is also run by the Company, offers suki as its main dish plus other dishes such as dim sum and à la carte menus. Going beyond the standard, MK Gold's ingredients are top-graded. MK Gold's target customers are original customers of MK Suki Restaurant, who, having earned high incomes, long for premium-graded foods and go to MK Gold Restaurant for entertainment. MK

As of December 31, 2014, there were six MK Gold Restaurants in major central business districts of Bangkok's Siam Paragon, Central World, Saladaeng, Esplanade, Ekamai and Phuket's Jungceylon. Customers may order any dish as they wish and will be charged accordingly. However, buffet is also available at certain branches.





### 3 Thai Restaurant Business



#### 1) Na Siam Thai Restaurant

Run by the Company, Na Siam Thai Restaurant offers a comprehensive Thai menu under a traditional Thai ambience where the atmosphere of the original MK eatery in Siam Square in the old days before the Company started operating suki restaurant business is meticulously preserved. Na Siam Thai Restaurant targets medium to high-end customers who come to enjoy various kinds of chili paste dishes, Thai hot soup of tom yum, curry, sauté vegetables of all kinds, à la carte menus, a variety of noodles, traditional desserts, wines and beverages.

As of December 31, 2014, there was one Na Siam Restaurant on B1 Floor of Central Plaza, Bangna Branch.

#### 2) Le Siam Thai Restaurant

Like Na Siam, Le Siam Thai Restaurant is also operated by MK Restaurant Group Plc. and offers a comprehensive Thai menu. The restaurant is decorated in a luxurious Thai style and offers premium-graded food and beverages. Le Siam targets foreign customers and high-income earners who look for a sophisticated place offering traditional Thai food to entertain.

As of December 31, 2014, there were three branches of Le Siam Restaurant at Saladaeng in Bangkok, Jungceylon in Phuket and Central Samui in Surat Thani.

### 4 Coffee Shop and Bakery Business



In September 2012, MK Restaurant Group Plc. opened Le Petit, the first coffee shop. Bakery bistro developed on its own formula at Siriraj Hospital. The place offers snacks, bakeries, coffee and other beverages. Le Petit is part of the Company's CSR project as net profit after expenses is entirely donated to the hospital.

As of December 31, 2014, there was one Le Petit coffee shop and bakery.



### 5 Home Delivery and Catering Business



MK Restaurant Group Plc. and MK Interfood Co., Ltd. offer home delivery and catering services where food from MK Suki Restaurant and Yayoi Restaurant could be home delivered between 10 am to 9 pm each day with a minimum order from both restaurants of Baht 150. However, if fresh food items under MK Suki Restaurant is ordered, the minimum order will start at Baht 199. There is a charge of Baht 40 per trip for home delivery including VAT. Customers can pay by cash or by Visa credit card of all major banks. They can order food by calling the following numbers or going to the following websites:

Aside from the catering service, both MK Suki Restaurant and Yayoi Japanese Restaurant

also accept advanced orders and can provide lunch boxes for party, feast or other events. The Company has a plan to provide a comprehensive catering service where all equipment and accessories such as suki pot, electronic outlets, chairs and dining tables and competent service personnel are offered and set up for customers to make them feel like they actually dine at MK Suki Restaurant.

#### Phone Numbers

Service Areas	Phone Numbers
Bangkok and its vicinity	+66 2248-5555, 1642
Pattaya, Chon Buri	+66 3837-4484, 1642
Chiang Mai	+66 5321-4111, 1642
Phuket	+66 7624-8266, 1642

#### Websites for Online Order

Service Areas	MK Suki	Yayoi
Bangkok and its vicinity		
Pattaya, Chon Buri	<a href="http://www.mkrestaurant.com">http://www.mkrestaurant.com</a>	<a href="http://www.yayoirestaurants.com">http://www.yayoirestaurants.com</a>
Chiang Mai		

### 6 Overseas Restaurant Business

As of December 31, 2014, the Company had the following MK Suki Restaurants and Yayoi Japanese Restaurants overseas:

Countries	Number of MK Suki Restaurants	Number of Yayoi Restaurants	Operated by
Japan	31	-	Plenus MK Co., Ltd. (The Company hold 12% of its shares; it obtains the franchise right from the Company.)
Singapore	2	6	Plenus & MK Pte. Ltd. (The Company hold 50% of its shares; the firm is a joint-venture company.)
Vietnam	3	-	Global Investment Gate Joint-Stock Company (not relating to the Company; it obtains the franchise right from the Company.)
Indonesia	1	-	PT Master Kuliner (not relating to the Company; it obtains the franchise right from the Company.)

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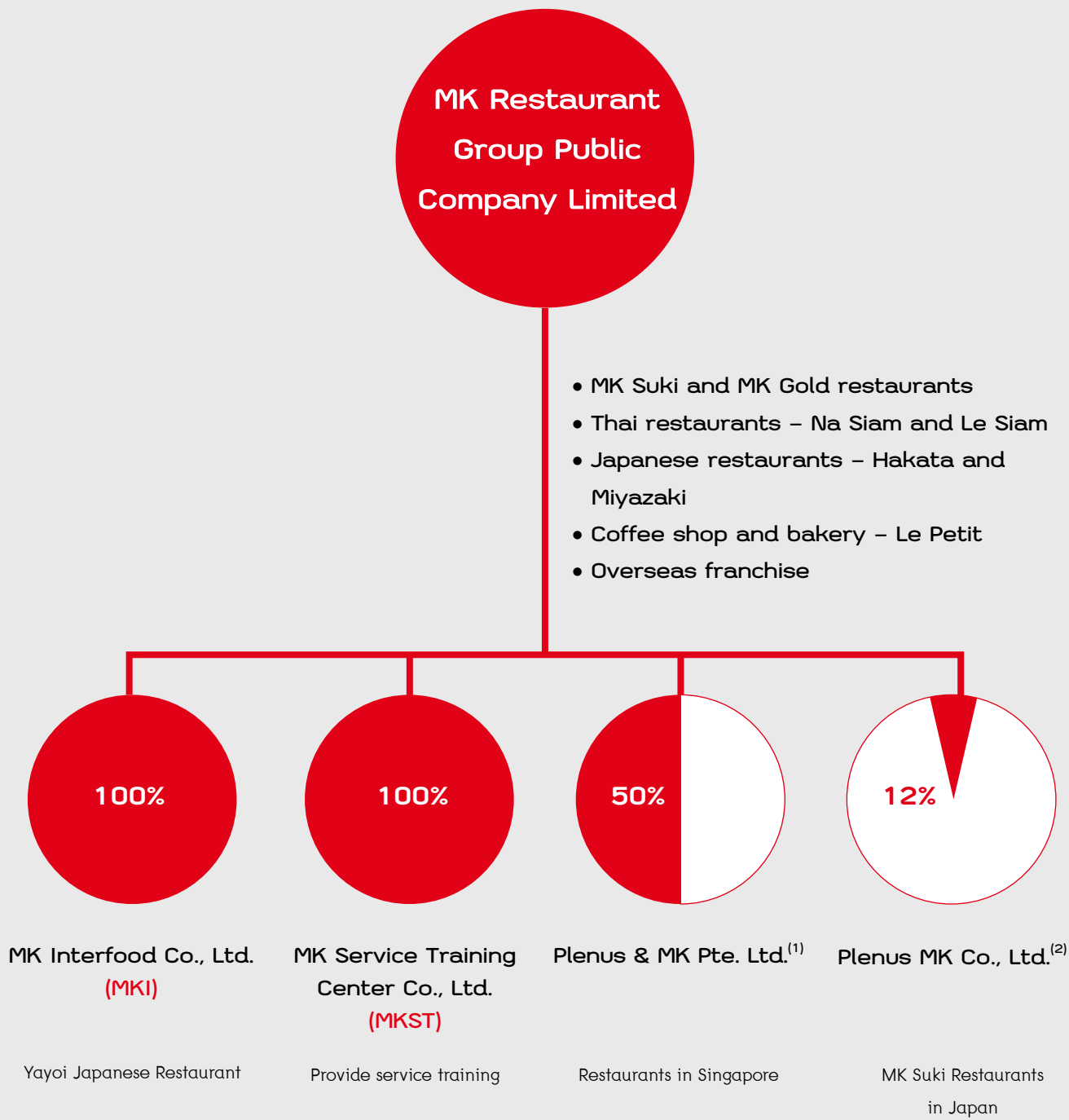


## 7 Training Center

Founded in 2006, the MK Training Center is run by MK Service Training Co., Ltd. to offer service training and other necessary skills for service personnel of the Company and its subsidiaries. Realizing that human resources are the most valuable asset of the Company, MK Restaurant Group Plc. put endless energy into the recruitment, selection, retention and development of personnel. It has developed training courses to intensively train personnel of all departments whether they are full-time or temporary staff at branch restaurants, students, management or executives. Every employee will go through training and capability building courses that the company specially designed to correspond with their career path.

Located on Km. 3, Bangna-Trad Highway, opposite of Central Plaza, Bangna Branch, the seven-floors, MK Training Center boasts a variety of training rooms and a comprehensive range of training equipment. Most courses depend on knowledge and competency of the Company's own staff. Trainers are executives, managers, chiefs of sections and experts at various levels. In addition, there are also third-party experienced trainers in the service industry to share their skills, experiences, thoughts and service mind necessary for the profession. The goal is to encourage all MK personnel to commit to the best possible service to fulfill customer's needs.

## Corporate Structure of the Company and Subsidiaries



(1) Plenus Co., Ltd. hold 50% of its shares.  
(2) Plenus Co., Ltd. hold 87.8% of its shares while Bridg Co., Ltd. hold 0.2%.

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MKI'S REGISTERED  
SHARE CAPITAL  
BAHT 400 MILLION

May

On May 9, 2014, the Board of Director's Meeting of the Company passed a resolution to increase the registered share capital of MK Interfood Co., Ltd. from the share from Baht 150 million to Baht 400 million (40 million ordinary shares, at Baht 10 per share) by issuing 25 million new ordinary shares with a par value of Baht 10 per share.

The Board of Director's Meeting of the Company passed a resolution to increase the registered share capital of MK Interfood Co., Ltd.

MONEY & BANKING  
AWARDS  
2014

July

In July 2014, the Company has been awarded "Best Public Companies of the Year 2014" from "Money & Banking Magazine".

The Company has been awarded "Best Public Companies of the Year 2014"

NEW CENTRAL  
KITCHEN

March

In March, 2014, the Company started the operation of new central kitchen which located on Bangna-Trad Road (Km.21), Bangchalong subdistrict, Bangplee district, Samutprakarn with the area of 18,000 sqm.

The Company started the operation of new central kitchen

ESOP (M-WA)

October

On October 9, 2014, the Company registered the increase of its paid-up share capital from Baht 905,850,000 to Baht 907,081,100 by issuing 1,231,100 new ordinary shares with a par value of Baht 1 per share from the exercise of ESOP warrants (M-WA).

The increase of its paid-up share capital from Baht 905,850,000 to Baht 907,081,100

"THE MOST POWERFUL  
CHAINED RESTAURANT  
BRAND OF THAILAND"

November

In November 2014, the Company has been awarded "The Most Powerful Chained Restaurant Brand of Thailand" from the survey of 12,000 people by Faculty of Commerce and Accountancy, Chulalongkorn University.

The Company has been awarded "The Most Powerful Chained Restaurant Brand of Thailand"

ASIA PACIFIC  
ENTREPRENEURSHIP  
AWARDS 2014

November

In November 2014, the Company has been awarded "ENTREPRENEUR OF THE YEAR" from "Asia Pacific Entrepreneurship Awards 2014" organized by Enterprise Asia Co., Ltd.

"Asia Pacific Entrepreneurship Awards 2014" organized by Enterprise Asia Co., Ltd.

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## Risk Factors

Like other businesses, the Company’s business is exposed to various risks. The following risks are what the Company feels that if occurred, they may adversely affect the Company’s business, financial position and performance in a material manner. In addition, there could be other risks that the Company has no knowledge of at the moment; or feels, following its consideration, that they could not yet be classified as risks that could materially damage the Company’s business.

### Risk from Intense Competition

The restaurant business that the Company is running is indeed a highly-competitive business and competition will be even more intense as days pass by. As a result, the Company's success will depend on its ability to continue to effectively compete with other contenders.

The Company is to compete with a variety of restaurants that include international restaurant chains, well-established local restaurant chains and numerous small-time restaurateurs. In addition, new operators enter the restaurant business each day due largely to the low barrier of entry into this business. As a result, competition in the restaurant business will be based on price and quality of food, variety and value perception of menu, service quality, number and location of outlets, effectiveness in new product development, advertising and sales promotion activities, restaurant decoration and the way the restaurant is maintained to continue attracting customers and, finally,

brand reputation and strength. Failure by the Company to constantly and effectively compete with other contenders in these aspects will have a material and adverse impact to the business and its operation.

However, the fact that the Company continues to see its branch, income and performance expanding for more than two decades indicates that it does have an ability to constantly and effectively compete with other challengers. In other words, the Company has several competitive advantages; namely (1) strong brand recognition as the "MK Brand" is indeed highly recognized and adored by customers; (2) strong financial position which enables the Company to expand business both in the short and long term; (3) capable and experienced management team which has been in the restaurant business for more than 20 years and which helps making the Company's management effective and efficient; (4) own service training center which enhances

management skills of branch managers and, more importantly, trains service staff to provide standardized service at all the Company's restaurants; (5) best strategic locations of more than 500 branches of "MK" and "Yayoi" restaurants nationwide; (6) business size which is large enough to achieve the economy of

scale in many areas such as sourcing and procurement, transportation and advertising; and (7) construction of a new and sophisticated central kitchen and a distribution center which will increase the Company's kitchen facilities totaling three places in order to support the future expansion.

### Risk from Volatility of Raw Material Prices



Since costs of food are the Company's most important cost item as it accounts for as high as 35 percent of the Company's revenues from sales and services and since most of them are costs of raw materials, changes in raw material prices at a time the Company could not hike its sales prices to compensate for the rise or if it could only partially compensate such rise due to intense competitions or weakening purchasing power will materially and adversely affect the Company's performance.

Most of the Company's raw materials are fresh produce such as meat, seafood, vegetables, fruits, egg, rice and seasoning of which their

market prices and quantities fluctuate at any time according to demand and supply. This is especially the case of volumes being produced which could be negatively affected by unfavorable weather condition, natural disaster or contagious diseases in animals or plants, all of which are beyond the Company's control. When raw material prices are up due to depleting production volumes affected by negative factors mentioned above, the Company is required to buy raw materials at higher price and volume that it has not projected. This could eventually make a negative impact to the Company's performance.

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To minimize risk from the fluctuation of raw material prices, the Company has embarked on several measures to properly control the costs of raw materials. Significant measures are (1) estimating demands of raw materials that could materially affect the Company's total costs of raw materials in order to plan the sourcing for an amount and within a timeframe as required by the Company's sales plan; (2) the estimated demand of raw materials should allow the Company to have a better negotiating power with manufacturers or distributors thanks to a huge volume of raw materials to be bought and a definite delivery schedule; (3) to prevent risk from price fluctuation, a future sales contract will be signed with reliable manufacturers or distributors where parties will be bound to each other within an agreed timeframe such as

Risk from Additional Staff Costs

The restaurant business is a labor-intensive industry which depends very much on employees especially service staff who will make customers happy through their services. As a result, costs of employee are the second most important cost item of the business only after the costs of food. As a result, if the cost keeps rising and the Company could not hike its sales price to compensate for an increasing employee expense or if it could only partially cover the expense due largely to intense competition or weakening purchasing power or any other factor that may prevent the Company from raising its sales price, this will negatively affect the Company's performance in a material manner.

To minimize the risk from the increase of employee costs as described above, the

within three months, six months or a year; and where the contract will clearly specify the prices, volumes that will change hands and delivery dates; (4) the sourcing of raw materials of which prices are seasonally fluctuated and which could be properly stored without materially jeopardizing their quality will be made in advance in preparation for consumption during the period when their prices are up; and (5) a comparative report will be regularly made to inform changes of raw material prices that could make a material impact to the total costs of raw materials as this will be used as a guideline to hike menu prices when necessary and if possible. These measures were carried out to reduce volatility from the change of raw material prices as well as to keep the costs of raw material in control.

Company has conducted various measures to keep the cost within an optimal level. The measures are (1) setting and adjusting the number of staff in each restaurant to reflect its traffic volume to maximize efficiency while enabling to maintain quality service to customers at a standard level envisioned by the Company; (2) monitoring each restaurant's staff productivity and ensuring that it is in line with the productivity standard developed by the Company. In addition, to encourage restaurant managers to pay attention to this subject, staff productivity has become one of the Key Performance Indicators (KPIs) used in the evaluation of each restaurant's performance; (3) introducing a computerized technology to the restaurant which will not only enhance staff efficiency but will also improve service quality

as the technology will speed up the service and make it more accurate; and (4) staff especially service employees will be constantly trained to enhance performance and standardize service quality. By seriously and incessantly pursuing these measures and by hiking sales prices

Risk from the Shortage of Branch Operational Employees

The Company's business is a service business which heavily relies upon people as its driving force. The Company plans to open new branches each year and each branch needs approximately 30 - 40 staff. As a result, the Company has to recruit a large number of new staff to accommodate new branch opening. Therefore, failure to recruit new staff to accommodate expansion or to replace resigning staff in a timely fashion will materially affect the Company's service and operation.

However, it has committed to resolve this problem by retaining staff to work as long as possible with the Company and by giving priority to the concept of working under the

Risk from Failure to Find Leased Space and to Renew the Leased Space under a Condition Deemed Appropriate by the Company

As the competition in the industry is getting intense and as there is an increasing number of restaurateurs entering the market, leased space for new restaurant has become rarer. This could expose the Company to a risk from not being able to find and lease space to open a new branch as planned.

when necessary and if doable, the Company has managed to control the costs of employees to remain at an optimal level vis-à-vis its revenues and at the same time reduced its loss resulted from staff oversupply and employee underperformance.

"MK Culture" where employees of all levels are taken care of. Capable staff are given a chance to rise along their career path to executive positions in the future. In addition, the Company takes a great care by giving employees fair remunerations and welfare as well as skill-enhancing training and by treating them as family members. As such, the Company continues to attract candidates. New recruits are to attend a training course held by the MK Service Training Center to acknowledge the MK corporate culture and to perform his/her duty based on the Company's standards. So far, the Company has had no problem recruiting new personnel with required qualifications.

However, the Company has been a business partner with several lessors who operate shopping malls, modern-trade outlets and community malls in Bangkok and provinces. Besides, the Company is Thailand's leading restaurateur who offers products and services highly desirable by consumer. As a result, this is unlikely to prevent the Company from finding

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the leased space. Meanwhile, most of the lease agreements offer a lease term of three years at a time which is renewable 3 – 5 times for another three years on each occasion. Failure to renew the lease agreement may affect the Company's operation. Yet, the Company has had a warm and long-lasting relationship with the lessors. Together with its excellent rent payment track record, its compliance with the lease agreements, the fact that it has never

### Risk from New Branch Opening

The Company aims to grow constantly and opening new branch is a factor to achieve the goal. As the competition in this industry has become tougher than before together with the fact that newcomers step into the industry every day, the Company therefore is exposed to a risk that its new branch may not generate sales up to a target and thereby not yield a satisfying investment return. It needs approximately Baht 8 – 10 million to open a branch. The fund is used for design, construction, mechanical & electricity (M&E) system, furniture, kitchen equipment and other office equipment. The Company plans to constantly expand its MK Suki Restaurant and Yayoi Japanese Restaurant. Locations of newly-opened outlets however may overlap with existing branches located nearby and this could affect the Company's sales and performances in the longer run.

However, to open a new branch, the Company has to do a lot of work studying the branch opening plan. A newly-opened branch must yield a good investment return based on required criteria. The Development and Engineering Department will be responsible

had problem with the lessors and that it has the lease agreements renewed all the time, not mentioning the fact that the Company and the lessors sometimes joined force to resolve problems of unimpressive branches which had to be closed down for the best interest of both parties, the Company therefore is of the opinion that the risk from not finding leased space and not renewing lease agreement should not be an obstacle to continue its business.

for surveying location, population density, target groups of customers and performance of nearby branches. It will also conduct a financial analysis by looking at, for example, payback period and return on investment (ROI) which must not be less than a required level. This information will be used in considering a new branch opening. In addition, the Company has had experiences in this business for more than 25 years with highly-recognized products and services desirable by customers. At the other end, shopping mall owners, modern-trade outlet and community mall operators are, too, looking for reputable restaurants to lease their space in order to attract customers. That's why the Company has been offered attractive packages of ideal location, space size and rental term. The Company studies every leased premise being offered as well as conducts a financial analysis before making an investment decision at an appropriate site that could general high yield. The Company is confident that new branch opening that covers more extensive service areas should increase its capacity to generate higher profits to shareholders and to reduce its operation risk in the long run. In addition, the Company

also takes into consideration sales amounts of nearby branches and population density in the same area to ensure that a new entrant will not affect the business of existing branch nearby but

rather is an appealing alternative for customers living in the area and works strategically to expand the Company's service areas to help maintain its market share.

### Risk from Failure to Renew the Yayoi Franchise



MK Interfood Co., Ltd. ("MKI") has been licensed to operate a Japanese restaurant in Thailand by Plenus Co., Ltd. under the "Yayoi" branch. The franchise term is three years and is renewable for three years on each occasion unless either party notifies the other to terminate the agreement 180 days before each expiration date. As a result, termination of the franchise agreement could prevent the Company from continuing the Yayoi restaurant business which will inevitably affect the Company's operation.

The Company has already operated the Yayoi Japanese Restaurant business for eight

years. As of December 31, 2014, it had a total of 129 Yayoi branches. So far, it has strictly complied with the terms and conditions of the franchise agreement where menus and operation procedures of "Yayoi Ken" under the franchise system of the rights owner and its know-how are actively implemented in the business. Others include style of the restaurant, menu change, choices of raw materials, product development, staff training, commercial and production operation as well as on-time payment of the franchise fee. In addition, the Company is truly committed to expand the Yayoi branch as evident in 2014 where 17 new

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branches were opened with more planned openings in the future. More importantly, Yayoi Restaurant's operation has been growing quite steadily. Besides, the Company and Plenus Co., Ltd. are strong business alliances who have joined force to run MK Suki Restaurant overseas.

Risk from the Information Technology (IT) System

To enhance the Company's customer's service capacity, it has introduced the IT system in the food ordering process where the system will directly and immediately send orders to the kitchen to shorten service time and to minimize errors. The IT system is also a crucial component of the Company's home delivery service as it receives orders from customers before sending them to various branches to execute delivery. The system is also prominent in other management processes. If the system is malfunctioned or in case of an unforeseeable event that may paralyze the system, this could affect the Company's operation.

Having realized the importance of the IT system, the Company has adopted a guideline

Risk from Overseas Investment

The Company has invested abroad through two joint-venture firms in which it holds 12 percent in Plenus MK Co., Ltd.'s shares to operate MK Suki Restaurant in Japan and 50 percent in Plenus & MK Pte. Ltd.'s shares to run MK Suki Restaurant in Singapore. Each country is exposed to various risk factors such

With a long-lasting relationship between us and the fact that the Company has duly complied with conditions in the concerned agreement, the Company is of the view that it should be trusted to continue having the franchise contract renewed.

to modernize the technology with a focus at systems considered crucial to its business; namely accounting, raw material sourcing and procurement, inventory management, product distribution and communication system between the head office and branches nationwide. The enhanced IT system should gather information and deliver it to executives who need it for analysis and for making crucial decisions. As a result, the Company is confident that as the system has been constantly enhanced, in case of malfunction, the Company will still be able to continue its business as every unit and function does have both manuals and standard operating procedures (SOP) that will help them resolve problems and thereby allow the business to continue running.

as economic and political conditions, laws, tax and exchange rates. As a result, in case of an event with material impact to business operation in a concerned country, it will inevitably affect the Company's operation. Therefore, the Company conducts an overseas investment study where it surveys the market

and looks at population density and target groups of customers as well as other economic factors such as GDP, inflation rate, exchange rates, political stability, investment policy governing foreign entities and tax rates. The Company also conducts financial analysis for ratios and figures which must not be lower than its threshold required for overseas investment. In addition, by having a strong partner like Plenus Co., Ltd. who is Japan's largest bento lunch box business operator boasting a network of more than 2,900 branches as well as the owner of the ready-to-serve Yayoi Ken Restaurant which commands an overnight success in Japan, the

Risk from Epidemic

So far, there have been several bouts of outbreaks that hit the restaurant business hard. For example, in 2002, Bovine Spongiform Encephalopathy or the mad cow disease struck the US and Europe. Three years later, several countries suffered from the bird flu (H5N1) outbreak before the world witnessed the infectious disease of swine influenza (H1N1) in Mexico in 2008. The rampant epidemic did erode customer's confidence to consume meat, chicken and pork, all of which are major raw materials of all restaurants under the MK Group. Future epidemic, if any, therefore may affect the Company's revenues.

Company therefore is confident in Plenus Co., Ltd.'s leadership vision and management style as well as its potential to make MK Suki brand recognized and to expand MK Suki branches all over Japan. As a result, the Company is of the view that careful investment planning and strong business partnership will help reduce the risk. In addition, by expanding the business into countries enjoying a high growth rate with a high density of population who have high purchasing power, this could be a great opportunity for the Company to grow even more and also the opportunity to diversify the operation risk.

The Company places a high priority to the selection of raw materials which will be supplied by selected quality manufacturers and distributors. Every piece of raw materials will have a traceability where product can be traced back throughout the entire food chain from step one to the final stage whether it's about the origin of food, production and transportation. That's why the Company is convinced that every piece of its raw materials meets the standard, is hygienic, and is safe without contaminant. In addition, the Company has the Quality Control Department to verify product quality while the operation of all central kitchens has been certified by international quality assurance systems which among a few include ISO, HACCP and GMP.

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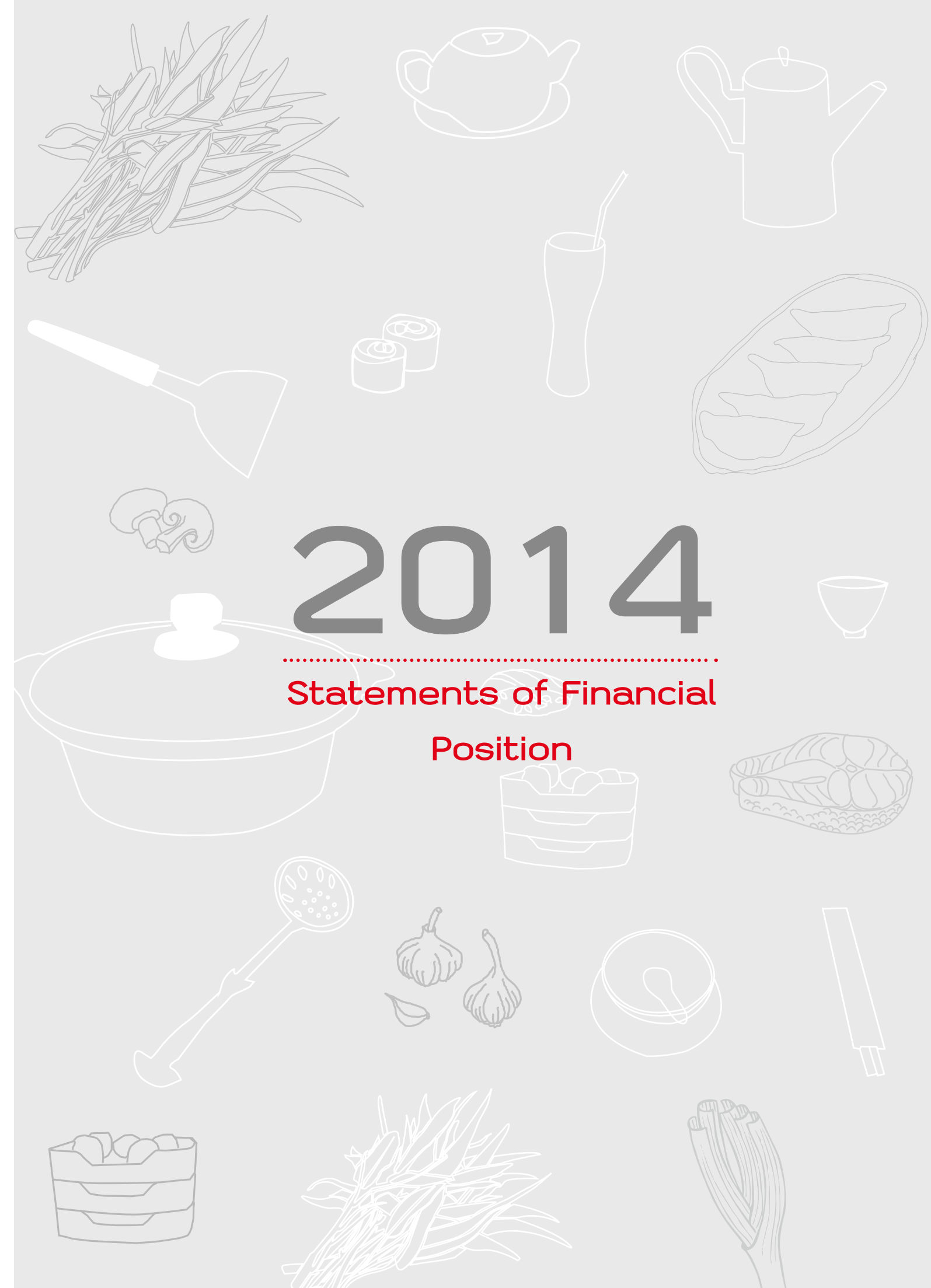
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Yet, having realized the effect of natural disaster to its business, the Company has planned protective measures to handle the risk. This includes buying casualty insurance, formulating an emergency operation plan, training staff to handle natural disaster incidents, building a new central kitchen at an ideal site, adding a distribution center to its portfolio to diversify risk, approving an emergency fund to assist employees and communicating with

Aside from being prepared to protect itself from possible flood and to handle the disaster if occurred, the Company has taken out several types of casualty insurance policies such as accident insurance, third-party liability insurance and property insurance to make itself ready for future incidents.



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# Report of the Board of Directors’ Responsibilities for the Financial Statements

The Board of Directors of MK Restaurant Group Public Company Limited is responsible for the financial statements of the Company, its subsidiaries and jointly controller entities which have been prepared in accordance with generally accepted accounting standards in Thailand under Accounting Act B.E. 2543 and the Securities and Exchange Act B.E. 2535. The policies pursued are deemed appropriate and applied consistently with adequate disclosure of important information in the notes to the financial statements which the auditors has reviewed and expressed opinions in the auditor's report.

The Board of Directors has appointed the Audit Committee comprising of the independent directors to supervise the financial report, internal control system for the purpose of efficiency and effectiveness and align with the financial reporting standard in Thailand and international Best Practice to ensure that the accounting records are accurate, complete and timely to prevent fraud and materially irregular operations. The opinion of the Audit Committee regarding to these matters appears in the Report of Audit Committee in this Annual Report.

The Board of Directors has confidence that the internal control and the internal audit systems of the Company, its subsidiaries and jointly controller entities presents the financial position, results and cash flow accurately.



(Mr. Rit Thirakomen)  
Chairman of the Board of Directors

# Report of the Audit Committee

The Audit Committee appointed by the Company's Board of Directors consists of three independent directors. Chaired by Dr. Annop Tanlamai, the Committee has Mrs. Vilai Chattanrassamee and Mr. Attapon Chodchoy as two audit members with Mr. Pasakorn Lila serving as the Committee's secretary. The qualifications of all Audit Committee's members have passed the criteria laid down by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET).

The Audit Committee has carried out its work within the scope of duties and responsibilities specified in the Audit Committee Charter namely: to review financial statements; to review internal control system; to review internal audit; to monitor compliance with laws, policies, regulations and orders; to review connected transactions; to promote good corporate governance; and to appoint the auditors and fix their remunerations. In 2014, the Audit Committee convened seven meetings with the Company's executives, internal auditors, and the auditors. In addition, the Audit Committee met with the auditors to discuss 2014 financial statements without the presence of the Company's Management. The work of the Audit Committee during 2014 can be summarized as follows:

**1. Review of quarterly financial statements and full year financial statement:** The Audit Committee inquired and received explanations from executives of the Company's finance and accounting units as well as the auditors concerning the accuracy of the Company's financial statements and consolidated financial statements, and also the adequacy of information disclosure and notes to the financial statements. After the review, the Audit Committee agreed with the auditors that fairly the financial statements were accurate in all material aspects and were reliable in accordance with the generally accepted accounting standard. The opinion of the Audit Committee shall be presented to the Company's Board of Directors for approval, and then also to a shareholder's meeting for approval.

**2. Review of internal audit:** The Audit Committee reviewed the internal audit that was conducted under an approved plan. The review showed the effective performance of the internal-audit team achieved more than the planned goals considered from the results of each quarterly internal audit which presented findings, important points as well as recommendations for each audited unit. Those involved in the internal audit played a role in the formulation of new measures and monitoring of their implementation so as to improve operations efficiency. The internal audit was also reviewed by the external auditors. The Audit Committee had the opinion that the Company's internal audit was adequate, appropriate, efficient and on par with international standard.

**3. Review of internal-control operations and system:** The Audit Committee reviewed the adequacy, appropriateness and efficiency of internal-control system with aim to help the Company achieve its goals. The review was based on the internal-audit reports, which were conducted in line with an approved plan and covered all major systems of the Company. The Audit Committee did not find any material defect. The review showed the Company complied with laws governing securities and exchange, SET requirements, as well as all other applicable laws and regulations. Any authorization and approval granted proceeded in line with prescribed guideline and the good practice for internal control too. The Audit Committee also found that the Company's corporate governance was transparent.

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**4. Review of compliance with laws and regulations:** The Audit Committee reviewed the compliance with internal-audit team and relevant executives. The review showed the audited units proceeded in line with prescribed laws and regulations. They also kept abreast of any change in law, accounting standard and relevant issues through quarterly consultations with external auditor. Updated knowledge of laws, regulations and relevant issues allowed the Company to study and understand the changed requirements well for proper compliance.

**5. Review of connected transactions or transactions that may cause conflict of interest:** The Audit Committee reviewed the appropriateness of connected transactions or transactions that may cause conflict of interest. The review showed that the connected transactions by the Company in 2014 were done based on normal business practice, reasonable, and in the best interest of the Company's business. These connected transactions were transparent, with related information disclosed fully and accurately.

**6. Promotion of Good Corporate Governance:** In 2014, the Audit Committee encouraged good corporate governance by supporting the formulation and updating of the Company's policy on good corporate governance so as to ensure that it keeps pace with changing circumstances and responds to the SET's latest standards. In addition, the Audit Committee encouraged executives and employees of the Company to follow the policy as good corporate governance shall boost the Company's efficiency.

**7. Review the performance of and nominating auditors:** The Audit Committee reviewed the performance of auditors during the past year on the basis of his/her/their reliability, independence, competency and abilities to provide services, counseling on accounting standards, auditing, and certifying financial statements in a timely manner. Based on the review, the Audit Committee asked the Board of Directors to nominate Miss Kamontip Lertwitworatep and/or Mr. Wichart Lokatekrawee and/or Miss Siriwan Surathepin and/or Mrs. Saifon Inkaew of EY Office Limited as the Company's auditors in 2014 at the fee of no more than Baht 1,955,000 at a shareholder meeting.

In conclusion, after having thoroughly carried out its duties as defined in the Audit Committee Charter approved by the Board of Directors, the Audit Committee has the opinion that the Company accurately reported its financial information and operations; that not only the Company had internal-control system and internal audit in place but it also complied with relevant laws, rules and regulations; that its connected transactions were duly disclosed and the Company's operations responded to the principle of good corporate governance in an adequate, transparent and reliable manner; and that the Company constantly improved its operation systems so as to deliver quality and respond well to changing business environment.

(Dr. Annop Tanlamai)

Chairman of the Audit Committee

## Independent Auditor’s Report

### To the Shareholders of MK Restaurant Group Public Company Limited

I have audited the accompanying consolidated financial statements of MK Restaurant Group Public Company Limited, its subsidiaries and its jointly controlled entity which comprise the consolidated statement of financial position as at 31 December 2014, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of MK Restaurant Group Public Company Limited for the same period.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

### Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of MK Restaurant Group Public Company Limited, its subsidiaries and its jointly controlled entity and of MK Restaurant Group Public Company Limited as at 31 December 2014, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

(Kamontip Lertwitworatep)

Certified Public Accountant (Thailand) No. 4377

EY Office Limited

Bangkok: 24 February 2015

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## Statements of financial position

MK Restaurant Group Public Company Limited  
its subsidiaries and its jointly controlled entity  
As at 31 December 2014

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at 31 December 2014	As at 31 December 2013	As at 31 December 2014	As at 31 December 2013
Assets					
Current assets					
Cash and cash equivalents	7	372,577,623	870,947,585	222,233,666	641,293,393
Short-term investments	8	8,358,998,398	3,338,550,729	8,100,557,342	3,256,403,421
Trade and other receivables	6, 9	100,233,492	159,905,252	189,305,138	223,641,275
Short-term loan to related party	6	-	-	-	130,000,000
Inventories	10	282,946,208	226,047,794	269,290,071	212,703,212
Other current assets	11	318,731,299	347,315,046	275,612,701	322,453,596
Total current assets		9,433,487,020	4,942,766,406	9,056,998,918	4,786,494,897
Non-current assets					
Advances for purchases of building and equipment		15,517,961	9,521,518	15,517,961	9,521,518
Investments in subsidiaries	12	-	-	351,479,872	101,479,872
Investment in joint venture	13	-	-	149,207,500	149,207,500
Other long-term investments	14	-	5,000,000,000	-	5,000,000,000
Property, plant and equipment	15	4,630,364,458	4,285,762,456	3,936,178,951	3,617,499,030
Intangible assets	16	59,435,252	55,782,080	56,565,200	52,846,648
Leasehold rights	17	322,621,566	365,085,755	299,955,869	340,441,633
Deferred tax assets	26	120,270,357	64,086,330	110,581,868	57,323,983
Deposits		321,157,944	283,180,069	245,838,265	220,959,155
Total non-current assets		5,469,367,538	10,063,418,208	5,165,325,486	9,549,279,339
Total assets		14,902,854,558	15,006,184,614	14,222,324,404	14,335,774,236

  
**(Mr. Rit Thirakomen)**  
Director

  
**(Mr. Somchai Hanjitkasem)**  
Director

## Statements of financial position (continued)

MK Restaurant Group Public Company Limited  
its subsidiaries and its jointly controlled entity  
As at 31 December 2014

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at 31 December 2014	As at 31 December 2013	As at 31 December 2014	As at 31 December 2013
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	6, 18	1,461,082,943	1,857,615,286	1,311,630,972	1,684,969,021
Income tax payable		291,714,120	229,479,338	260,913,843	206,695,980
Current portion of deferred income of membership fee		35,565,700	35,336,088	27,136,421	25,494,813
Other current liabilities	19	204,863,976	155,669,508	173,578,875	132,978,877
Total current liabilities		1,993,226,739	2,278,100,220	1,773,260,111	2,050,138,691
Non-current liabilities					
Deferred income of membership fee – net of current portion		11,248,395	12,478,698	9,230,690	7,857,433
Provision for long-term employee benefits	20	217,677,563	191,385,272	204,177,990	180,738,834
Total non-current liabilities		228,925,958	203,863,970	213,408,680	188,596,267
Total liabilities		2,222,152,697	2,481,964,190	1,986,668,791	2,238,734,958

  
**(Mr. Rit Thirakomen)**  
Director

  
**(Mr. Somchai Hanjitkasem)**  
Director

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## Statements of financial position (continued)

MK Restaurant Group Public Company Limited  
its subsidiaries and its jointly controlled entity  
As at 31 December 2014

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at 31 December 2014	As at 31 December 2013	As at 31 December 2014	As at 31 December 2013
Shareholders' equity					
Share capital	21				
Registered					
925,850,000 ordinary shares of					
Baht 1 each		925,850,000	925,850,000	925,850,000	925,850,000
Issued and fully paid					
907,081,100 ordinary shares					
of Baht 1 each					
(31 December 2013:					
905,850,000 ordinary shares					
of Baht 1 each)		907,081,100	905,850,000	907,081,100	905,850,000
Share premium	21	8,785,027,903	8,785,027,903	8,785,027,903	8,785,027,903
Capital reserve for share-based					
payment transactions	22	325,699,406	36,070,481	325,699,406	36,070,481
Retained earnings					
Appropriated – statutory reserve	23	92,585,000	92,585,000	92,585,000	92,585,000
Unappropriated		2,563,655,462	2,695,310,003	2,125,262,204	2,277,505,894
Other component of shareholders'					
equity		6,652,990	9,377,037	–	–
Total shareholders' equity		12,680,701,861	12,524,220,424	12,235,655,613	12,097,039,278
Total liabilities and shareholders' equity		14,902,854,558	15,006,184,614	14,222,324,404	14,335,774,236

  
**(Mr. Rit Thirakomen)**  
Director

  
**(Mr. Somchai Hanjitkasem)**  
Director

## Income statements

MK Restaurant Group Public Company Limited  
its subsidiaries and its jointly controlled entity  
For the year ended 31 December 2014

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Revenues					
Sales and service income		14,637,212,004	13,969,228,592	13,062,304,334	12,627,612,230
Interest income		271,708,907	98,803,494	270,781,351	103,376,590
Dividend income		996,111	699,960	187,495,922	699,960
Other income	24	194,617,983	171,621,192	246,218,060	183,850,758
Total revenues		15,104,535,005	14,240,353,238	13,766,799,667	12,915,539,538
Expenses					
	25				
Cost of sales and services		5,020,831,617	4,627,139,910	5,036,888,270	4,661,842,516
Selling expenses		6,555,792,243	6,130,392,341	5,399,300,693	5,138,014,386
Administrative expenses		993,630,827	935,315,411	868,045,166	789,762,895
Total expenses		12,570,254,687	11,692,847,662	11,304,234,129	10,589,619,797
Profit before finance cost and income tax expenses					
		2,534,280,318	2,547,505,576	2,462,565,538	2,325,919,741
Finance cost		-	(21,230,717)	-	(21,230,717)
Profit before income tax expenses		2,534,280,318	2,526,274,859	2,462,565,538	2,304,689,024
Income tax expenses	26	(491,904,590)	(487,102,346)	(440,779,148)	(444,509,778)
Profit for the year		2,042,375,728	2,039,172,513	2,021,786,390	1,860,179,246
Profit attributable to:					
Equity holders of the Company		2,042,375,728	2,039,172,513	2,021,786,390	1,860,179,246
Earnings per share					
	27				
Basic earnings per share					
Profit attributable to equity holders of the Company		2.25	2.57	2.23	2.34
Diluted earnings per share					
Profit attributable to equity holders of the Company		2.22	2.54	2.20	2.32

  
**(Mr. Rit Thirakomen)**  
Director

  
**(Mr. Somchai Hanjitkasem)**  
Director

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## Statements of comprehensive income

MK Restaurant Group Public Company Limited  
its subsidiaries and its jointly controlled entity  
For the year ended 31 December 2014

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<b>Profit for the year</b>	2,042,375,728	2,039,172,513	2,021,786,390	1,860,179,246
<b>Other comprehensive income:</b>				
Exchange differences on translation of financial statements in foreign currency	(2,724,047)	6,660,513	-	-
<b>Other comprehensive income for the year</b>	(2,724,047)	6,660,513	-	-
<b>Total comprehensive income for the year</b>	<u>2,039,651,681</u>	<u>2,045,833,026</u>	<u>2,021,786,390</u>	<u>1,860,179,246</u>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	<u>2,039,651,681</u>	<u>2,045,833,026</u>	<u>2,021,786,390</u>	<u>1,860,179,246</u>

The accompanying notes are an integral part of the financial statements.

(Mr. Rit Thirakomen)  
Director

(Mr. Somchai Hanjtkasem)  
Director

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Statements of changes in shareholders’ equity

MK Restaurant Group Public Company Limited  
its subsidiaries and its jointly controlled entity  
For the year ended 31 December 2014

(Unit: Baht)

Consolidated financial statements								
	Note	Issued and paid-up share capital	Share premium	Capital reserve of share-based payment transactions	Retained earnings		Other component of equity	Total shareholders equity
					Appropriated - statutory reserve	Unappropriated	Other comprehensive income	
							Translation adjustment	
Balance as at 1 January 2013		720,000,000	-	-	92,000,000	656,722,490	2,716,524	1,471,439,014
Share capital issued	21	185,850,000	8,785,027,903	-	-	-	-	8,970,877,903
Recognition of expenses against capital reserve for share-based payment transactions	22	-	-	36,070,481	-	-	-	36,070,481
Unappropriated retained earnings transferred to statutory reserve		-	-	-	585,000	(585,000)	-	-
Total comprehensive income for the year		-	-	-	-	2,039,172,513	6,660,513	2,045,833,026
Balance as at 31 December 2013		905,850,000	8,785,027,903	36,070,481	92,585,000	2,695,310,003	9,377,037	12,524,220,424
Balance as at 1 January 2014		905,850,000	8,785,027,903	36,070,481	92,585,000	2,695,310,003	9,377,037	12,524,220,424
Ordinary shares issued from exercised warrants	22	1,231,100	-	-	-	-	-	1,231,100
Recognition of expenses against capital reserve for share-based payment transactions	22	-	-	289,628,925	-	-	-	289,628,925
Dividend paid	29	-	-	-	-	(2,174,030,269)	-	(2,174,030,269)
Total comprehensive income for the year		-	-	-	-	2,042,375,728	(2,724,047)	2,039,651,681
Balance as at 31 December 2014		907,081,100	8,785,027,903	325,699,406	92,585,000	2,563,655,462	6,652,990	12,680,701,861

The accompanying notes are an integral part of the financial statements.

  
(Mr. Rit Thirakomen)  
Director

  
(Mr. Somchai Hanjitkasem)  
Director





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MK Restaurant Group Public Company Limited  
its subsidiaries and its jointly controlled entity  
For the year ended 31 December 2014

(Unit: Baht)

Separate financial statements							
	Note	Issued and paid-up share capital	Share premium	Capital reserve of share-based payment transactions	Retained earnings		Total shareholders equity
					Appropriated – statutory reserve	Unappropriated	
Balance as at 1 January 2013		720,000,000	–	–	92,000,000	417,911,648	1,229,911,648
Share capital issued	21	185,850,000	8,785,027,903	–	–	–	8,970,877,903
Recognition of expenses against capital reserve for share-based payment transactions	22	–	–	36,070,481	–	–	36,070,481
Unappropriated retained earnings transferred to statutory reserve		–	–	–	585,000	(585,000)	–
Total comprehensive income for the year		–	–	–	–	1,860,179,246	1,860,179,246
Balance as at 31 December 2013		905,850,000	8,785,027,903	36,070,481	92,585,000	2,277,505,894	12,097,039,278
Balance as at 1 January 2014		905,850,000	8,785,027,903	36,070,481	92,585,000	2,277,505,894	12,097,039,278
Ordinary shares issued from exercised warrants	22	1,231,100	–	–	–	–	1,231,100
Recognition of expenses against capital reserve for share-based payment transactions	22	–	–	289,628,925	–	–	289,628,925
Dividend paid	29	–	–	–	–	(2,174,030,080)	(2,174,030,080)
Total comprehensive income for the year		–	–	–	–	2,021,786,390	2,021,786,390
Balance as at 31 December 2014		907,081,100	8,785,027,903	325,699,406	92,585,000	2,125,262,204	12,235,655,613

The accompanying notes are an integral part of the financial statements.

  
(Mr. Rit Thirakomen)  
Director

  
(Mr. Somchai Hanjitkasem)  
Director



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## Cash flow statements

MK Restaurant Group Public Company Limited  
its subsidiaries and its jointly controlled entity  
For the year ended 31 December 2014

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash flows from operating activities				
Profit before tax	2,534,280,318	2,526,274,859	2,462,565,538	2,304,689,024
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Gain on sales of short-term investments	(11,430,430)	(15,198,569)	(9,022,249)	(13,670,316)
Loss (gain) on changes in value of short-term investments	960,450	(1,040,596)	674,527	(904,918)
Allowance for doubtful accounts	-	2,578,310	-	2,578,310
Loss on damaged inventories	533,464	519,349	533,464	519,349
Amortisation of prepaid expenses	15,356,446	10,585,322	13,903,953	9,892,901
Depreciation and amortisation	762,942,000	598,126,792	615,751,585	476,045,998
Allowance for impairment of assets	23,592,446	32,001,006	23,592,446	13,486,242
Loss on disposals of equipment and leasehold rights	12,848,844	285,425	7,282,863	790,950
Loss on write-off of equipment and computer software	3,944,315	1,233,217	3,856,808	1,233,217
Expenses for share-based payment transactions	289,628,925	36,070,481	274,968,770	33,496,239
Provision for long-term employee benefits	29,172,291	29,549,678	26,189,156	26,801,319
Realisation of gift voucher, net of sales and cash received during the year	(14,279,353)	(19,358,343)	(13,908,893)	(19,050,333)
Realisation of deferred income, net of sales and cash received during the year	(35,336,089)	(28,957,526)	(25,494,813)	(24,412,917)
Dividend income	(996,111)	(699,960)	(187,495,922)	(699,960)
Interest income	(271,708,907)	(98,803,494)	(270,781,351)	(103,376,590)
Interest expenses	-	21,230,717	-	21,196,197
Profit from operating activities before changes in operating assets and liabilities	3,339,508,609	3,094,396,668	2,922,615,882	2,728,614,712

The accompanying notes are an integral part of the financial statements.

  
**(Mr. Rit Thirakomen)**  
Director

  
**(Mr. Somchai Hanjitkasem)**  
Director



## Cash flow statements (continued)

MK Restaurant Group Public Company Limited

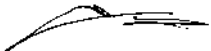
its subsidiaries and its jointly controlled entity

For the year ended 31 December 2014

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<b>Cash flows from operating activities (continued)</b>				
Operating assets (increase) decrease				
Trade and other receivables	(4,129,218)	(9,074,983)	(14,971,672)	(10,003,159)
Inventories	(57,431,878)	(23,746,138)	(57,120,323)	(20,293,217)
Other current assets	(1,923,811)	(264,954,318)	18,769,221	(260,687,797)
Deposits	(37,977,875)	(38,315,578)	(24,879,110)	(24,591,754)
Operating liabilities increase (decrease)				
Trade and other payables	(151,479,974)	20,251,600	(158,201,653)	(16,241,888)
Other current liabilities	63,473,821	(8,794,328)	54,508,891	(10,645,074)
Deferred income	34,335,398	38,619,241	28,509,678	25,703,682
Provision for long-term employee benefits	(2,880,000)	(4,000,000)	(2,750,000)	(3,850,000)
Cash from operating activities	3,181,495,072	2,804,382,164	2,766,480,914	2,408,005,505
Cash received from interest income	335,509,885	5,035,393	334,749,315	9,608,259
Cash paid for interest expenses	-	(21,661,540)	-	(21,627,019)
Cash paid for income tax	(485,853,835)	(540,792,394)	(439,819,170)	(508,284,495)
<b>Net cash from operating activities</b>	<b>3,031,151,122</b>	<b>2,246,963,623</b>	<b>2,661,411,059</b>	<b>1,887,702,250</b>

The accompanying notes are an integral part of the financial statements.



(Mr. Rit Thirakomen)  
Director



(Mr. Somchai Hanjitkasem)  
Director

## Cash flow statements (continued)

MK Restaurant Group Public Company Limited

its subsidiaries and its jointly controlled entity

For the year ended 31 December 2014

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<b>Cash flows from investing activities</b>				
Decrease in short-term loan to related party	-	-	130,000,000	70,000,000
Decrease (increase) in short-term investments	(9,977,689)	(8,121,351,833)	164,193,801	(8,086,096,964)
Cash paid for investment in subsidiary	-	-	(250,000,000)	-
Cash paid for investment in joint venture	-	-	-	(83,125,000)
Decrease (increase) in advances for purchases of building and equipment	(5,996,443)	2,331,218	(5,996,443)	2,331,218
Cash paid for purchases of property, plant and equipment	(1,326,049,950)	(1,694,711,540)	(1,130,805,939)	(1,470,136,525)
Cash paid for purchases of computer software	(14,217,242)	(14,712,296)	(13,406,447)	(13,821,572)
Cash paid for leasehold rights	-	(6,801,861)	-	(4,921,507)
Proceeds from disposals of property, plant and equipment	1,247,345	10,493,504	10,847,300	25,754,126
Proceeds from disposals of leasehold rights	-	6,801,860	-	6,801,860
Dividend income	996,111	699,960	187,495,922	699,960
<b>Net cash used in investing activities</b>	<b>(1,353,997,868)</b>	<b>(9,817,250,988)</b>	<b>(907,671,806)</b>	<b>(9,552,514,404)</b>
<b>Cash flows from financing activities</b>				
Decrease in short-term loan from financial institution	-	(850,000,000)	-	(850,000,000)
Cash received from share capital issued	-	8,936,934,878	-	8,936,934,878
Cash received from exercised warrants	1,231,100	-	1,231,100	-
Dividend paid	(2,174,030,269)	(439,200,000)	(2,174,030,080)	(439,200,000)
<b>Net cash from (used) in financing activities</b>	<b>(2,172,799,169)</b>	<b>7,647,734,878</b>	<b>(2,172,798,980)</b>	<b>7,647,734,878</b>
<b>Increase (decrease) in translation adjustment</b>	<b>(2,724,047)</b>	<b>6,660,513</b>	<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash and cash equivalents</b>				
	(498,369,962)	84,108,026	(419,059,727)	(17,077,276)
Cash and cash equivalents at beginning of year	870,947,585	786,839,559	641,293,393	658,370,669
<b>Cash and cash equivalents at end of year (Note 7)</b>	<b>372,577,623</b>	<b>870,947,585</b>	<b>222,233,666</b>	<b>641,293,393</b>

### Supplement disclosure of cash flows information

Non-cash items

Increase (decrease) in accounts payable for

purchases of plant and equipment

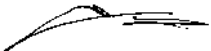
(229,901,257)

188,162,548

(200,968,675)

201,518,565

The accompanying notes are an integral part of the financial statements.



(Mr. Rit Thirakomen)  
Director



(Mr. Somchai Hanjitkasem)  
Director

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# Notes to consolidated financial statements

MK Restaurant Group Public Company Limited  
its subsidiaries and its jointly controlled entity  
For the year ended 31 December 2014

## 1. General information

MK Restaurant Group Public Company Limited ("the Company") was incorporated as a limited company under Thai laws and subsequently registered the change of its status to a public limited company under the Public Limited Companies Act, and domiciled in Thailand. The Company is principally engaged in sales of foods and beverages through restaurants, under the trademark "MK Restaurants". The registered office of the Company is at 1200 Bangna-trad Road, Bangna, Bangkok.

As at 31 December 2014, the Company had operated 428 branches (2013: 393 branches).

## 2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

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

### 2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of MK Restaurant Group Public Company Limited ("the Company"), its subsidiaries ("the subsidiaries") and its jointly controlled entity ("the jointly controlled entity") as follows:

  
**(Mr. Rit Thirakomen)**  
Director

  
**(Mr. Somchai Hanjtkasem)**  
Director

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2014	2013
			Percent	Percent
<b><u>Subsidiaries</u> (held by the Company)</b>				
MK Interfood Company Limited	Restaurant	Thailand	100	100
MK Service Training Center Company Limited	Training service provider	Thailand	100	100
<b><u>Jointly controlled entity</u> (proportionate consolidation)</b>				
Plenus & MK PTE LTD	Restaurant	Singapore	50	50

- b) 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.
- c) Jointly controlled entity is consolidated applying the proportionate consolidation method as from the date on which the Company assumes joint control, and continues to be consolidated until the date when such joint control ceases.
- d) The financial statements of the subsidiaries and the jointly controlled entity are prepared using the same significant accounting policies as the Company.
- e) The assets and liabilities in the financial statements of the overseas jointly controlled entity are translated to Baht using the exchange rate prevailing at 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, its subsidiaries and its jointly controlled entity have been eliminated from the consolidated financial statements.
- g) The financial statements of the oversea jointly controlled entity for the year ended 31 December 2014 included in the consolidated financial statements were prepared by the management of the jointly controlled entity and have not been audited or reviewed by its auditor. Its aggregate assets as at 31 December 2014 were approximately Baht 158 million or 1.1 percent of the consolidated assets (2013: approximately Baht 166 million or 1.1 percent of the consolidated assets) and its aggregate revenue for the year ended 31 December 2014 was approximately Baht 147 million or 0.97 percent of the consolidated revenue (2013: approximately Baht 101 million or 0.71 percent of the consolidated revenue).
- 2.3 The separate financial statements, which present investments in subsidiaries and joint venture under the cost method, have been prepared solely for the benefit of the public.

  
**(Mr. Rit Thirakomen)**  
Director

  
**(Mr. Somchai Hanjtkasem)**  
Director

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3. New financial reporting standards

Below is a summary of financial reporting standards that became effective in the current accounting year and those that will become effective in the future.

(a) Financial reporting standards that became effective in the current accounting year

Conceptual Framework for Financial Reporting (revised 2014)

Accounting Standards:

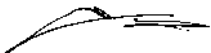
TAS 1 (revised 2012)	Presentation of Financial Statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (revised 2012)	Related Party Disclosures
TAS 28 (revised 2012)	Investments in Associates
TAS 31 (revised 2012)	Interests in Joint Ventures
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible Assets

Financial Reporting Standards:

TFRS 2 (revised 2012)	Share-based Payment
TFRS 3 (revised 2012)	Business Combinations
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2012)	Operating Segments

Accounting Standard Interpretations:

TSIC 15	Operating Leases – Incentives
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29	Service Concession Arrangements: Disclosures
TSIC 32	Intangible Assets – Web Site Costs



(Mr. Rit Thirakomen)  
Director



(Mr. Somchai Hanjirkasem)  
Director

Financial Reporting Standard Interpretations:

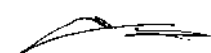
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TFRIC 17	Distributions of Non-cash Assets to Owners
TFRIC 18	Transfers of Assets from Customers

Accounting Treatment Guidance for Stock Dividend

These financial reporting standards were amended primarily to align their content with the corresponding International Financial Reporting Standards. Most of the changes were directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of the accounting standards. These financial reporting standards do not have any significant impact on the financial statements.

(b) Financial reporting standards that will become effective in the future

The Federation of Accounting Professions has issued a number of revised and new financial reporting standards that become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of accounting standards. The management of the Company believes they will not have any significant impact on the financial statements in the year in which they are adopted. However, some of these financial reporting standards involve changes to key principles, as discussed below.



(Mr. Rit Thirakomen)  
Director



(Mr. Somchai Hanjirkasem)  
Director

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TAS 19 (revised 2014) Employee Benefits

This revised standard requires that the entity recognises actuarial gains and losses immediately in other comprehensive income while the existing standard allows the entity to recognise such gains and losses immediately in profit or loss, or in other comprehensive income, or to recognise them gradually in profit or loss.

At present, the Company and its subsidiaries immediately recognise actuarial gains and losses in profit or loss in the period in which they occur. The assessment of the management of the Company and its subsidiaries is that when the revised standard is applied in 2015 and the method of recognising those gains and losses is changed to immediately recognise them in other comprehensive income, there will be no impact to provision for long-term employee benefit liabilities and retained earnings in the financial statements.

TFRS 10 Consolidated Financial Statements

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the part dealing with consolidated financial statements as included in TAS 27 Consolidated and Separate Financial Statements. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee 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, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgement when reviewing whether the Company and its subsidiaries have control over the investees and determine which entities have to be included for preparation of the consolidated financial statements.

The management of the Company and its subsidiaries believes that this standard will not have any significant impact on the Company and its subsidiaries' financial statements.

TFRS 11 Joint Arrangements

TFRS 11 supersedes TAS 31 Interests in Joint Ventures. This standard requires an entity to account for an investment in a jointly controlled entity using the equity method, while TAS 31 allows the entity to apply either the proportionate consolidation method or the equity method to account for such an investment.

(Mr. Rit Thirakomen)  
Director

(Mr. Somchai Hanjtkasem)  
Director

At present, the Company uses the proportionate consolidation method to account for jointly controlled entity when preparing the consolidated financial statements. The management of the Company has assessed the effect of this standard and believe that when it is applied in 2015 and the method of recognising an investment in jointly controlled entity is changed to the equity method, there will be no impact on shareholders' equity and profit in the financial statements, but only to the presentation in the statement of financial position and the statements of income and comprehensive income.

TFRS 12 Disclosure of Interests in Other Entities

This standard stipulates disclosures relating to an entity's interests in subsidiaries, joint arrangements and associates, including structured entities. This standard therefore has no financial impact on the financial statements of the Company and its subsidiaries.

TFRS 13 Fair Value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures relating to fair value measurements. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effect of the change from the adoption of this standard is to be recognised prospectively.

Based on the preliminary analysis, the management of the Company and its subsidiaries believes that this standard will not have any significant impact on the Company and its subsidiaries' financial statements.

(Mr. Rit Thirakomen)  
Director

(Mr. Somchai Hanjtkasem)  
Director



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4. Significant accounting policies

4.1 Revenue recognition

Sales and service income

These mainly represent revenues from sales of foods and beverages through the restaurants which are recognised upon goods being delivered and services being rendered. Sales and service income are the invoiced value, excluding value added tax, of goods supplied and services rendered after deducting discounts and allowances.

Membership fee

Income from membership cards is recognised on a straight-line basis over the membership period.

Interest income

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

Other income

Other income is recognised on an accrual basis.

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 their 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.

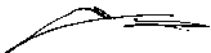
4.4 Inventories

Inventories of finished goods and work in process are valued at the lower of cost (first-in, first-out method) and net realisable value. Cost is defined as all the costs of production including labour cost and attributable factory overheads.

Raw materials and packing materials are valued at the lower of cost (first-in, first-out method) and net realisable value, and are charged to production costs whenever consumed.

4.5 Investments

- a) Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss.
- b) Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for loss on diminution in value (if any).



(Mr. Rit Thirakomen)  
Director



(Mr. Somchai Hanjtkasem)  
Director

c) Investments in subsidiaries and joint venture are accounted for in the separate financial statements using the cost method.

The fair value of unit trusts is determined from their net asset value.

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 Property, plant and equipment and depreciation

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

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

Land improvement	- 5 years
Building	- 20 years
Leasehold improvement	- Lease term
Utility system	- 10 years
Kitchen utensils and operating equipment	- 5 years
Machinery and equipment	- 5 years and 8 years
Furniture, fixtures and office equipment	- 3 years and 5 years
Motor vehicles	- 5 years

Depreciation is included in determining income.

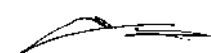
No depreciation is provided on land, construction in progress and equipment under installation.

An item of property, plant 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 the income statement when the asset is derecognised.

4.7 Intangible assets

Intangible assets are carried at cost less accumulated amortisation and 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.



(Mr. Rit Thirakomen)  
Director



(Mr. Somchai Hanjtkasem)  
Director

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A summary of intangible assets with finite useful lives is as below.

	Useful lives
Computer software	5 years and 10 years

4.8 Leasehold rights and amortisation

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

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

4.9 Related party transactions

Related parties comprise enterprises and individuals 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 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.

4.10 Operating leases

Leases of assets which do not transfer substantially all the risks and rewards of ownership to the lessee are classified as operating leases. Operating lease payments are recognised as expenses in profit or loss on a straight-line basis over the lease term.

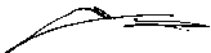
When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

4.11 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.



(Mr. Rit Thirakomen)  
Director



(Mr. Somchai Hanjirkasem)  
Director

4.12 Impairment of assets

At the end of each reporting period, the Company, its subsidiaries and its jointly controlled entity perform impairment reviews in respect of the property, plant and equipment, intangible assets and leasehold rights whenever events or changes in circumstances indicate that an asset may be impaired. 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.

An impairment loss is recognised in profit or loss.

4.13 Equity-settled share-based payment transactions

The Company recognises share-based payment transactions when services from employees are rendered, based on the fair value of the share options on the grant date. The expenses are recorded over the vesting period, in accordance with the conditions regarding length of service rendered by employees stipulated in the share-based payment plan, together with a corresponding increase in "Capital reserve for share-based payment transactions" in shareholders' equity.

4.14 Employee benefits

Short-term benefits

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

Post-employment benefits and other long-term employee benefits

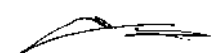
Defined contribution plans

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

Defined benefit plans and other long-term employee benefits

The Company, its subsidiaries and its jointly controlled entity have obligations in respect of the severance payments they must make to employees upon retirement under labor law. The Company, its subsidiaries and its jointly controlled entity treat these severance payment obligations as a defined benefit plan. In addition, the Company, its subsidiaries and its jointly controlled entity provide other long-term employee benefit plan, namely long service awards.

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



(Mr. Rit Thirakomen)  
Director



(Mr. Somchai Hanjirkasem)  
Director

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Actuarial gains and losses arising from post-employment benefits and other long-term employee benefits are recognised immediately in profit or loss.

The defined benefit liabilities and other long-term benefit liabilities comprise the present value of the defined benefit obligations less unrecognised past service cost and unrecognised actuarial gains or losses.

For the first-time adoption of TAS 19 Employee Benefits in 2011, the Company, its subsidiaries and its jointly controlled entity elected to recognise the transitional liability, which exceeds the liability that would have been recognised at the same date under the previous accounting policy, through an adjustment to the beginning balance of retained earnings of 2011.

4.15 Provisions

Provisions are recognised when the Company, its subsidiaries and its jointly controlled entity have 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.

4.16 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.

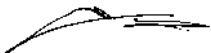
Deferred tax

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 and its subsidiaries recognise 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 and its subsidiaries review and reduce 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 and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.



(Mr. Rit Thirakomen)  
Director



(Mr. Somchai Hanjtkasem)  
Director

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:

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

Allowance for doubtful accounts

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

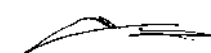
Impairment of other investment

The Company, its subsidiaries and its jointly controlled entity treat other investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires judgement.

Property, plant and equipment and depreciation

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

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



(Mr. Rit Thirakomen)  
Director



(Mr. Somchai Hanjtkasem)  
Director

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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.

Equity-settled share-based payment transactions

In estimating fair value for share-based payment transactions, the management is required to exercise judgement and to apply various assumptions, including the expected life of the share options, share price volatility and dividend yield.

Post-employment benefits under defined benefit plans and other long-term employee benefits

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

6. Related party transactions

During the years, the Company, its subsidiaries and its jointly controlled entity 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, its subsidiaries and its jointly controlled entity and those related parties.

  
**(Mr. Rit Thirakomen)**  
Director

  
**(Mr. Somchai Hanjtkasem)**  
Director

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	2014	2013	2014	2013	
Transactions with subsidiaries					
(Eliminated from the consolidated financial statements)					
Sales of goods	-	-	759	727	Cost plus margin at the rate of 7%
Sublease and subservice income	-	-	20	19	At the rate stipulated in the agreements
Management service income	-	-	54	12	At the rate of 4% of sales and service income (after output VAT deduction) with a maximum of Baht 4 million per month and at the rate of Baht 0.5 million per month (2013: At the rate of 5% of sales and service income (after output VAT deduction) with a maximum of Baht 1 million per month)
Dividend income	-	-	187	-	At the declared rate
Interest income	-	-	1	5	At the rate as stipulated on promissory note of a commercial bank
Sales of fixed assets	-	-	10	15	Net book value plus margin
Training expenses	-	-	78	119	Market price
Transactions with related companies					
Royalty fee income	5	5	5	5	At the rate of 0.5% of gross sales per month
Royalty fee expenses	44	40	-	-	At the rate of 2% of net sales per month
Rental expenses for operating equipment	36	34	25	25	Market price
Purchases of fixed assets	2	1	2	1	Market price
Rental expenses for land and construction thereon	28	20	28	20	At the rate stipulated in the agreement

As at 31 December 2014 and 2013, the balances of the accounts between the Company, its subsidiaries and its jointly controlled entity and those related parties are as follows:

  
**(Mr. Rit Thirakomen)**  
Director

  
**(Mr. Somchai Hanjtkasem)**  
Director



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(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Trade and other receivables - related parties (Note 9)				
Subsidiary	-	-	103,889,015	78,332,007
Related companies (related by common directors)	3,678,302	2,177,755	598,127	1,951,028
Total trade and other receivables - related parties	3,678,302	2,177,755	104,487,142	80,283,035
Other accounts payable - related parties (Note 18)				
Subsidiaries	-	-	5,528,576	8,312,886
Related companies (related by common directors)	11,946,690	13,452,415	3,099,939	6,641,269
Total other accounts payable - related parties	11,946,690	13,452,415	8,628,515	14,954,155

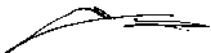
Short-term loan to related party

As at 31 December 2014 and 2013, the balance of short-term loan to related party and the movements are as follows:

(Unit: Baht)

Loan to related party		Separate financial statements			
		Balance as at			Balance as at
		31 December	During the year		31 December
	Relationship	2013	Increase	Decrease	2014
MK Interfood Co., Ltd.	Subsidiary	130,000,000	-	(130,000,000)	-
Total		130,000,000	-	(130,000,000)	-

As at 31 December 2013, the short-term loan to related party of Baht 130 million was loan in the form of promissory note to MK Interfood Company Limited, a subsidiary. The loan is unsecured, carrying interest at the rate as stipulated on promissory note of a commercial bank and due for repayment at call. During the current year, the Company fully received the payment of such loan.



(Mr. Rit Thirakomen)  
Director



(Mr. Somchai Hanjtkasem)  
Director

Significant agreements with related parties

Franchise agreement for use of trademark, servicemark and operating license

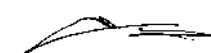
On 10 February 1994, the Company entered into a franchise agreement with Plenus-MK Limited, a related party in Japan, in order to grant the latter the right to use the trademark and the service mark of "MK Restaurants" in its operating of the Thai-style Sukiyaki restaurants in Japan. An initial franchise fee was Yen 25 million which was fully paid to the Company in 2002. A monthly royalty fee is charged at a rate of 0.5% of gross sales. The agreement shall continue for a term of three years, and thereafter shall be automatically renewed on a three-year basis until being terminated by either party by giving a written notice 180 days prior to the expiration of such agreement.

Management service agreements

MK Interfood Company Limited

On 1 March 2006, the Company entered into a management service agreement with MK Interfood Company Limited ("MKI"), whereby the Company agreed to provide management service to MKI in areas of branch operations, business development, engineering, procurement, marketing, accounting and finance, human resources and quality assurance. MKI agreed to pay management fee to the Company at a rate of 5% of sales and service income (after output VAT deduction) with a maximum of Baht 1 million per month. The agreement is effective for a period of two years and shall be automatically extended for another two years until MKI gives a written notice of termination three months prior to its expiration. Subsequently on 20 December 2013, the Company and MKI agreed to amend the management fee stated in the management service agreement to a rate of 4% of sales and service income (after output VAT deduction) with a maximum of Baht 4 million per month, effective from January 2014 onwards.

On 17 February 2014, the Company and MKI entered into a new management service agreement, under which MKI agreed to pay management fee to the Company at a rate of 4% of sales and service income (after output VAT deduction) with a maximum of Baht 4 million per month. The agreement is effective for a period of two years, from 1 March 2014 to 28 February 2016, and shall be automatically extended for another two years until MKI gives a written notice of termination three months prior to its expiration.



(Mr. Rit Thirakomen)  
Director



(Mr. Somchai Hanjtkasem)  
Director

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MK Service Training Center Company Limited

On 20 December 2013, the Company entered into a management service agreement with MK Service Training Center Company Limited ("MKS"), whereby the Company agreed to provide management service to MKS in areas of procurement, accounting and finance, human resources and service training. MKS agreed to pay management fee to the Company at a rate of Baht 500,000 per month. The agreement is effective for a period of two years and shall be automatically extended for another two years until MKS gives a written notice of termination three months prior to its expiration.

Sublease and subservice agreements

The Company entered into several sublease and subservice agreements, granting eight leasehold rights to MK Interfood Company Limited ("MKI"). Sublease and subservice fees are charged according to the terms of the agreements. The agreements are effective for a period of three years and will be renewed automatically for another three years unless MKI has breached them.

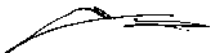
Land, building and warehouse lease agreement

The Company entered into a lease agreement for land, building and warehouse with Global Asset Development Co., Ltd., whereby the latter agrees to lease land and construction thereon under six title deeds to the Company and the Company agrees to pay the rental fee to Global Asset Development Co., Ltd. in a total amount of Baht 1.47 million per month, effective from 1 January 2012 to 31 December 2014. The agreement states that the Company shall begin to pay the monthly rent from 1 November 2012 onwards. In addition, the Company shall give a written notice to extend the agreement at least 90 days prior to the expiry date.

On 1 December 2014, the Company and Global Asset Development Co., Ltd. entered into a new lease agreement for land, building and warehouse, under which the Company agrees to pay the rental fee to Global Asset Development Co., Ltd. in a total amount of Baht 1.69 million per month, effective from 1 January 2015 to 31 December 2017. In addition, the Company shall give a written notice to extend the agreement at least 90 days prior to the expiry date.

Land and distribution center building lease agreement

On 1 March 2013, the Company entered into a lease agreement for lease of land and distribution center building with Global Asset Development Co., Ltd., whereby the latter agrees to lease land and distribution center building to the Company and the Company agrees to pay the rental fee to Global Asset Development Co., Ltd. at the rate stipulated in the agreement. The lease agreement is for a period of 20 years, effective from 1 November 2013 to 31 October 2033. The agreement states that the Company shall begin to pay the monthly rent from 1 November 2013 onwards. In addition, the Company shall give a written notice to extend the agreement at least 90 days prior to the expiry date.



(Mr. Rit Thirakomen)  
Director



(Mr. Somchai Hanjtkasem)  
Director

Directors and management’s benefits

During the years ended 31 December 2014 and 2013, the Company, its subsidiaries and its jointly controlled entity had employee benefit expenses payable to their directors and management as below.

(Unit: Million Baht)

	Consolidated financial statements/ Separate financial statements	
	2014	2013
Short-term employee benefits	134	142
Post-employment benefits	2	2
Share-based payment	44	5
<b>Total</b>	<b>180</b>	<b>149</b>

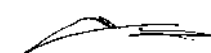
During the years 2014 and 2013, the Company and its subsidiaries had not paid post-employment benefits to their directors and management.

7. Cash and cash equivalents

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash	157,238,713	160,271,325	136,895,549	141,752,681
Bank deposits in savings accounts	215,338,910	610,676,260	85,338,117	399,540,712
3-month fixed deposit	-	100,000,000	-	100,000,000
<b>Total</b>	<b>372,577,623</b>	<b>870,947,585</b>	<b>222,233,666</b>	<b>641,293,393</b>

As at 31 December 2014, bank deposits in savings accounts carried interests between 0.05 and 0.50 percent per annum (2013: savings accounts and fixed deposit carried interests between 0.13 and 3.20 percent per annum).



(Mr. Rit Thirakomen)  
Director



(Mr. Somchai Hanjtkasem)  
Director

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8. Short-term investments

8.1 As at 31 December 2014 and 2013, short-term investments consisted of the following:

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Fixed deposits	7,660,144,000	3,000,000,000	7,530,144,000	3,000,000,000
Investments in trading securities (Note 8.2)	698,854,398	338,550,729	570,413,342	256,403,421
<b>Total</b>	<b>8,358,998,398</b>	<b>3,338,550,729</b>	<b>8,100,557,342</b>	<b>3,256,403,421</b>

As at 31 December 2014, fixed deposits carried interests between 2.50 and 3.25 percent per annum (2013: between 3.40 and 3.55 percent per annum).

8.2 As at 31 December 2014 and 2013, investments in trading securities are summarised below.

(Unit: Baht)

	Consolidated financial statements			
	2014		2013	
	Cost	Fair value	Cost	Fair value
Asset Plus Fixed Income Dividend Fund 2	20,000,000	20,497,403	20,000,000	20,738,564
Krungsri Cash Management Fund	-	-	88,045,956	88,378,993
Krungsri Cash Plus Management Fund	544,279,854	544,485,923	-	-
SCB Treasury Money Open End Fund	133,709,576	133,836,788	228,679,355	229,399,608
K Money Market Fund	32,020	34,284	32,020	33,564
Total short-term investments in trading securities	698,021,450	698,854,398	336,757,331	338,550,729
Add: Gain on change in value	832,948		1,793,398	
<b>Total short-term investments in trading securities</b>	<b>698,854,398</b>		<b>338,550,729</b>	

  
(Mr. Rit Thirakomen)  
Director

  
(Mr. Somchai Hanjtkasem)  
Director

(Unit: Baht)

	Separate financial statements			
	2014		2013	
	Cost	Fair value	Cost	Fair value
Asset Plus Fixed Income Dividend Fund 2	20,000,000	20,497,403	20,000,000	20,738,564
Krungsri Cash Management Fund	-	-	6,230,780	6,231,684
Krungsri Cash Plus Management Fund	415,885,007	416,044,867	-	-
SCB Treasury Money Open End Fund	133,709,576	133,836,788	228,679,355	229,399,608
K Money Market Fund	32,020	34,284	32,020	33,565
Total short-term investments in trading securities	569,626,603	570,413,342	254,942,155	256,403,421
Add: Gain on change in value	786,739		1,461,266	
<b>Total short-term investments in trading securities</b>	<b>570,413,342</b>		<b>256,403,421</b>	

Movements of short-term investments in trading securities for the years ended 31 December 2014 and 2013 are summarised below.

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Balance at beginning of year	338,550,729	200,959,731	256,403,421	155,731,223
Purchases	10,576,146,940	14,288,702,000	8,705,500,000	13,245,300,000
Sales	(10,226,313,251)	(14,167,350,167)	(8,399,837,801)	(13,159,203,036)
Gain on sales of investments	11,430,430	15,198,569	9,022,249	13,670,316
Gain (loss) on change in value	(960,450)	1,040,596	(674,527)	904,918
<b>Balance at end of year</b>	<b>698,854,398</b>	<b>338,550,729</b>	<b>570,413,342</b>	<b>256,403,421</b>

  
(Mr. Rit Thirakomen)  
Director

  
(Mr. Somchai Hanjtkasem)  
Director

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9. Trade and other receivables

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013

Trade accounts receivable – related parties

Aged on the basis of due dates	Not yet due			
Not yet due	-	-	79,271,777	68,724,933
Total trade accounts receivable – related parties	-	-	79,271,777	68,724,933

Trade accounts receivable – unrelated parties

Aged on the basis of due dates				
Not yet due	31,155,559	35,235,623	23,596,722	24,455,509
Total trade accounts receivable – unrelated parties	31,155,559	35,235,623	23,596,722	24,455,509
Total trade accounts receivable	31,155,559	35,235,623	102,868,499	93,180,442

Other receivables

Other receivables – related parties	3,678,302	2,177,755	25,215,365	11,558,102
Advances	10,179,592	10,779,936	8,458,804	9,121,264
Accrued interest receivable	30,284,227	94,085,205	30,117,241	94,085,205
Others	27,514,122	20,205,043	25,223,539	18,274,572
Total other receivables	71,656,243	127,247,939	89,014,949	133,039,143
Less: Allowance for doubtful accounts	(2,578,310)	(2,578,310)	(2,578,310)	(2,578,310)
Total other receivables – net	69,077,933	124,669,629	86,436,639	130,460,833
Total trade and other receivables – net	100,233,492	159,905,252	189,305,138	223,641,275

  
(Mr. Rit Thirakomen)  
Director

  
(Mr. Somchai Hanjtkasem)  
Director

10. Inventories

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Finished goods	170,145,315	144,753,026	158,499,712	134,808,239
Work in process	1,085,135	456,722	1,085,135	456,722
Raw materials	30,059,714	17,567,789	30,059,714	17,567,789
Supplies	81,656,044	63,270,257	79,645,510	59,870,462
Total	282,946,208	226,047,794	269,290,071	212,703,212

11. Other current assets

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Bank receivable – cash transferred to bank for payment of debts	264,405,695	287,372,710	228,939,116	269,198,014
Prepaid expenses	19,179,510	18,739,246	16,690,800	16,280,053
Undue input VAT	26,154,764	36,121,418	21,827,316	31,896,446
Others	8,991,330	5,081,672	8,155,469	5,079,083
Total	318,731,299	347,315,046	275,612,701	322,453,596

  
(Mr. Rit Thirakomen)  
Director

  
(Mr. Somchai Hanjtkasem)  
Director

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12. Investments in subsidiaries

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

(Unit: Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost		Dividend received for the year ended 31 December	
	2014	2013	2014	2013	2014	2013	2014	2013
			(%)	(%)				
MK Interfood Company Limited	400,000,000	150,000,000	100	100	299,049,977	49,049,977	119,999,944	-
MK Service Training Center Company Limited	35,000,000	35,000,000	100	100	52,429,895	52,429,895	66,499,867	-
Total					351,479,872	101,479,872	186,499,811	-

On 9 May 2014, the Meeting of the Board of Directors of the Company passed a resolution to approve an additional investment in the share capital increase of MK Interfood Company Limited, a subsidiary, of Baht 250 million. The registered share capital of such subsidiary increased from Baht 150 million to Baht 400 million (40,000,000 ordinary shares of Baht 10 each), in which the Company's shareholding remains at 100 percent of share capital. Such subsidiary registered the share capital increase with the Ministry of Commerce on 20 June 2014.

  
**(Mr. Rit Thirakomen)**  
Director

  
**(Mr. Somchai Hanjtkasem)**  
Director

13. Investment in joint venture

(Unit: Baht)

Jointly controlled entity's name	Nature of business	Separate financial statements			
		Shareholding percentage		Cost	
		2014	2013	2014	2013
		(%)	(%)		
Plenus and MK PTE LTD	Restaurant	50	50	149,207,500	149,207,500
Total				149,207,500	149,207,500

On 26 February 2013, the Meeting of the Board of Directors of the Company passed a resolution to approve an additional investment in the share capital increase of Plenus and MK PTE LTD. in the proportion of the Company of SGD 3.5 million, which was paid on 27 March 2013. The registered share capital of that company increased to SGD 12.5 million (12.5 million ordinary shares of SGD 1 each), in which the Company's shareholding remains at 50 percent of share capital. Such joint venture registered the change of its share capital on 15 May 2013.

14. Other long-term investments

(Unit: Baht)

	Consolidated financial statements/ Separate financial statements	
	2014	2013
<b>Other investment</b>		
Oversea non-marketable securities – cost	7,278,275	7,278,275
Less: Allowance for impairment	(7,278,275)	(7,278,275)
Other investment – net	-	-
<b>Deposit at financial institution</b>		
15-month fixed deposit	-	5,000,000,000
Other long-term investments – net	-	5,000,000,000

As at 31 December 2013, fixed deposit carried interest 3.70 percent per annum.

  
**(Mr. Rit Thirakomen)**  
Director

  
**(Mr. Somchai Hanjtkasem)**  
Director

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15. Property, plant and equipment

(Unit: Baht)

Consolidated financial statements												
						Kitchen utensils and operating equipment	Machinery and equipment	Furniture and fixtures	Office equipment	Motor vehicles	Construction in progress and equipment under installation	Total
	Land	Land improvement	Building	Leasehold improvement	Utility systems							
<b>Cost</b>												
1 January 2013	230,050,308	6,687,276	416,654,121	1,174,024,504	1,244,247,305	1,086,304,001	10,659,443	1,483,080,980	452,877,167	179,050,536	306,469,023	6,590,104,664
Additions	103,050,000	-	3,298,800	46,783,235	28,009,887	135,037,811	3,885,505	20,956,739	38,901,993	3,480,200	1,499,469,918	1,882,874,088
Transfers in (out)	-	15,319,520	-	321,257,522	232,422,336	35,240,708	1,150,800	128,314,682	76,706,919	30,500,473	(840,912,960)	-
Disposals/write-off	-	-	-	(15,141,266)	(14,955,394)	(5,327,680)	-	(18,566,709)	(15,414,200)	(9,937,877)	(280,370)	(79,623,496)
31 December 2013	333,100,308	22,006,796	419,952,921	1,526,923,995	1,489,724,134	1,251,254,840	15,695,748	1,613,785,692	553,071,879	203,093,332	964,745,611	8,393,355,256
Additions	-	117,749	4,096,395	62,870,395	46,362,097	165,824,523	7,463,279	36,214,219	52,256,720	10,675,252	710,268,064	1,096,148,693
Transfers in (out)	-	-	-	686,534,857	501,018,194	53,376,606	82,307,583	135,330,592	14,096,858	33,512,779	(1,506,177,469)	-
Disposals/write-off	-	-	(275,426)	(19,187,198)	(16,750,730)	(2,637,206)	(32,000)	(18,124,578)	(14,641,980)	(7,196,038)	-	(78,845,156)
31 December 2014	333,100,308	22,124,545	423,773,890	2,257,142,049	2,020,353,695	1,467,818,763	105,434,610	1,767,205,925	604,783,477	240,085,325	168,836,206	9,410,658,793
<b>Accumulated depreciation</b>												
1 January 2013	-	3,739,223	194,824,293	378,891,957	609,160,543	692,745,376	8,579,511	1,241,500,783	301,827,575	124,192,167	-	3,555,461,428
Depreciation for the year	-	2,471,228	20,959,749	90,607,819	106,794,630	140,901,721	1,398,020	87,337,906	75,376,679	20,260,790	-	546,108,542
Transfers in (out)	-	-	-	(927,117)	(3,913,205)	(1,056,330)	85,489	(5,733,608)	11,544,771	-	-	-
Depreciation on disposals/ write-off	-	-	-	(10,865,891)	(13,608,589)	(1,382,443)	-	(18,286,586)	(14,209,034)	(9,441,378)	-	(67,793,921)
31 December 2013	-	6,210,451	215,784,042	457,706,768	698,433,379	831,208,324	10,063,020	1,304,818,495	374,539,991	135,011,579	-	4,033,776,049
Depreciation for the year	-	4,269,625	21,163,493	143,758,412	157,481,989	147,015,077	15,786,087	111,794,210	85,152,052	23,584,148	-	710,005,093
Transfers in (out)	-	-	-	(101,830)	(109,932)	19,958,750	1,141,900	5,516,234	(26,405,122)	-	-	-
Depreciation on disposals/ write-off	-	-	(112,626)	(9,652,590)	(10,019,230)	(1,526,407)	(31,999)	(17,786,952)	(14,570,182)	(7,196,018)	-	(60,896,004)
31 December 2014	-	10,480,076	236,834,909	591,710,760	845,786,206	996,655,744	26,959,008	1,404,341,987	418,716,739	151,399,709	-	4,682,885,138
<b>Allowance for impairment loss</b>												
1 January 2013	-	-	-	-	-	41,815,745	-	-	-	-	-	41,815,745
Increase during the year	-	-	-	-	-	32,001,006	-	-	-	-	-	32,001,006
31 December 2013	-	-	-	-	-	73,816,751	-	-	-	-	-	73,816,751
Increase during the year	-	-	-	-	-	23,592,446	-	-	-	-	-	23,592,446
31 December 2014	-	-	-	-	-	97,409,197	-	-	-	-	-	97,409,197
<b>Net book value</b>												
31 December 2013	333,100,308	15,796,345	204,168,879	1,069,217,227	791,290,755	346,229,765	5,632,728	308,967,197	178,531,888	68,081,753	964,745,611	4,285,762,456
31 December 2014	333,100,308	11,644,469	186,938,981	1,665,431,289	1,174,567,489	373,753,822	78,475,602	362,863,938	186,066,738	88,685,616	168,836,206	4,630,364,458
<b>Depreciation for the year</b>												
2013 (Baht 51.0 million included in producing cost, and the balance in selling and administrative expenses)												546,108,542
2014 (Baht 132.5 million included in producing cost, and the balance in selling and administrative expenses)												710,005,093

  
**(Mr. Rit Thirakomen)**  
Director

  
**(Mr. Somchai Hanjtkasem)**  
Director

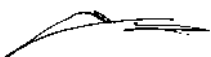
  
**(Mr. Rit Thirakomen)**  
Director

  
**(Mr. Somchai Hanjtkasem)**  
Director

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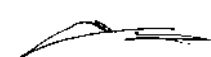
(Mr. Rit Thirakomen)  
Director



(Mr. Somchai Hanjtkasem)  
Director

(Unit: Baht)

Separate financial statements												
	Land	Land improvement	Building	Leasehold improvement	Utility systems						Construction in progress and equipment under installation	Total
						Kitchen utensils and operating equipment	Machinery and equipment	Furniture and fixtures	Office equipment	Motor vehicles		
Cost												
1 January 2013	208,311,198	6,687,276	358,914,746	983,449,001	1,058,691,121	855,359,661	10,659,443	1,378,893,382	364,781,155	179,050,536	301,870,353	5,706,667,872
Additions	103,050,000	-	3,298,800	17,660,752	17,168,998	102,646,130	3,885,505	16,494,932	23,817,144	3,480,200	1,380,152,629	1,671,655,090
Transfers in (out)	-	15,319,520	-	283,953,291	194,041,185	19,131,798	1,150,800	109,034,581	58,941,898	30,500,473	(712,073,546)	-
Disposals/write-off	-	-	-	(15,141,266)	(14,955,394)	(12,472,325)	-	(18,566,709)	(15,383,528)	(9,937,877)	(9,255,445)	(95,712,544)
31 December 2013	311,361,198	22,006,796	362,213,546	1,269,921,778	1,254,945,910	964,665,264	15,695,748	1,485,856,186	432,156,669	203,093,332	960,693,991	7,282,610,418
Additions	-	117,749	4,096,395	40,556,741	39,717,203	129,902,736	7,463,279	31,609,565	42,567,608	10,675,252	623,130,736	929,837,264
Transfers in (out)	-	-	-	660,245,217	470,010,891	26,418,961	82,307,583	121,983,849	16,285,029	33,512,779	(1,410,764,309)	-
Disposals/write-off	-	-	(275,426)	(15,906,089)	(12,724,693)	(7,817,342)	(32,000)	(16,645,825)	(14,525,859)	(7,196,038)	(4,191,770)	(79,315,042)
31 December 2014	311,361,198	22,124,545	366,034,515	1,954,817,647	1,751,949,311	1,113,169,619	105,434,610	1,622,803,775	476,483,447	240,085,325	168,868,648	8,133,132,640
Accumulated depreciation												
1 January 2013	-	3,739,223	186,341,171	346,619,838	561,417,984	581,195,672	8,579,511	1,188,226,573	250,774,376	124,192,167	-	3,251,086,515
Depreciation for the year	-	2,471,228	18,072,785	72,128,265	85,866,986	98,978,645	1,398,020	69,099,518	58,563,471	20,260,790	-	426,839,708
Transfers in (out)	-	-	-	(927,117)	(3,913,205)	653,357	85,489	(5,742,406)	9,843,882	-	-	-
Depreciation on disposals/write-off	-	-	-	(10,865,891)	(13,608,589)	(1,729,284)	-	(18,286,586)	(14,185,094)	(9,441,378)	-	(68,116,822)
31 December 2013	-	6,210,451	204,413,956	406,955,095	629,763,176	679,098,390	10,063,020	1,233,297,099	304,996,635	135,011,579	-	3,609,809,401
Depreciation for the year	-	4,269,625	18,276,529	114,947,989	132,188,653	104,253,558	15,786,087	91,525,826	60,749,421	23,584,147	-	565,581,835
Transfers in (out)	-	-	-	(17,366)	(106,478)	6,814,768	1,141,900	6,398,885	(14,231,709)	-	-	-
Depreciation on disposals/write-off	-	-	(112,626)	(8,708,597)	(8,588,150)	(1,584,028)	(31,999)	(16,634,553)	(14,476,009)	(7,196,018)	-	(57,331,980)
31 December 2014	-	10,480,076	222,577,859	513,177,121	753,257,201	788,582,688	26,959,008	1,314,587,257	337,038,338	151,399,708	-	4,118,059,256



(Mr. Rit Thirakomen)  
Director



(Mr. Somchai Hanjtkasem)  
Director

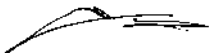
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						Separate financial statements						
						Kitchen utensils and operating equipment	Machinery and equipment	Furniture and fixtures	Office equipment	Motor vehicles	Construction in progress and equipment under installation	Total
	Land	Land improvement	Building	Leasehold improvement	Utility systems							
Allowance for impairment loss												
1 January 2013	-	-	-	-	-	41,815,745	-	-	-	-	-	41,815,745
Increase during the year	-	-	-	-	-	13,486,242	-	-	-	-	-	13,486,242
31 December 2013	-	-	-	-	-	55,301,987	-	-	-	-	-	55,301,987
Increase during the year	-	-	-	-	-	23,592,446	-	-	-	-	-	23,592,446
31 December 2014	-	-	-	-	-	78,894,433	-	-	-	-	-	78,894,433
Net book value												
31 December 2013	311,361,198	15,796,345	157,799,590	862,966,683	625,182,734	230,264,887	5,632,728	252,559,087	127,160,034	68,081,753	960,693,991	3,617,499,030
31 December 2014	311,361,198	11,644,469	143,456,656	1,441,640,526	998,692,110	245,692,498	78,475,602	308,216,518	139,445,109	88,685,617	168,868,648	3,936,178,951
Depreciation for the year												
2013 (Baht 48.7 million included in producing cost, and the balance in selling and administrative expenses)											426,839,708	
2014 (Baht 130.2 million included in producing cost, and the balance in selling and administrative expenses)											565,581,835	

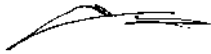
As at 31 December 2014 and 2013, certain equipment items of the Company and its subsidiaries have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets amounted to approximately Baht 2,819 million and Baht 2,500 million, respectively (the Company only: Baht 2,637 million and Baht 2,368 million, respectively).



(Mr. Rit Thirakomen)  
Director



(Mr. Somchai Hanjithkasem)  
Director



(Mr. Rit Thirakomen)  
Director



(Mr. Somchai Hanjithkasem)  
Director

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16. Intangible assets

Details of intangible assets which are computer software are as follows:

(Unit: Baht)		
	Consolidated financial statements	Separate financial statements
<b>Cost</b>		
1 January 2013	82,275,518	78,150,156
Additions	14,712,296	13,821,572
31 December 2013	96,987,814	91,971,728
Additions	14,217,242	13,406,447
Disposals/write-off	(315,622)	(35,622)
31 December 2014	110,889,434	105,342,553
<b>Accumulated amortisation</b>		
1 January 2013	32,146,495	30,702,764
Amortisation for the year	9,059,239	8,422,316
31 December 2013	41,205,734	39,125,080
Amortisation for the year	10,472,718	9,683,986
Amortisation on disposals/write-off	(224,270)	(31,713)
31 December 2014	51,454,182	48,777,353
<b>Net book value</b>		
31 December 2013	55,782,080	52,846,648
31 December 2014	59,435,252	56,565,200
<b>Amortisation for the year</b>		
2013	9,059,239	8,422,316
2014	10,472,718	9,683,986

  
(Mr. Rit Thirakomen)  
Director

  
(Mr. Somchai Hanjirkasem)  
Director

17. Leasehold rights

(Unit: Baht)		
	Consolidated financial statements	Separate financial statements
<b>Cost</b>		
1 January 2013	1,086,190,107	1,051,690,702
Additions	6,801,861	4,921,507
Disposals	(34,164,678)	(34,164,678)
31 December 2013	1,058,827,290	1,022,447,531
31 December 2014	1,058,827,290	1,022,447,531
<b>Accumulated amortisation</b>		
1 January 2013	677,962,771	668,402,171
Amortisation for the year	42,959,011	40,783,974
Amortisation on disposals	(27,180,247)	(27,180,247)
31 December 2013	693,741,535	682,005,898
Amortisation for the year	42,464,189	40,485,764
31 December 2014	736,205,724	722,491,662
<b>Net book value</b>		
31 December 2013	365,085,755	340,441,633
31 December 2014	322,621,566	299,955,869
<b>Amortisation for the year</b>		
2013	42,959,011	40,783,974
2014	42,464,189	40,485,764

  
(Mr. Rit Thirakomen)  
Director

  
(Mr. Somchai Hanjirkasem)  
Director

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18. Trade and other payables

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Trade accounts payable – unrelated parties	421,619,420	532,061,767	409,934,979	518,430,174
Other accounts payable – related parties	11,946,690	13,452,415	8,628,515	14,954,155
Other accounts payable – unrelated parties (purchases of fixed assets)	201,172,497	446,224,866	185,784,760	400,921,157
Accrued expenses	811,161,510	838,971,135	693,040,791	724,640,862
Others	15,182,826	26,905,103	14,241,927	26,022,673
Total	1,461,082,943	1,857,615,286	1,311,630,972	1,684,969,021

19. Other current liabilities

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Property tax payable	75,966,650	66,018,888	65,524,810	56,411,840
Value added tax payable	60,023,458	45,539,274	52,611,543	38,308,977
Unearned income – gift voucher	21,178,409	13,302,472	20,438,314	12,965,112
Withholding tax payable and social security fund payable	26,247,299	17,741,630	22,090,532	14,448,316
Others	21,448,160	13,067,244	12,913,676	10,844,632
Total	204,863,976	155,669,508	173,578,875	132,978,877

  
(Mr. Rit Thirakomen)  
Director

  
(Mr. Somchai Hanjtkasem)  
Director

20. Provision for long-term employee benefits

20.1 Defined contribution plans

The Company, its subsidiaries and their permanent employees have jointly registered a provident fund scheme under Provident Fund Act B.E. 2530. Such fund is monthly contributed by both the employees, the Company and its subsidiaries at rates of 2 percent of the employees' basic salaries. The fund is managed by TISCO Asset Management Company Limited. During the year 2014, the Company and its subsidiaries contributed Baht 37.7 million (2013: Baht 36.9 million) and the Company contributed Baht 34.2 million (2013: Baht 33.4 million) to the fund.

20.2 Defined benefit plans and other long-term employee benefits

Provision for long-term employee benefits, which represent compensations payable to employees after they retire, and long service awards, was as follows:

(Unit: Baht)

	Consolidated financial statements		
	Retirement benefits plan	Long service awards plan	Total
As at 1 January 2013	139,315,064	26,520,530	165,835,594
Current service cost	16,497,768	6,309,641	22,807,409
Interest cost	5,698,210	1,044,059	6,742,269
Benefits paid during the year	-	(4,000,000)	(4,000,000)
As at 31 December 2013	161,511,042	29,874,230	191,385,272
Current service cost	17,905,001	3,546,866	21,451,867
Interest cost	6,582,064	1,138,360	7,720,424
Benefits paid during the year	-	(2,880,000)	(2,880,000)
As at 31 December 2014	185,998,107	31,679,456	217,677,563

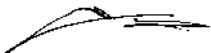
  
(Mr. Rit Thirakomen)  
Director

  
(Mr. Somchai Hanjtkasem)  
Director

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(Mr. Rit Thirakomen)  
Director



(Mr. Somchai Hanjitkasem)  
Director

(Unit: Baht)

	Separate financial statements		
	Retirement benefits plan	Long service awards plan	Total
<b>As at 1 January 2013</b>	132,751,828	25,035,687	157,787,515
Current service cost	14,840,484	5,548,350	20,388,834
Interest cost	5,429,122	983,363	6,412,485
Benefits paid during the year	-	(3,850,000)	(3,850,000)
<b>As at 31 December 2013</b>	153,021,434	27,717,400	180,738,834
Current service cost	16,077,415	2,825,598	18,903,013
Interest cost	6,233,971	1,052,172	7,286,143
Benefits paid during the year	-	(2,750,000)	(2,750,000)
<b>As at 31 December 2014</b>	<u>175,332,820</u>	<u>28,845,170</u>	<u>204,177,990</u>

Long-term employee benefit expenses included in selling and administrative expenses in the income statements were as follows:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Current service cost	21,451,867	22,807,409	18,903,013	20,388,834
Interest cost	7,720,424	6,742,269	7,286,143	6,412,485
<b>Total expenses recognised in the income statements</b>	<u>29,172,291</u>	<u>29,549,678</u>	<u>26,189,156</u>	<u>26,801,319</u>

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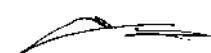
Key actuarial assumptions used for the valuation are as follows:

	Consolidated financial statements/ Separate financial statements	
	2014 (percent per annum)	2013 (percent per annum)
Discount rate	4.1	4.1
Future salary increase rate (depending on age of employees)	4.0 – 6.0	4.0 – 6.0
Inflation rate	3.5	3.5
Staff turnover rate (depending on age of employees)	4.0 – 16.0	4.0 – 16.0

The amounts of defined benefit obligations and experience adjustments for the current year and the past three years are as follows:

(Unit: Million Baht)

	Defined benefit obligations			
	Retirement benefits plan		Long service awards plan	
	Consolidated financial statements	Separate financial statements	Consolidated financial statements	Separate financial statements
Year 2014	186.0	175.3	31.7	28.8
Year 2013	161.5	153.0	29.9	27.7
Year 2012	139.3	132.8	26.5	25.0
Year 2011	84.3	80.8	28.6	27.3

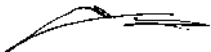


(Mr. Rit Thirakomen)  
Director



(Mr. Somchai Hanjitkasem)  
Director





(Mr. Rit Thirakomen)  
Director



(Mr. Somchai Hanjtkasem)  
Director

(Unit: Million Baht)

	Experience adjustments on the obligations			
	Retirement benefits plan		Long service awards plan	
	Consolidated financial statements	Separate financial statements	Consolidated financial statements	Separate financial statements
Year 2014	-	-	-	-
Year 2013	-	-	-	-
Year 2012	35.7	33.8	0.8	0.7
Year 2011	-	-	-	-

21. Share capital

21.1 As at 31 December 2014, the Company's issued and paid-up share capital has increased from Baht 905.85 million (905.85 million ordinary shares, at Baht 1 per share) to Baht 907.08 million (907.08 million ordinary shares, at Baht 1 per share) as a result of the exercise of the warrants (M-WA) to ordinary shares amounting to Baht 1.23 million (1.23 million ordinary shares, at Baht 1 per share).

The Company registered the corresponding increase in its issued and paid-up share capital with the Ministry of Commerce on 9 October 2014.

21.2 On 3 January 2013, the Extraordinary Meeting of Shareholders of the Company passed special resolutions as follows:

- 21.2.1 To decrease the registered share capital of the Company from Baht 920 million (920 million ordinary shares, at Baht 1 per share) to Baht 720 million (720 million ordinary shares, at Baht 1 per share) in order to cut the registered shares that have not been issued or cannot be issued before the capital increase.
- 21.2.2 To increase the registered share capital of the Company from Baht 720 million to Baht 925.85 million (925.85 million ordinary shares, at Baht 1 per share) by issuing 205.85 million new ordinary shares with a par value of Baht 1 per share. The Company registered the increase of its registered share capital with the Ministry of Commerce on 8 January 2013.

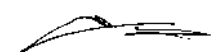
21.3 During 5 – 7 August 2013, the Company offered 185.85 million ordinary shares, with a par value of Baht 1 each, at a price of Baht 49 each through the Initial Public Offering. The Company registered the increase of its issued and paid-up share capital from Baht 720 million (720 million ordinary shares with a par value of Baht 1 each) to Baht 905.85 million (905.85 million ordinary shares with a par value of Baht 1 each) with the Ministry of Commerce on 15 August 2013, and the Stock Exchange of Thailand approved the 905.85 million ordinary shares with a par value of Baht 1 each as listed securities for trading, effective from 15 August 2013. The Company incurred expenses relating to the share offering totaling Baht 135.8 million (net of income tax of Baht 33.9 million), which were presented as a deduction from the share premium.

22. Warrants

On 18 September 2012, the Extraordinary Meeting of Shareholders of the Company passed a special resolution to issue and offer 20,000,000 registered warrants (the warrants are exercisable within 5 years after the warrants are issued with the exercise price of Baht 1 per 1 ordinary share) to the management including the management in the director position and employees of the Company and/ or employees of the subsidiaries of the Company at free of charge. Such warrants identify the name of the holder and are non-transferable unless being transferred as inheritance or transferred to heirs or legal representatives or transferred in any case deemed appropriate by a committee. The warrants are to be a reward for the work of the management and staff as well as for the warrant holders to take part in the Company's ownership. The Company will allocate the warrants to its owners within one year from the date of approval for issuance of warrants from the meeting of shareholders of the Company.

On 26 February 2013, the Meeting of the Board of Directors of the Company passed a resolution to amend type of warrants to be specific name and non-transferrable warrants. The transfer of warrant can be conducted only in the case when the management and employees pass away.

On 7 August 2013, the Company allocated and issued 20,000,000 warrants to the management including the management in the director position and employees of the Company and/or employees of the subsidiaries of the Company at free of charge ("ESOP" or "M-WA"). The exercise period is within 5 years commencing on 7 August 2013, and the warrants can be exercised to acquire the new ordinary shares of the Company for totaling 17 times. The warrants are first exercisable after 1 year since the date that the Company allotted and issued the warrants, with the first exercise date falling on 30 September 2014. The following exercise dates fall on the last working days of March, June, September and December and the last exercise date is 6 August 2018.



(Mr. Rit Thirakomen)  
Director



(Mr. Somchai Hanjtkasem)  
Director

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The exercise ratio is 1 warrant per 1 new ordinary share, and the exercise price is Baht 1 per share. The warrants are exercisable under the following conditions.

- Up to 10 percent of all allotted warrants are exercisable after 12 months from the allotted date.
- Additional 20 percent of all allotted warrants are exercisable after 24 months from the allotted date.
- Additional 30 percent of all allotted warrants are exercisable after 36 months from the allotted date.
- The remainder of unexercised warrants is exercisable without limitation after the 48 months from the allotted date until the warrants expire.
- In the event that a warrant holder no longer holds a position of management or employee of the Company and/or employee of the subsidiaries of the Company due to retirement according to the Company's regulations, such management or employee is entitled to exercise warrants until the expiry date.
- In case a warrant holder passes away, heirs or legatees (as the case may be) of such holder is entitled to exercise warrants to acquire ordinary shares in an amount of the warrants that are exercisable in accordance with the exercising period until the expiry date.
- If a warrant holder is transferred to another unit or another company as approved by the Board of Directors whereby such director, management or employee has remained to be management or employee of the Company and/or of the subsidiaries of the Company as at the exercise date, such management or employee is entitled to exercise warrants until the expiry date.

The estimated fair value of each share option granted is Baht 42.40 – 46.38, which was calculated by applying the Black-Scholes-Merton formula. The model inputs were the share price at price determination date of Baht 49, exercise price of Baht 1, expected volatility of 38.3%, expected dividend yield of 3%, contractual life of 1 – 5 years, and a risk-free interest rate of 3.5% per annum.

During the year ended 31 December 2014, the Company and its subsidiaries recorded expenses related to the ESOP or M-WA scheme of Baht 289.6 million (2013: Baht 36.1 million) and for the Company of Baht 275 million (2013: Baht 33.5 million) as employee related expenses in the income statement, together with a corresponding increase in "Capital reserve for share-based payment transactions" in the shareholders' equity.

  
**(Mr. Rit Thirakomen)**  
Director

  
**(Mr. Somchai Hanjirkasem)**  
Director

  
**(Mr. Rit Thirakomen)**  
Director

  
**(Mr. Somchai Hanjirkasem)**  
Director

As at 31 December 2014 and 2013, the remaining warrants were as follows:

(Unit: Thousand Units)		
	2014	2013
Warrants issued as at 7 August 2013	20,000	20,000
Less: Cumulative number of exercised warrants – beginning of year	-	-
Warrants exercised during the year	(1,235)	-
Cumulative number of exercised warrants – end of year	(1,235)	-
Warrants written-off during the year*	(3,289)	-
Warrants at the end of year	15,476	20,000

\* The Company wrote-off M-WA of director, management and employees of the Company and its subsidiaries that were not eligible for the privilege due to resignation before the warrants matured.

As at 31 December 2014, the warrant holders exercised warrants to acquire 3,500 ordinary shares. The Company registered the corresponding increase in its issued and paid-up share capital with the Ministry of Commerce on 12 January 2015.

23. 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 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

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24. Other income

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Member card fees	47,174,696	42,619,371	35,543,110	34,401,734
Salvage and scrap sales	41,933,097	42,811,386	41,616,130	37,640,202
Sublease and subservice income	-	-	19,718,004	18,790,866
Management service income	-	-	54,000,000	12,000,000
Royalty fee income	7,489,296	16,041,207	7,489,296	16,041,207
Service income	24,298,214	11,600,386	24,298,214	11,600,386
Compensation for leasehold improvements	11,500,000	3,000,000	11,500,000	3,000,000
Expiry of gift voucher	3,120,400	6,315,600	3,021,500	6,315,600
Gain on sales of investments in trading securities	10,469,980	16,239,165	8,347,722	14,575,235
Income from flood insurance claim	-	5,435,846	-	5,435,846
Others	48,632,300	27,558,231	40,684,084	24,049,682
Total	194,617,983	171,621,192	246,218,060	183,850,758

  
(Mr. Rit Thirakomen)  
Director

  
(Mr. Somchai Hanjirkasem)  
Director

25. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Baht)

	Consolidated financial		Separate financial	
	statements		statements	
	2014	2013	2014	2013
Salaries, wages and other employee benefits	4,310,109,997	3,990,743,762	3,716,891,212	3,439,759,727
Raw material and consumables used	1,705,686,088	1,633,378,929	1,648,231,705	1,346,694,559
Rental and service expenses from operating lease agreements	1,313,616,022	1,134,184,071	1,063,914,650	946,602,536
Utilities expenses	760,372,392	647,370,897	564,904,695	548,382,735
Depreciation and amortisation	762,942,000	598,126,792	615,751,585	476,045,998
Advertising expenses	228,539,572	299,941,927	149,524,181	217,184,198
Repair and maintenance expenses	127,577,266	161,329,942	107,980,286	145,852,995
Training expenses	5,078,863	722,976	77,941,847	95,897,678
Property tax expenses	63,656,057	50,867,726	54,895,951	44,940,285
Travelling expenses	45,349,578	43,169,608	35,041,827	36,215,017
Allowance for impairment of property, plant and equipment	23,592,446	32,001,006	23,592,446	13,486,242
Changes in inventories of finished goods and work in process	(26,020,702)	(15,488,615)	(24,319,886)	(13,525,579)

  
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Director

  
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Director

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26. Income tax

Income tax expenses for the years ended 31 December 2014 and 2013 are made up as follows:

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
<b>Current income tax:</b>				
Current income tax charge	548,088,617	505,359,282	494,037,033	458,147,489
Adjustment in respect of income tax of previous year	-	698,100	-	698,100
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(56,184,027)	(18,955,036)	(53,257,885)	(14,335,811)
<b>Income tax expenses reported in the income statements</b>	<b>491,904,590</b>	<b>487,102,346</b>	<b>440,779,148</b>	<b>444,509,778</b>

The reconciliation between accounting profit and income tax expenses for the years ended 31 December 2014 and 2013 is presented below.

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Accounting profit before tax	2,534,280,318	2,526,274,859	2,462,565,538	2,304,689,024
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	506,856,064	505,254,972	492,513,108	460,937,805
Adjustment in respect of income tax of previous year	-	698,100	-	698,100
Effects of:				
Income not subject to tax	(199,222)	(65,743)	(37,499,184)	(65,743)
Non-deductible expenses	3,144,419	3,862,987	2,936,593	2,343,332
Additional expense deductions allowed	(17,896,671)	(22,647,970)	(17,171,369)	(19,403,716)
Total	(14,951,474)	(18,850,726)	(51,733,960)	(17,126,127)
Income tax expenses reported in the income statements	491,904,590	487,102,346	440,779,148	444,509,778

  
**(Mr. Rit Thirakomen)**  
Director

  
**(Mr. Somchai Hanjtkasem)**  
Director

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

(Unit: Baht)

	Statements of financial position			
	Consolidated		Separate	
	financial statements		financial statements	
	As at 31 December 2014	As at 31 December 2013	As at 31 December 2014	As at 31 December 2013
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	515,662	515,662	515,662	515,662
Allowance for impairment of other investment	1,455,655	1,455,655	1,455,655	1,455,655
Allowance for impairment of assets	19,481,839	14,763,350	15,778,887	11,060,397
Provision for long-term employee benefits	43,535,513	38,277,054	40,835,598	36,147,767
Expenses for share-based payment transactions	53,720,198	7,214,097	50,815,964	6,699,248
Others	1,728,080	2,219,192	1,337,450	1,737,507
Total	120,436,947	64,445,010	110,739,216	57,616,236
<b>Deferred tax liabilities</b>				
Unrealised gain on change in value of investments	166,590	358,680	157,348	292,253
Total	166,590	358,680	157,348	292,253
Net deferred tax assets	120,270,357	64,086,330	110,581,868	57,323,983

27. Earnings per share

Basic earnings per share is calculated by dividing profit for the years 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 for the years 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 dilutive potential ordinary shares into ordinary shares. The calculation assumes that such conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued.

  
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Director

  
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Director

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26.1 Weighted average number of ordinary shares

	Consolidated financial statements/ Separate financial statements	
	2014	2013
Balance brought forward	905,850	720,000
Add: The weighted average number of ordinary shares issued during the year	283	73,831
Weighted average number of ordinary shares	906,133	793,831

26.2 Reconciliation of diluted earnings per share

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

	Consolidated financial statements					
	For the years ended 31 December					
	Earnings per share		Weighted average number of ordinary shares		Earnings per share	
	2014	2013	2014	2013	2014	2013
	Baht	Baht	Thousand shares	Thousand shares	Baht	Baht

Basic earnings per share

Profit attributable to equity holders of the Company	2,042,375,728	2,039,172,513	906,133	793,831	2.25	2.57
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Effect of dilutive potential  
ordinary shares

Warrants (M-WA)	12,851	7,895
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Diluted earnings per share

Profit attributable to ordinary shareholders assuming the conversion of warrants to ordinary shares	2,042,375,728	2,039,172,513	918,984	801,726	2.22	2.54
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Director

  
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Director

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Director

  
**(Mr. Somchai Hanjtkasem)**  
Director

28. Operating 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.

The Company, its subsidiaries and its jointly controlled entity are engaged in 2 business segments which are restaurant business and training service provider business. Their operations are carried on in geographical areas of Thailand and Singapore. However, the restaurant business in Thailand is the main business segment and the segment information that has been considered based on a quantitative basis is over 90 percent of operating segments and geographical areas. For this reason, the chief operating decision maker considers aggregating the operating segments into one reportable segment of restaurant operation.

Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment and geographical area.



Major customers

For the years 2014 and 2013, the Company, its subsidiaries and its jointly controlled entity have no major customer with revenue of 10 percent or more of an entity's revenues.

29. Dividends

Dividends declared during the year ended 31 December 2014 consist of the following:

	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)	Paid on
Final dividends on 2013 profit	Annual General Meeting of the shareholders on 28 April 2014	1,449	1.6	21 May 2014
Interim dividends on the profit for the six-month period ended 30 June 2014	Board of Directors' Meeting on 8 August 2014	725	0.8	4 September 2014
Total		2,174	2.4	

30. Commitments and contingent liabilities

30.1 Capital commitments

As at 31 December 2014, the Company had outstanding capital commitments in respect of construction and software license and system setting of Baht 49.0 million (2013: Baht 102.6 million).

30.2 Operating lease commitments

The Company and its subsidiaries have entered into several lease agreements in respect of the lease of building space and equipment and other service agreements. The terms of the agreements are generally between 3 and 20 years.

  
(Mr. Rit Thirakomen)  
Director

  
(Mr. Somchai Hanjtkasem)  
Director

Future minimum lease payments required under these non-cancellable operating lease and service contracts were as follows:

	(Unit: Million Baht)	
	As at 31 December	
	2014	2013
Payable within:		
Less than 1 year	1,228	1,017
1 to 5 years	1,496	1,043
More than 5 years	396	435

30.3 Futures contracts

The Company has entered into futures contracts with many local companies, whereby the Company and those companies agreed quantity, schedule, place and price of goods to be delivered. The Company has agreed to pay for the goods at the rates stipulated in the contracts.

30.4 Guarantees

As at 31 December 2014, there were outstanding bank guarantees issued by the banks on behalf of the Company and its subsidiaries of approximately Baht 17.3 million (2013: Baht 13.6 million), in respect of certain performance bonds as required in the normal course of businesses. These included letters of guarantee amounting to Baht 6.3 million (2013: Baht 6.3 million) to guarantee payments due to creditors and Baht 11 million (2013: Baht 7.3 million) to guarantee electricity use.

31. Financial instruments

31.1 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 and other receivables, loans, investments, and trade and other payables. The financial risks associated with these financial instruments and how they are managed is described below.

  
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Director

  
(Mr. Somchai Hanjtkasem)  
Director

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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, loans and notes receivable as stated in the statement of financial position.

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its bank deposits and loans. However, since most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities classified by type of interest rate 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.

(Unit: Million Baht)						
	Consolidated financial statements as at 31 December 2014					
	Fixed interest rates		Floating interest	Non-	Total	Effective interest rate
	Within	1 - 5	rate	interest		
	1 year	years		bearing		
(% per annum)						
<b>Financial assets</b>						
Cash and cash equivalents	-	-	148	225	373	0.05 - 0.50
Short-term investments	7,660	-	-	699	8,359	2.50 - 3.25
Trade and other receivables	-	-	-	100	100	-
	7,660	-	148	1,024	8,832	
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	1,461	1,461	-
	-	-	-	1,461	1,461	

  
(Mr. Rit Thirakomen)  
Director

  
(Mr. Somchai Hanjitkasem)  
Director

(Unit: Million Baht)

	Consolidated financial statements as at 31 December 2014					
	Fixed interest rates		Floating interest	Non-	Total	Effective interest rate
	Within	1 - 5	rate	interest		
	1 year	years		bearing		
(% per annum)						
<b>Financial assets</b>						
Cash and cash equivalents	100	-	494	277	871	0.13 - 3.20
Short-term investments	3,000	-	-	339	3,339	3.40 - 3.55
Trade and other receivables	-	-	-	160	160	-
Other long-term investments	-	5,000	-	-	5,000	3.70
	3,100	5,000	494	776	9,370	
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	1,858	1,858	-
	-	-	-	1,858	1,858	

(Unit: Million Baht)

	Separate financial statements as at 31 December 2014					
	Fixed interest rates		Floating interest	Non-	Total	Effective interest rate
	Within	1 - 5	rate	interest		
	1 year	years		bearing		
(% per annum)						
<b>Financial assets</b>						
Cash and cash equivalents	-	-	89	133	222	0.05 - 0.50
Short-term investments	7,530	-	-	570	8,100	2.65 - 3.25
Trade and other receivables	-	-	-	189	189	-
	7,530	-	89	892	8,511	
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	1,312	1,312	-
	-	-	-	1,312	1,312	

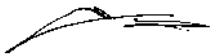
  
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Director

  
(Mr. Somchai Hanjitkasem)  
Director

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Director



(Mr. Somchai Hanjittkasem)  
Director

(Unit: Million Baht)

	Separate financial statements as at 31 December 2013					
	Fixed interest rates		Floating	Non-	Total	Effective
			interest	interest		interest rate
	Within 1 year	1 - 5 years	rate	bearing		
	(% per annum)					
<b>Financial assets</b>						
Cash and cash equivalents	100	-	377	164	641	0.13 - 3.20
Short-term investments	3,000	-	-	256	3,256	3.40 - 3.55
Trade and other receivables	-	-	-	224	224	-
Short-term loan to related party	-	-	130	-	130	2.60 - 3.70
Other long-term investments	-	5,000	-	-	5,000	3.70
	3,100	5,000	507	644	9,251	
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	1,685	1,685	
	-	-	-	1,685	1,685	

Foreign currency risk

The Group's exposure to foreign currency risk arises mainly from trading transactions that are denominated in foreign currencies.

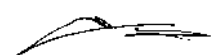
The balances of financial assets and liabilities denominated in foreign currencies as at 31 December 2014 and 2013 are summarised below.

As at 31 December 2014			
Foreign currency	Financial assets		Average exchange rate as at 31 December 2014
	Consolidated	Separate	
	financial statements	financial statements	
	(Million)	(Million)	
	(Baht per 1 foreign currency unit)		
Japanese yen	1.6	1.6	0.2712
US dollar	0.09	0.09	32.8128

Foreign currency	Financial liabilities		Average exchange rate as at 31 December 2014
	Consolidated	Separate	
	financial statements	financial statements	
	(Million)	(Million)	
	(Baht per 1 foreign currency unit)		
Japanese yen	16.0	0.8	0.2765

As at 31 December 2013			
Foreign currency	Financial assets		Average exchange rate as at 31 December 2013
	Consolidated	Separate	
	financial statements	financial statements	
	(Million)	(Million)	
	(Baht per 1 foreign currency unit)		
Japanese yen	5.5	5.5	0.3102
US dollar	0.05	0.05	32.6778

Foreign currency	Financial liabilities		Average exchange rate as at 31 December 2013
	Consolidated	Separate	
	financial statements	financial statements	
	(Million)	(Million)	
	(Baht per 1 foreign currency unit)		
Japanese yen	13.1	1.8	0.3159



(Mr. Rit Thirakomen)  
Director



(Mr. Somchai Hanjittkasem)  
Director

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31.2 Fair values of financial instruments

Since the majority of the Group's financial instruments are short-term in nature and loans bear floating 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 instruments or by using an appropriate valuation technique, depending on the nature of the instrument.

32. Capital management

The primary objective of the Group's capital management is to ensure that it has an appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2014, the Group's debt-to-equity ratio was 0.18:1 (2013: 0.20:1) and the Company's was 0.16:1 (2013: 0.19:1).

33. Events after the reporting period

On 24 February 2015, the meeting of the Board of Directors of the Company No. 1/2015 passed a resolution approving the payment of dividend for 2014 to the Company's shareholders at Baht 1 per share or a total dividend of Baht 907.08 million.

The payment of dividend will later be proposed for approval in the Annual General Meeting of the Company's shareholders.

34. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 24 February 2015.

(Mr. Rit Thirakomen)  
Director

(Mr. Somchai Hanjtkasem)  
Director

Management Discussion and Analysis

Overview

In 2014, the Company and its subsidiaries recorded total incomes of Baht 15,105 million, increased Baht 864 million or a growth rate of 6.1 percent from the previous year. The revenues increase was partly attributable to the continued expansion of MK Suki and Yayoi restaurant outlets, and partly to the upward adjustments of selling prices in order to offset the rise in food costs and selling and administrative expenses. Net profit of the Company and its subsidiaries amounted to Baht 2,042 million, slightly increased Baht 3 million or up by 0.2 percent due to the economic slowdown and the high household debt which impacted on the purchasing power. Moreover, the Company has to reserve the provision of expenses related to Employee Stock Option Program amounted to Baht 290 million, increased Baht 254 million from the previous year.

Revenues from Sales and Services

	2013		2014	
	Million Baht	%	Million Baht	%
MK Suki / MK Gold	11,761	84.2	12,118	82.8
Yayoi Japanese Restaurant	1,983	14.2	2,198	15.0
Other Restaurants	101	0.7	165	1.1
Restaurants abroad	124	0.9	156	1.1
Revenues from Sales and Services	13,969	100.0	14,637	100.0

In 2014, the Company and its subsidiaries recorded revenues from sales and services of Baht 14,637 million, grew by 4.8 percent from the previous year. More than 97 percent of the total incomes generated by the Company and its subsidiaries were from sales and services incomes of MK Suki Restaurant and MK Gold Restaurant operated by the Company as well as Yayoi Japanese Restaurant run by MK Interfood Co., Ltd. Yet, while sales and service incomes from the suki business tended to fall, those from the Yayoi Japanese Restaurant were likely to increase. In addition, almost all of the Company's sales and services revenues were in cash immediately collected from customers.



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Performance of the Company's Suki Restaurant Business

	2013	2014
Number of Branches — Suki Restaurant		
Net newly-opened outlets	27	26
Number of Branches at the end of fiscal period	381	407
Financial Performance and Growth Rate — Suki Restaurant		
Revenues from Sales and Services (Million Baht)	11,761	12,118
Total Sales Growth Rate (%)	4.4	3.0
Same-Store Sale Growth (%)	(2.9)	(3.7)

Revenues from Sales and Services – MK Suki Restaurant

In 2014, the Company recorded Baht 12,118 million total sales and services incomes from the suki restaurant business or an increase by 3.0 percent. The rise of incomes from the suki restaurant business was thanks to two factors; namely

- 1) Additional branch opening – in 2014, 26 net new branches were opened as a result of the Company's ongoing focus at the growth strategy to open new restaurants in conjunction with the expansion of shopping malls and the retail sector. In recent years, however, competition in the retail business has become so intense. Shopping malls and modern-trade outlets such as Central, Big C and Tesco Lotus have expanded their branches both in Bangkok and the provinces to cover as many locations as possible. At the other end, smaller community malls are gaining popularity. Several new cozy community malls are opened in residential areas in Bangkok, its vicinity and in major provinces which enables customers to get easier access to the Company's restaurants than ever.
- 2) Menu price hike – food prices were hiked to reflect higher costs where in 2014, the Company raised menu prices at both MK Suki Restaurant and MK Gold Restaurant by 4 percent on the average during the year 2014.

Performance of the Company's Yayoi Japanese Restaurant Business

	2013	2014
Number of Branches — Yayoi Japanese Restaurant		
Net newly-opened outlets	22	16
Number of Branches at the end of fiscal period	113	129
Financial Performance and Growth Rate — Yayoi Japanese Restaurant		
Revenues from Sales and Services (Million Baht)	1,983	2,198
Total Sales Growth Rate (%)	24.3	10.8
Same-Store Sale Growth (%)	1.1	(4.3)

Revenues from Sales and Services – Yayoi Japanese Restaurant

In 2014, the Company recorded Baht 2,198 million as sales and services revenues from Yayoi Japanese Restaurant which represented a 10.8 percent increase from the year before. The increase of Yayoi's incomes was thanks to:

- 1) Rapid increase of Yayoi's branches where in 2014, the net number of Yayoi branch rose by 16 as a result of strong positive responses to the Yayoi brand which prompted the Company to expand the Japanese restaurant branch in residential areas in Bangkok, its vicinity and in the provinces to meet consumer's demands.
- 2) Increase of menu prices at Yayoi Restaurant by 4 percent on the average during the year 2014 to reflect higher costs after the food prices were hiked.



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Costs of Sales and Services

More than 90 percent of the Company's costs of sales and services were costs of food and beverages. Other costs included transportation, storage and warehousing expenses and expenses of consumables at branches. The Company has an efficient sourcing and production process where orders of raw materials and finished products for the suki restaurants, Yayoi Japanese restaurants and other eateries have been centralized to profit from the economy of scale so that huge orders can be made at a time while simultaneously enabling the Company to command better purchasing power with distributors. At the other end, the fact that almost all of the manufacturing is done through the central kitchen not only results in an economy scale production but also helps the Company standardizing its food quality. The Company also actively manages inventories of raw materials and finished products by estimating demands of each branch on a daily basis and therefore could effectively control food delivered to each branch and waste generated from them each day. The centralized management of raw materials and finished products helps managing delivery costs more effectively.

Cost of sales and services as a percentage of revenues from sales and services increased from 33.1 percent in 2013 to 34.3 percent in 2014. The increase was due largely to the rise in food costs and the higher expenses as a result of the opening of the new central kitchen which became operational at the beginning of March 2014.

Selling and administrative expenses

Major sales and administrative expenses consisted of employee's expenses, rents, utilities expenses, advertising and sales promotion expenses, costs of consumables and depreciations and amortization of fixed assets. In 2014, sales and administrative expenses totaled Baht 7,549 million representing an increase of Baht 484 million or up by 6.8 percent from the previous year. The ratio of sales and administrative expenses to total incomes was also up from 49.6 percent in 2013 to 50.0 percent a year later due mainly to an increase of the expenses reserved for the Employee Stock Option Program amounted Baht 290 million, up by Baht 254 million compared to the previous year as well as the rents. Although the Company hiked its prices to compensate for higher expenses, the price hike could partially cover part of the increasing expenses only due to intensive competition in the market.

Net profits

As a result of the various factors which affected the operating results of the Company and its subsidiaries as mentioned earlier, net profit of the Company and its subsidiaries slightly increased from Baht 2,039 million for the year 2013 to Baht 2,042 million for the year 2014 representing an increase of Baht 3 million or 0.2 percent.

Financial position

As of December 31, 2014, the Company recorded total assets of Baht 14,903 million, which represented a decrease of Baht 103 million or down by 0.7 percent from at the end of 2013 due mainly to the following:

- (1) A decrease of cash and cash equivalents amounted Baht 498 million, mainly due to a decrease of saving deposit and fixed deposit amounted Baht 395 million and Baht 100 million respectively.
- (2) A decrease of long-term investments amounted Baht 5,000 million from the 15-month fixed deposit due.
- (3) An increase of short-term investments amounted Baht 5,020 million from the fixed deposit with the term of less than 6-months period amounted Baht 1,810 million and the term of 7 - 12 month period amounted Baht 2,850 million.
- (4) An increase of property, plant and equipment amounted Baht 345 million due largely to the branch expansion.

As of December 31, 2014, the Company's total liabilities were Baht 2,222 million which was down by 10.5 percent or Baht 260 million due mainly to a decrease of Baht 245 million from unrelated account payables resulted from the purchase of fixed assets and a decrease of Baht 110 million from trade account payable.

As of December 31, 2014, the Company's shareholders' equity recorded Baht 12,681 million, increased Baht 156 million from 2013 mainly due to an increase of capital reserve for share-based payment transactions amounted Baht 290 million as well as a decrease of retained earnings amounted Baht 132 million.

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Financial Ratios

	Unit	Consolidated Financial Statements	
		2013	2014
Liquidity Ratios			
Liquidity Ratio	times	2.2	4.7
Quick Ratio	times	1.9	4.4
Cash Ratio	times	0.8	1.4
Account Receivables Turnover Ratio	times	411.1	440.9
Average Collection Period	days	1	1
Inventory Turnover Ratio	times	33.8	31.9
Average Sale Period	days	11	11
Account Payables Turnover Ratio	times	8.8	10.5
Payment Period	days	41	34
Cash Cycle	days	(29)	(22)
Profitability Ratios			
Gross Profit Margin	%	66.9	65.7
Operating Profit Margin	%	16.3	14.1
Operating Cash Flow to Operating Profit Ratio	%	98.7	146.6
Net Profit Margin	%	14.3	13.5
Return on Equity	%	29.1	16.2
Efficiency Ratios			
Return on Assets	%	20.3	13.7
Return on Fixed Assets	%	64.7	57.7
Total Asset Turnover Ratio	times	1.4	1.0
Financial Policy Ratios			
Debt to Equity Ratio	times	0.2	0.2
Interest-bearing Debt to Equity Ratio	times	0.0	0.0
Interest Coverage Ratio	times	129.8	N/A
Obligation Coverage Ratio (Cash Basis)	times	0.7	0.9

Efficiency Ratios

In 2014, the Company's Return on Equity (ROE) was 16.2 percent, down from 29.1 percent in 2013. This was due mainly to higher shareholders' equity resulted from the increase of capital and the share premium from the issuance of capital-increase shares worth Baht 8,971 million and the increase of capital reserve for share-based payment transactions worth Baht 290 million.

As for the Company's Return on Assets (ROA), this was down from 20.3 percent in 2013 to 13.7 percent a year later as a result of an increase of assets; namely long-term investment funds and temporary investment funds resulted from the issuance of capital-increase shares. Besides, there was an increase of property, plants and equipment due to the branch expansion and the construction of the new central kitchen.

Liquidity

In 2014, the Company recorded Baht 3,031 million net cash from operating activities, most of which were operating profit before changes in operating assets and liabilities. Meanwhile, it spent Baht 1,354 million net cash in investing activities of which Baht 1,326 million was paid for the purchase of property, plant and equipment as a result of additional branch expansion and the constructions of the new central kitchen, Baht 14 million was for the purchase of computer software and Baht 10 million was for the short-term investments.

In 2014, the Company recorded Baht 2,173 million net cash used in financing activities due primarily to the dividend payment of Baht 2,174 million.

Unit: Million Baht		
	2013	2014
Net cash from operating activities	2,247	3,031
Net cash used in investing activities	(9,817)	(1,354)
Net cash used in financing activities	7,648	(2,173)
Increasing difference from conversion of financial statements	7	(3)
Increase (decrease) of net cash and cash equivalent	84	(498)



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As a result of cash movements in operating activities, investing activities and financing activities, the Company's cash and cash equivalents in 2014 decreased by Baht 498 million.

Liquidity ratios

As of December 31, 2014, the Company's liquidity ratio increased from 2.2 times in 2013 to 4.7 times a year later; while the quick ratio also rose to 4.4 times in 2014 from 1.9 times a year ago. This was mainly due to an increase of temporary investment funds resulted from the issuance of capital-increase shares.

In 2014, the Company recorded a cash surplus causing its cash cycle to be negative, namely (22) days. This however was corresponding to the nature of the Company's business which immediately collected cash after its sales and services while trade payables from the purchase of raw and finished products would be made later thanks to the credit term policy. As a result, the Company's average collection period was very brief; namely 1 day, while the average sale period was around 10 – 12 days and the payment period was as lengthy as 30 – 45 days.

Capital structure

As of December 31, 2014, the Company's debt to equity ratio (D/E) was 0.2 times, which was quite stable compared to the year before since the Company had no financial debt and had cash surplus from the capital increase and the share premiums from the issuance of capital-increase shares.

Contingent liabilities

As of December 31, 2014, the Company had approximately Baht 49 million worth of outstanding capital commitments in respect of a construction project and a distribution center as well as a lease agreements of building space and equipment and other service agreements that obliged the Company to pay Baht 3,120 million in the future. As for the management of contingency liabilities and investment projects, during 2014, the Company recorded Baht 3,031 million net cash flow from the operating activities which should be enough to pay for contingency liabilities. Meanwhile, the Company's executives prudently made an investment decision in a project to ensure maximum returns to shareholders.

Connected Transactions

Persons with Potential Conflict of Interest and Nature of Relationship

Connected Person	Relationship
1. Mr. Rit Thirakomen	<ul style="list-style-type: none"><li>Director and major shareholder of the Company holding 55.4 % of its shares (combining shares held by both Mr. Rit and Mrs. Yupin).</li></ul>
2. Mrs. Yupin Thirakomen	<ul style="list-style-type: none"><li>Executive and major shareholder of the Company holding 55.4 % of its shares (combining shares held by both Mr. Rit and Mrs. Yupin).</li></ul>
3. Mr. Somchai Hanjitkasem	<ul style="list-style-type: none"><li>Director and major shareholder of the Company holding 18.1 % of its shares.</li></ul>
4. Mr. Pravit Tantiwasinchai	<ul style="list-style-type: none"><li>Director and shareholder of the Company holding 0.6 % of its shares.</li></ul>
5. Global Asset Development Co., Ltd. (formerly named MK Global Co., Ltd.) (GAD)	<ul style="list-style-type: none"><li>The company's business is to invest in other businesses</li><li>Three directors and/or executives and major shareholders of the Company; namely, Mrs. Yupin Thirakomen, Mr. Rit Thirakomen and Mr. Somchai Hanjitkasem are GAD's major shareholders holding 65.7 % of its shares (combining shares held by both Mr. Rit and Mrs. Yupin) and 17.1 % respectively (As of April 23,2014).</li><li>Common directors; namely, Mrs. Yupin Thirakomen, Mr. Rit Thirakomen and Mr. Somchai Hanjitkasem.</li></ul>
6. MK Worldwide Co., Ltd. (MKWW)	<ul style="list-style-type: none"><li>The company's business is to invest in other businesses.</li><li>Three directors and/or executives and major shareholders of the Company; namely, Mrs. Yupin Thirakomen, Mr. Rit Thirakomen and Mr. Somchai Hanjitkasem are MKWW's major shareholders holding 70 % of its shares (combining shares held by both Mr. Rit and Mrs. Yupin) and 15 % respectively (As of April 23,2014).</li><li>Common directors; namely, Mr. Rit Thirakomen and Mr. Somchai Hanjitkasem.</li></ul>



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## Connected Transactions

Connected Person	Relationship
7. Superior Food Service Co., Ltd. (SFS)	<ul style="list-style-type: none"><li>The company sells and distributes ice-making machines and dish/glass washers.</li><li>The Company's executive and major shareholder; namely Mrs. Yupin Thirakomen, is SFS's director and major shareholder holding 65 % of its shares (As of April 30,2014).</li></ul>
8. KVE Electronic Co., Ltd. (KVE)	<ul style="list-style-type: none"><li>The company produces and sells transformers as well as repairs electronic devices.</li><li>Dr. Katiya Greigarn, its director, is KVE's authorized director and major shareholder holding 61 % of its shares (As of April 30,2014).</li></ul>
9. Precision Manufacturing Co., Ltd. (PM)	<ul style="list-style-type: none"><li>The company's business is metal pressing/casting.</li><li>Mr. Rit Thirakomen is PM's director and major shareholder. A related person is also PM's director and major shareholder. Both (when combined with shares held by the related person) held 9.8 % of its shares (As of September 15,2014).</li></ul>
10. SE-Education Public Company Limited (SE-ED)	<ul style="list-style-type: none"><li>The company sells and distributes books.</li><li>Mr. Rit Thirakomen, who is the Company's director and major shareholder, holds 7.1 % of its shares (As of May 23,2014).</li><li>Common directors; namely Mr. Thanong Chotisorayuth (SE-ED's authorized signatory) and Mr. Pravit Tantiwasinchai.</li></ul>
11. Premier Marketing Public Company Limited (PMK)	<ul style="list-style-type: none"><li>The company sells and distributes consumer products and consumables.</li><li>Common director; namely Dr. Katiya Greigarn.</li></ul>
12. National Food Retail Co., Ltd. (NFR)	<ul style="list-style-type: none"><li>The company runs a restaurant business.</li><li>The Company's executive and major shareholder; namely Mrs. Yupin Thirakomen, is SFS's director and major shareholder holding 74.9 % of its shares (As of April 23,2014).</li></ul>

**Note: Shareholding ration presented in this table includes shareholding ratio of related person.**

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Connected Transactions

Connected Person	A Nature of Transaction	Transaction Size in 2014 (Million Baht)	Necessity and Rationale
1. GAD	Account Preparation	0.02	<ul style="list-style-type: none"><li>The account preparation fee for GAD was Baht 16,050.</li><li>The fee was determined on the basis of estimated service time and costs of staff required in the service.</li></ul> <p><b>Audit Committee's opinion:</b></p> <p>The account preparation fee for GAD was charged on the basis of the costs of staff involving in this service which did not deprive the Company of any interest. The transaction therefore was considered reasonable and necessary.</p>
	Outstanding at the end of fiscal period	0.02	
	Rent for land	27.69	<ul style="list-style-type: none"><li>The monthly rent of Baht 1,467,438 a month was paid for a new office building.</li><li>The monthly rent of Baht 840,000 a month was paid for the new central kitchen (CK5) on Bangna–Trad Road.</li></ul> <p><b>Audit Committee's opinion:</b></p> <p>The land rent was a normal transaction. The rate was comparable to market rates of nearby properties. The transaction was considered reasonable and for the best interest of the Company.</p>
	Outstanding at the end of fiscal period	-	
2. MKWW	Account Preparation	0.02	<ul style="list-style-type: none"><li>The Account preparation fee for MKWW was Baht 16,050.</li><li>The fee was determined on the basis of estimated service time and cost of staff required in the service.</li></ul> <p><b>Audit Committee's opinion:</b></p> <p>The account preparation fee for MKWW was charged on the basis of the costs of staff involving in this service which did not deprive the Company of any interest. The transaction therefore was considered reasonable and necessary.</p>
	Outstanding at the end of fiscal period	0.02	
3. SFS	Rent for dishwasher and ice-making	38.59	<ul style="list-style-type: none"><li>This involved rent of dishwashers for all branches of both MK Suki and Yayoi Restaurant. SFS was one of several service providers chosen by the Company. SFT's price was not different from what other service providers proposed.</li><li>This involved rent of ice-making machines for all branches of both MK Suki and Yayoi Restaurants. SFS was the only supplier offering the rent of ice-making machines with after-sales maintenance service.</li></ul> <p><b>Audit Committee's opinion:</b></p> <p>This equipment rent was a normal transaction where the pricing had been compared with what was quoted by other service providers. The transaction therefore was reasonable and was carried out for the Company's best interest.</p>
	Outstanding at the end of fiscal period	4.11	



Connected Transactions

Connected Person	A Nature of Transaction	Transaction Size in 2014 (Million Baht)	Necessity and Rationale
1. GAD	Account Preparation	0.02	<ul style="list-style-type: none"><li>The account preparation fee for GAD was Baht 16,050.</li><li>The fee was determined on the basis of estimated service time and costs of staff required in the service.</li></ul> <p><b>Audit Committee's opinion:</b></p> <p>The account preparation fee for GAD was charged on the basis of the costs of staff involving in this service which did not deprive the Company of any interest. The transaction therefore was considered reasonable and necessary.</p>
	Outstanding at the end of fiscal period	0.02	
	Rent for land	27.69	<ul style="list-style-type: none"><li>The monthly rent of Baht 1,467,438 a month was paid for a new office building.</li><li>The monthly rent of Baht 840,000 a month was paid for the new central kitchen (CK5) on Bangna-Trad Road.</li></ul> <p><b>Audit Committee's opinion:</b></p> <p>The land rent was a normal transaction. The rate was comparable to market rates of nearby properties. The transaction was considered reasonable and for the best interest of the Company.</p>
	Outstanding at the end of fiscal period	-	
2. MKWW	Account Preparation	0.02	<ul style="list-style-type: none"><li>The Account preparation fee for MKWW was Baht 16,050.</li><li>The fee was determined on the basis of estimated service time and cost of staff required in the service.</li></ul> <p><b>Audit Committee's opinion:</b></p> <p>The account preparation fee for MKWW was charged on the basis of the costs of staff involving in this service which did not deprive the Company of any interest. The transaction therefore was considered reasonable and necessary.</p>
	Outstanding at the end of fiscal period	0.02	
3. SFS	Rent for dishwasher and ice-making	38.59	<ul style="list-style-type: none"><li>This involved rent of dishwashers for all branches of both MK Suki and Yayoi Restaurant. SFS was one of several service providers chosen by the Company. SFT's price was not different from what other service providers proposed.</li><li>This involved rent of ice-making machines for all branches of both MK Suki and Yayoi Restaurants. SFS was the only supplier offering the rent of ice-making machines with after-sales maintenance service.</li></ul> <p><b>Audit Committee's opinion:</b></p> <p>This equipment rent was a normal transaction where the pricing had been compared with what was quoted by other service providers. The transaction therefore was reasonable and was carried out for the Company's best interest.</p>
	Outstanding at the end of fiscal period	4.11	

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Connected Transactions

Connected Person	A Nature of Transaction	Transaction Size in 2014 (Million Baht)	Necessity and Rationale
4. KVE	IT advisory fee and computer system implementation	1.96	<ul style="list-style-type: none"><li>The Company hired KVE as an IT consultant for Baht 60,000 a month fee and the implementation of computer system amounted Baht 1,240,000 which was not different from what other service providers had proposed.</li></ul> <p><b>Audit Committee's opinion:</b></p> <p>This hiring-of-service transaction was a normal transaction of the Company of which the IT system required constant upgrades to cope with its business expansion. The consulting fee was made in relation to quotations made by other service providers. The transaction therefore was reasonable and for the Company's best interest.</p>
	Outstanding at the end of fiscal period	0.06	
5. PM	Costs of suki pots	1.69	<ul style="list-style-type: none"><li>This item involved the hiring of PM's service to manufacture suki pots for all branches. PM was the sole manufacturer of suki pots for the Company because it had jointly developed the pot with the Company. The pot commanded higher safety standard than what's available in the market. The charge was based on estimated costs of equipment and costs of labor required to manufacture the suki pot plus profit.</li></ul> <p><b>Audit Committee's opinion:</b></p> <p>The hire-of-work transaction was a normal transaction of the Company. PM had been involved in the joint development of suki pot which commanded a higher safety standard than suki pots available in general for so long. Besides, PM was able to cope with the Company's constant business expansion. The fee was made on the basis of estimated costs of equipment and labor involved in the manufacturing. The transaction therefore was reasonable and for the Company's best interest.</p>
	Outstanding at the end of fiscal period	-	
6. SE-ED	Sponsorship fee	0.82	<ul style="list-style-type: none"><li>Sponsorship fee for the Kitty Camp</li></ul> <p><b>Audit Committee's opinion:</b></p> <p>This hire-of-service item was the Company's normal transaction where the price was made in comparison with other quotations made by other service providers. The transaction therefore was considered reasonable and for the Company's best interest.</p>
	Outstanding at the end of fiscal period	-	



## Connected Transactions

Connected Person		A Nature of Transaction	Transaction Size in 2014 (Million Baht)	Necessity and Rationale
11.	Mr. Somchai	Sales of gift vouchers	0.11	<ul style="list-style-type: none"><li>This involved sales of gift vouchers for use at restaurants of the Company and its subsidiaries with the same price offered to other customers in general.</li></ul> <p><b><u>Audit Committee's opinion:</u></b></p> <p>The transaction in which gift vouchers were sold was the Company's normal transaction with the same price offered to other customers. The transaction therefore was reasonable and for the best interest of the Company.</p>
	Hanjitkasem	Outstanding at the end of fiscal period	-	
12.	Mr. Pravit	Sales of gift vouchers	0.02	<ul style="list-style-type: none"><li>This involved sales of gift vouchers for use at restaurants of the Company and its subsidiaries with the same price offered to other customers in general.</li></ul> <p><b><u>Audit Committee's opinion:</u></b></p> <p>The transaction in which gift vouchers were sold was the Company's normal transaction with the same price offered to other customers. The transaction therefore was reasonable and for the best interest of the Company.</p>
	Tantiwasinchai	Outstanding at the end of fiscal period	-	

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Necessity and rationality behind the transactions

The Company and subsidiaries have conducted connected transactions with prudence taking into consideration the best interest of the Company and its shareholders. All connected transactions of the Company and subsidiaries carried out with persons having potential conflict of interest therefore were normal, necessary and reasonable to be executed to support normal business course of the Company itself and the subsidiaries. Conditions in these connected transactions were made on the basis of normal business conditions and aligned with market prices. In addition, the transactions were executed in the same manner if done at arm's length with customers having the same or similar nature. Regarding money borrowed from related companies, the Company and subsidiaries did so only to increase liquidity when required.

Connected transaction approval procedure

The Company approved connected transactions on the basis of the best interest of itself and the subsidiaries. The approval had to go through a review process based on related regulations of both itself and its subsidiaries and through related committees which included senior management of the Company and subsidiaries who would review impacts and ensured that the pricing was appropriate as in normal business conditions as if the transaction was executed at arm's length. The significant connected transactions will be approved by the Board of Director. The Company has sought approval in principle regarding business agreements with general business conditions in a transaction between the Company and its subsidiaries vs. director, executive or related persons. Details are as follows: as the Company and subsidiaries may have transaction with each other in the future, that's why the Company has sought an approval in principle to allow the management to approve such transaction as long as it contains the same business agreement normal people would execute with contractual parties under the same circumstance and as long as there is no influence from the fact that one is a director, executive or a related person over a business negotiation. The Company will submit a summary of transactions being executed and report to the meeting of the Audit Committee and the Board of Directors on a quarterly basis. If a company director, executive director, managing director or anyone with potential conflict of interest has an interest or conflict of interest, the director will not be authorized to approve the transaction for the Company or its subsidiaries as stipulated by the SEC and/or the SET. The Company will disclose major connected transactions in Notes to Financial Statements audited by the auditor of the Company and its subsidiaries.

Future policy on connected transactions

The Company and its subsidiaries have a policy to execute connected transactions at present and in the future with persons having potential conflict of interest where they will be treated as if they were customers in general. This will be carried out through a fair price policy and will also correspond with business conditions in general. The transactions will also be executed through a clear, transparent and fair approval process which corresponds to the principles of corporate governance (CG) as well as rules and regulations of the Company and its subsidiaries. Finally, the transactions must be done in accordance with approval authority governing the execution of connected transactions.



## Shareholder and Management Structure

### Ordinary Shares

As of December 31, 2014, the Company was registered with Baht 925,850,000 capital which as divided into 925,850,000 ordinary shares at Baht 1 par value per share. Of this, Baht 907,081,100 was paid-up capital divided into 907,081,100 shares at Baht 1 par value per share.

### Shareholders

Top ten shareholders in the shareholder registration book as of January 8, 2015 were as follows:

List of Shareholders	No. of Shares	%
1. Mrs. Yupin Thirakomen	363,118,579	40.0
2. Mr. Somchai Hanjitkasem	164,128,612	18.1
3. Mr. Rit Thirakomen	139,653,133	15.4
4. Aunt Thongkam MK Foundation	31,265,983	3.4
5. Bualuang Long-term Equity Fund	15,896,100	1.8
6. Bualuang Long-term Equity Fund 75/25	10,325,800	1.1
7. Bualuang Top Ten Open-end Fund	9,556,200	1.1
8. Thai NVDR Co., Ltd.	8,990,047	1.0
9. RBS INVESTOR SERVICES TRUST	7,929,300	0.9
10. Mr. Sujint Chumpolkajana	7,225,100	0.8

### Warrants

The Extraordinary General Meeting of Shareholders No. 1/2013 dated January 3, 2013 resolved to allow the Company to issue and offer 20,000,000 units of warrants to executives (including executive directors) and employees of the Company and its subsidiaries (hereinafter referred to as the "M-WA") with the following details:

Type	:	Warrant to purchase ordinary shares of MK Suki Restaurant Group Public Company Limited in a name-registered and non-transferable form except for transfer upon death of directors, executives and employees
Term	:	5 years from the issued and offered date
Quantity	:	20,000,000 units
Offering price	:	Baht 0 per unit (Zero Baht)
Offering method	:	One-time offering to more than 50 executives (including executive directors) and employees of the Company and/or subsidiaries
Allocation method	:	To be allocated to executives (including executive directors) and employees of the Company and/or subsidiaries without going through securities broker.  The number of warrants allotted to each executive (including executive directors) and employee needs not be equal. This will depend on positions, years of service, knowledge and experiences, responsibilities, performances and potential or profits the Company will generate.
Total number of shares reserved for rights exercise	:	20,000,000 shares
Exercise ratio	:	One warrant for the rights to exercise one ordinary share (subject to subsequent change based on the rights adjustment condition)
Exercise price	:	Baht 1 per share unless the price is adjusted otherwise based on the rights adjustment condition. The exercise price is lower than the market price for an offer of shares calculated from the IPO of capital-increase shares at Baht 49 a share.

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Exercise period	<div><div></div><div>On the last business day of each quarter (March, June, September or December) throughout the warrant's term. The first exercise date will be on the date when the 12-month period from the date the warrant was issued to executives (including executive directors) and employees of both the Company and/or subsidiaries becomes due (the exercise date) based however on the following conditions:</div><div><div><div></div><div>After 12 months from the allotted date, a warrant holder may exercise no more than 10 percent of the allotted warrants.</div></div><div><div></div><div>After 24 months from the allotted date, a warrant holder may exercise another 20 percent of the allotted warrants.</div></div><div><div></div><div>After 36 months from the allotted date, a warrant holder may exercise another 30 percent of the allotted warrants.</div></div><div><div></div><div>After 48 months from the allotted date, a warrant holder may exercise any number of the warrants until the warrant's maturity date.</div></div><div><div></div><div>Warrants left from the exercise or not exercised on any exercise date can be accumulated for the next exercise date throughout the term of the warrant. However, on the due date, any warrant not yet exercised will be terminated and voided.</div></div><div><div></div><div>The last exercise date will be the last business day of the five-year period starting from the warrant issuance date.</div></div></div></div>
Period to notify the last exercise intention	<div><div></div><div>Not less than 15 days before the last exercise date.</div></div>

Condition of the warrant exercise	<div><div></div><div>1. Warrant holder must be an executive (including executive director) and an employee of the Company and/or subsidiaries on the exercise date.</div><div></div><div>2. If the warrant holder is no longer an executive (including executive director) or an employee of the Company and/or subsidiaries following his/her retirement based on the Company's regulations, the executive or the employee may exercise his rights under the warrants until the warrant's maturity date.</div><div></div><div>3. If the warrant holder dies, his/her successor or estate may buy ordinary shares under the warrants up to an amount of warrants due for exercise only. The exercise can be done on any exercise date up to the maturity date of such warrants.</div><div></div><div>4. If the warrant holder is transferred to another department or another company upon the Board of Directors' approval where the executive or the employee still retains his/ her status at the Company and/or subsidiaries, on the exercise date, the executive or employee may exercise his rights under the warrants up to their maturity date.</div><div></div><div>5. If the warrant holder is no longer an executive (including executive director) or employee of the Company and/ or subsidiary before or on any exercise date due to other reasons than stated in Clause 2 - 4 above, such executive or employee of the Company and/or subsidiary will no longer be able to exercise his rights under the remaining warrants (whose rights have not yet been exercised). The warrants will be considered immediately terminated and void.</div></div>
Reason for new shares issuance to accommodate the change of rights exercise	<div><div></div><div>Whenever the exercise price and the exercise ratio under the rights adjustment condition as stipulated in terms and conditions of the warrants is adjusted. The adjustment is an event/situation stated in the Capital Market Supervisory Boards' announcement or any other related notice.</div></div>
Issuance date and offering period	<div><div></div><div>The Company will completely allocate warrants to executives (including executive directors) and employees of itself and/or subsidiaries within one year from the day the Shareholders' Meeting approves such issuance and offering.</div></div>

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Secondary market for warrants	: The Company will not list the warrants on the SET.
Secondary market for ordinary shares resulted from the warrant exercise	: The Company will list ordinary shares resulted from the warrant exercise on the SET.
Dilution effect	<p>: <b>Price Dilution:</b></p> <p>If the entire 20 million units of warrants allotted to directors, executives and employees of the Company and/or subsidiaries are exercised, the market price of the Company's shares will be diluted by 2.1 percent.</p> <p><b>Earnings Per Share Dilution and Control Dilution:</b></p> <p>If the entire 20 million units of warrants allotted to directors, executives and employees of the Company and/or subsidiaries are exercised, the Earnings Dilution and the Control Dilution will be 2.2 percent of the original EPS Dilution and the Control Dilution based on the Company's total 925,850,000 shares sold (paid-up capital after the Company offered capital-increase shares as IPO to existing shareholders and the public and the exercise of all warrants).</p>

Dividend Policy

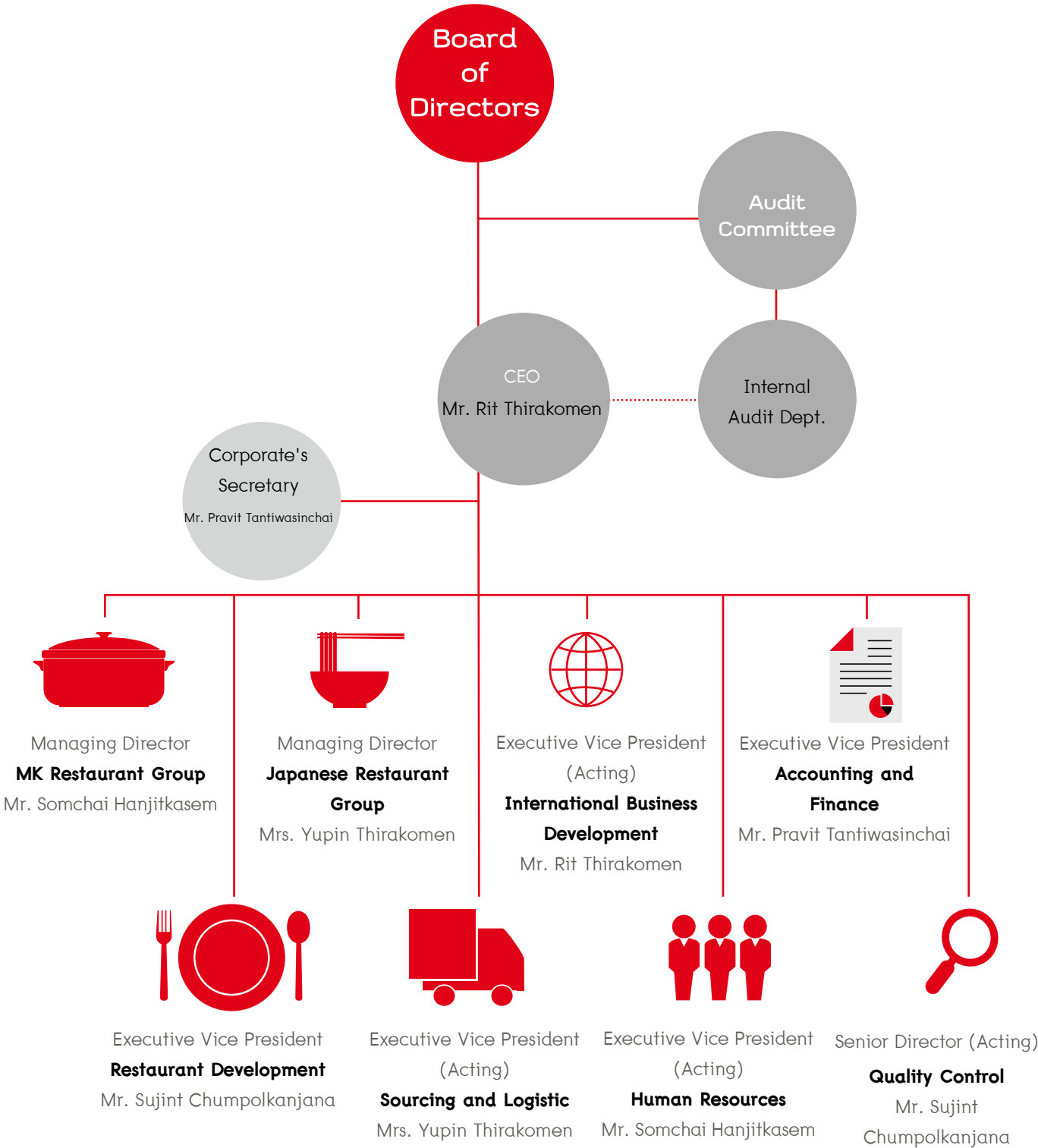
Other rules, conditions and details of the warrants including a reason new shares will be issued to accommodate the adjustment of exercise price and exercise ratio shall be at the discretion of the Board of Directors who may determine or amend them as deemed appropriate. The Board shall entrust Chairman of the Board to adopt terms governing the rights and responsibilities of warrant issuer as well as to adopt or amend terms, conditions and details relating to the warrant issuance to accord with laws and announcements of relevant agencies.

The Company and subsidiaries will pay no less than 50 percent of net profit after corporate income tax and statutory reserves as dividend based however mainly on consolidated financial statements.

Yet, the Company and subsidiaries may pay dividend at a lower rate than what's stated above or it may abstain from dividend payment subject to economic condition, performance, financial position, liquidity of the Company and its subsidiaries and an extent to which the Company and its subsidiaries require working capital to manage and expand business.

Management Structure of MK Restaurant Group Public Company Limited

As of December 31, 2014, the management structure was as follows:



Note: Mr. Sujint Chumpolkajana was retired from the Company since January 1, 2015.

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The Company's management structure consists of the Board of Directors and the Audit Committee. Details of their components, qualifications and clearly-divided roles and responsibilities are as follows.

### Board of Directors

As of December 31, 2014, the Board of Directors consisted of 10 directors as follows:

1.	Mr. Rit Thirakomen	Chairman
2.	Mr. Somchai Hanjitasem	Director
3.	Mr. Somchai Pipitvijitkorn	Director
4.	Dr. Annop Tanlamai	Independent Director & Chairman of the Audit Committee
5.	Mrs. Vilai Chattanrassamee	Independent Director & Member of the Audit Committee
6.	Mr. Attapon Chodchoy	Independent Director & Member of the Audit Committee
7.	Mr. Thanong Chotisorayuth	Independent Director
8.	Dr. Katiya Greigarn	Independent Director
9.	Mr. Sujint Chumpolkajana	Director
10.	Mr. Pravit Tantiwasinchai	Director & Company Secretary

### Authorized Directors

Authorized directors who may sign on behalf of the Company are Mr. Rit Thirakomen and Mr. Somchai Hanjitasem who shall jointly sign with the Company's seal; or Mr. Rit Thirakomen or Mr. Somchai Hanjitasem shall jointly sign with Mr. Sujint Chumpolkajana or Mr. Pravit Tantiwasinchai totaling two persons together with the Company's seal.

### Roles and Responsibilities of the Board of Directors

1. To manage the Company in accordance with the laws, the Company's objectives, its Articles of Association and resolutions of the Shareholders' Meeting with integrity and care to protect the Company's interest.

2. To consider and approve key business matters such as vision and mission of the Company, strategy, financial targets, risks, major plans of action and budget.

3. To monitor and follow-up the compliance of management on approved policies and plans.

4. To govern long-term business operations, including executive development plan and management succession plan.

5. To set and approve a written corporate governance policy for the Company and review and enforce the policy regularly, at least annually.

6. To ensure that a written code of business conduct be in place and all directors, executives and employees understand business ethical standards of the Company. To closely monitor the enforcement of the code of business conduct.

7. To consider any conflict of interest thoroughly. There should be clear guidelines on the approval of transactions with conflict of interests so that the transactions are conducted for the best interests of the Company and all shareholders. The person who has conflict of interest should not participate in decision-making process. The Board should also monitor the regulation regarding criteria, procedures and disclosure of transactions with conflict of interests.

8. To oversee and ensure that the Company has efficient risk management and to review and evaluate the efficiency of risk management regularly and wherever there is change in risk level.

9. To ensure that an internal control system is in place, including financial, compliance, and policy controls, and to assign an independent person or department to audit and report at least annually.

10. The annual report should contain a statement from the Board of Directors or the audit committee on the adequacy of the Company's internal controls and risk management.

11. To set up the clear procedures on whistle-blowing for related parties or stakeholders and publish them on the Company's website or directly report to the Company. One channel is via independent directors or the audit committee, who should arrange an investigation and report findings to the Board.

12. To have clear procedures on governing its subsidiaries in order to protect investor benefits including assigning directors of its subsidiaries to be the director of its subsidiaries to ensure the alignment of the parent company's policy and under the Securities and Exchange laws or SET regulations.

13. To attend the meeting of Board of Directors and Shareholders unless in case of force majeure where absent directors shall notify Chairman of the Board or Company Secretary before the meeting.

14. To evaluate once a year of its work, functions and performance.

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Audit Committee

As of December 31, 2014, the Audit Committee consisted of three directors as follows:

1.	Dr. Annop Tanlamai	Independent Director & Chairman of the Audit Committee
2.	Mrs. Vilai Chattanrassamee	Independent Director & Member of the Audit Committee
3.	Mr. Attapon Chodchoy	Independent Director & Member of the Audit Committee
	Mr. Pasakorn Lila	Secretary of the Audit Committee

*The three members of the Audit Committee are knowledgeable and experienced persons in finance and accounting.*

Roles and Responsibilities of the Audit Committee

1. To verify that the Company has accurately and adequately reported its financial position.

2. To verify that the Company has proper and effective internal control and internal audit systems and to review the independence of internal audit function of the Company; to approve the appointment, transfer and termination of head of the internal audit function or any other functions responsible for internal auditing.

3. To verify the Company's compliance with the laws on securities and exchange, the SET's regulations and laws relating to the Company's business.

4. To review and discuss the Company's major risk with the management and to discuss measures the management has put in place to monitor and control the risk.
5. To review, select and nominate independent person as the Company's auditor and to propose his/her remunerations; to attend the meeting with the auditor without the management's presence at least once a year.

6. To review connected transactions or those with potential conflict of interest that they comply with the laws and the SET's requirements to ensure that the transactions are reasonable and carried out for the best interest of the Company.

7. To prepare the Audit Committee's report and submit it to the Board of Directors after each meeting of the Audit Committee.

8. To prepare the Audit Committee's report for disclosure in the annual report. This report must be signed by Chairman of the Audit Committee and must consist of the following information to the least:

- (a) Opinion on the accuracy, completion and reliability of the Company's financial statements

(b) Opinion on the adequacy of the Company's internal control system

(c) Opinion on legal compliance with the laws on securities and exchange, the SET's regulations or laws relating to the Company's business

(d) Opinion regarding the soundness of the auditor

(e) Opinion regarding transactions with potential conflict of interest

(f) Number of meetings organized by the Audit Committee and an attendance record of each member

(g) Opinion or observation in general that the Audit Committee receives from its performance under the Charter

(h) Other items that the Audit Committee feels that shareholders and investors should know within its scopes of roles and responsibilities designated by the Board.
9. To do other things as designated by the Board upon the Audit Committee's approval.

10. During its performance, if the Audit Committee finds or is suspicious of the following action which could materially affect the Company's financial position and performance, it must report the incident to the Board for remedy purpose within a deadline deemed appropriate by the Audit Committee:

(a) Transactions that could lead to conflict of interest

(b) Corruption or unusual or material defects in the internal control system

(c) Violation against the laws on securities and exchange, the SET's regulations or laws relating to the Company's business if the Board or the executives fail to amend it within the timeframe under paragraph one before reporting it to the SEC or the SET.
- During its performance, the Audit Committee may seek advice from third-party independent advisor or expert in relevant profession if considered necessary and appropriate at the Company's expense. When performing its duties mentioned above, the Audit Committee is directly liable to the Board of Directors who shall remain responsible for the Company's operation to the third party.

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## The Management Team

As of December 31, 2014, the Company had five executives. Their names and titles are as follows:

1.	Mr. Rit Thirakomen	Chief Executive Officer; and Acting Executive Vice President – International Business Development
2.	Mr. Somchai Hanjirkasem	Managing Director of MK Restaurant Group; and Acting Executive Vice President – Human Resources
3.	Mrs. Yupin Thirakomen	Managing Director of Japanese Restaurant Group; and Acting Executive Vice President – Sourcing and Logistic
4.	Mr. Sujint Chumpolkajana	Executive Vice President – Restaurant Development
5.	Mr. Pravit Tantiwasinchai	Executive Vice President – Accounting and Finance

## Roles and Responsibilities of Chief Executive Officer (CEO)

CEO is the Company's top executive who has authority, roles and responsibilities to manage the Company's affairs as entrusted by the Board and he directly reports to the Board. The CEO's authority, roles and responsibilities as designated by the Board shall include the following:

1. To manage the Company's affairs to be in compliance with the laws, objectives, Articles of Association and resolutions of the Shareholders' Meeting as well as with policy, regulations, orders and resolutions of the Board of Directors.
2. To perform duty with integrity and care for the best interest of the Company. When performing its duties mentioned above, the Audit Committee is directly liable to the Board of Directors who shall remain responsible for the Company's operation to the third party.

3. To adopt business plan, investment plan and annual budget of the Company and to amend the plan and budget during the year if necessary to correspond to a material situation change before submitting the amendment to the Board for approval.

4. To control and monitor the operation according to business plan, investment plan and budget approved by the Board to achieve the goal.

5. To submit an operation report; the Company's monthly, quarterly and annual financial report and other related information deemed crucial for the review of the Company's operation to the Board for acknowledgement or approval.

6. To promptly report the Board in case of an incident or any event that may likely and materially make a negative impact to the Company's performance or its financial position or reputation in the future; to propose measures or offer advice to remedy such incident for the Board's approval.

7. To formulate or improve the executive organizational structure; to determine roles and responsibilities of senior executives under the CEO's line of command and to submit it to the Board for approval.

8. To formulate or amend a table of authority and submit it for the Board's approval.

9. To efficiently supervise the Company's operation and daily activities; to supervise employees for strict compliance with policies, regulations, orders and resolutions of the Board of Directors.

10. To command all employees and staff; to employ, appoint, transfer, exercise disciplinary actions and terminate their employment. However, any action affecting employees in the position of director or higher shall be reported to the Board for acknowledgement.

11. To issue regulations regarding the Company's operation; to adopt, change, amend or terminate regulations, orders or announcements regarding the Company's operation without conflicting with or against regulations or orders of the Board of Directors.

12. To authorize other persons to perform or do anything on his behalf as deemed appropriate subject however to the CEO's scopes of authority.

13. To approve or act in other matters as stated in the table of authorization already approved by the Board.

14. To perform any other duty as designated by the Board of Directors from time to time.

However, the CEO's exercise of his authority as described above is not allowed if the CEO or a person with potential conflict of interest as defined in the notifications of the SEC and the SET has any interest or may have a conflict of interest in any other manner with the Company or subsidiaries unless it's an approval of a normal business transaction with general business conditions and unless the Board has already approved the matter in principle according to the laws on securities and exchange.

## Corporate’s Secretary

The Board of Directors reviewed and appointed the Corporate's Secretary at the Board of Directors' Meeting No. 1/2012 where Mr. Pravit Tantiwasinchai, with his proper experience and qualifications, was designated as Corporate's Secretary to do the following:

1. To perform duty with care, prudence and integrity for the best interest of the Company and to comply with the laws, objectives and Articles of Association of the Company and resolutions of the Board of Directors and Shareholders' Meetings.

2. To manage the meetings of the Board of Directors and Shareholders so that they are in compliance with the laws, the Company's regulations and its best practices.

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3. To record the minutes of the meetings of the Board of Directors and Shareholders including to inform resolutions of these two meetings to the management and monitor the compliance with such resolutions through CEO.

4. To prepare and keep the following documents:

4.1 Registration of Directors

4.2 Invitation letter to attend the Board of Directors' meeting, minutes of the Board of Directors' meeting and the Company's annual report

4.3 Invitation letter to attend the Shareholders' Meeting and minutes of the Shareholders' Meeting.
5. To keep and maintain a report of interest as filed by directors and executives.

6. To disclose information and reports under his responsibility to supervisory agencies based on the authorities' regulations.

7. To communicate shareholders' rights and the Company's information to shareholders.

8. To provide recommendations and information relating to laws and regulations that the Board is required to know and comply with; and to regularly monitor accurate compliance.

9. To oversee activities of the Board of Directors to ensure that directors can effectively perform their duties.

Table of the Board's Meeting Attendance in 2014

List of Directors	Board of Directors	Audit Committee
1. Mr. Rit Thirakomen	5/5	-
2. Mr. Somchai Hanjitkasem	5/5	-
3. Mr. Somchai Pipitvijitkorn	5/5	-
4. Dr. Annop Tanlamai	5/5	7/7
5. Mrs. Vilai Chattanrassamee	4/5	6/7
6. Mr. Attapon Chodchoy	5/5	7/7
7. Mr. Thanong Chotisorayuth	4/5	-
8. Dr. Katiya Greigarn	5/5	-
9. Mr. Sujint Chumpolkanjana	4/5	-
10. Mr. Pravit Tantiwasinchai	5/5	-

Remunerations of Directors and Executives

The Company has clearly and transparently determined director's remunerations which are in line with their roles and responsibilities to supervise the Company's business operation.

The remunerations were also reviewed taking into consideration the Company's best interest. Remunerations of directors and executives in 2014 are as follows:

Director’s Remunerations

In 2014, the Company paid Baht 5,100,000 to its directors. However, based on the rules governing director's remunerations, executive

director was remunerated for his status as an executive only and not as a director.

Table of Director's Remunerations

Name	Position	Remunerations and Meeting Allowances (Baht)
1. Mr. Rit Thirakomen	Chairman	-
2. Mr. Somchai Hanjitkasem	Director	-
3. Mr. Somchai Pipitvijitkorn	Director	800,000
4. Dr. Annop Tanlamai	Director	935,000
5. Mrs. Vilai Chattanrassamee	Director	875,000
6. Mr. Attapon Chodchoy	Director	890,000
7. Mr. Thanong Chotisorayuth	Director	800,000
8. Dr. Katiya Greigarn	Director	800,000
9. Mr. Sujint Chumpolkanjana	Director	-
10. Mr. Pravit Tantiwasinchai	Director	-
Total		5,100,000

Executive’s Remunerations

In 2014, the Company paid Baht 79,226,912 worth of salaries, bonuses and other remunerations to its executives.

Table of Executives' Remunerations

Type of Remunerations	Number (Persons)	Remunerations (Baht)
Salary	5	58,494,156
Bonus	5	19,498,049
Other remunerations*	5	1,234,707
Total	5	79,226,912

\*Other remunerations in cluding gas, medical expenses, provident fund, etc.

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## Other Remunerations

Aside from paying monetary remunerations to directors and executives as described above, the Extraordinary General Meeting of Shareholders No. 1/2012 held on September 18, 2012 approved to allow the Company to issue and offer 20 million units of warrants (M-WA) to executives (including executive directors) and employees of both the Company and/or subsidiaries. The warrants were allocated simultaneously with the IPO of the Company's ordinary shares in August 2013. Meanwhile, executives (including executive directors) have been allocated 1,678,900 units of warrants as follows:

Executives Allocated the M-WA	Number of Warrant Units Being Allotted	Number of Warrant Units Exercised in 2014
1. Mr. Rit Thirakomen	451,300	45,100
2. Mrs. Yupin Thirakomen	406,800	40,600
3. Mr. Somchai Hanjirkasem	406,800	40,600
4. Mr. Sujint Chumpolkajana	251,200	25,100
5. Mr. Pravit Tantiwasinchai	162,800	16,200

# Corporate Governance

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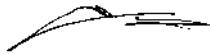
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## Corporate Governance

Being in a food and service business, MK Restaurant Group Public Company Limited operates restaurant chains in Thailand and abroad where the service reaches a large number of customers. The Company has been recognized not only for quality and safe food but also great service which have solidly driven its growth so far. Aside from running the business on this fundamental, the Board of Directors also places an extremely high priority to corporate governance (CG). In other words, as the Company firmly believes in the CG principles, CG rules and regulations have been applied in the operation while CG policy is adopted to manage the business and supervise internal functions. The goal, after all, is to ensure that the business is run efficiently and effectively to achieve its objectives.

The essence of the CG is to commit to integrity, transparency and fairness when doing business to reinforce confidence among shareholders, investors, customers, staff and all stakeholders. Our personnel are encouraged to be aware of the principles and to commit to moral practices when conduct the service business. As this reflects the Company's standards of management, it should be favorable to our business and further enhance our recognition here and abroad. That's why the Board of Directors has adopted the CG policy which corresponds to the CG principles for the business to grow sustainably and for us to remain trusted by our shareholders, investors, customers, staff and all stakeholders.



(Mr. Rit Thirakomen)  
Chairman of the Board of Directors

## MK Restaurant Group Plc.’s Corporate Governance

To make the Company an efficient organization when it comes to business operation, corporate governance practices and management excellence where shareholders are treated with the best interest and stakeholders are taken into consideration while the Company's business is carried out with transparency and accountability, the Board of Directors has adopted the following corporate governance (CG) policy for itself, the Company's executives and employees to adhere to. Details are as follows:

1. The Board of Directors, executives and employees will perform duty with transparency and integrity towards the organization and other colleagues.
2. The Board of Directors' first priority is customers, to be followed, respectively, by welfare and happiness of employees and best interest of the organization and business partners.
3. The Board of Directors strives to perform its duty with responsibility and independence. Roles and responsibilities of chairman of the Board, Chief Executive Officer and every

executive are clearly defined.

4. The Board of Directors strives to be respectable. It will be a leader in ethical practice and a role model for corporate governance compliance.
5. The Board of Directors will devote to the Company without considering their personal interests. Its actions will be mainly based on outcomes affecting the organization and the public at large.
6. The Board of Directors will disclose the Company's financial and non-financial information in an adequate and timely fashion for shareholders and stakeholders to equally access the information.
7. Shareholders will be equally treated for the rights to information and will be offered appropriate channels to communicate with the Company.
8. The Board may appoint a specific committee to carefully screen important matters as deemed appropriate. There will also be an appropriate selection process to recruit important executives of all levels as well as a transparent and fair nomination process.

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## The Importance of Corporate Governance

1. To strengthen and standardize the management process while making the process accountable which should enhance the Company's competitiveness, prevent and do away with potential conflict of interest.

2. To bolster confidence of both local and international investors as the CG should let everyone equally share the interest.
3. To become a tool for the Company to measure its performance and examine its work process to improve its efficiency and achieve its goals.

## The Corporate Governance Policy

### Section 1: Shareholders' Rights

The Board of Directors is aware of shareholders' rights to own and control the Company through the Board of Directors appointed to perform duty on their behalf and to make decisions on the Company's major changes. That's why the Board of Directors has encouraged shareholders to exercise their rights based on the following fundamental rights of shareholders:

#### 1. Shareholders' Meeting

1.1 The Board will ensure that the Company discloses information, identifies date and time of the meeting and meeting agendas with supporting explanations and rationale in each agenda in an invitation letter to attend the Annual General Meeting of Shareholders (AGM) and the Extraordinary General Meeting of Shareholders (EGM) as well as posts the

information on its website. The Company will refrain from doing anything that will restrict shareholders from studying the Company's information.

1.2 The Board will facilitate the Shareholders' Meeting which will be held at a place large enough to accommodate shareholders in Bangkok or nearby provinces not too far away to deter shareholders from travelling to.

1.3 The Company will allow shareholders to propose meeting agenda or send questions to the Company before the meeting day through available channels such as the Company's website.

1.4 The Company will allow shareholders who are unable to attend the meeting themselves to appoint a proxy who may vote on their behalf where absent shareholders will receive documents and explanations on how to

appoint a legal proxy. Simultaneously, the Company will propose independent directors as a choice to be appointed as a proxy.

#### 2. Procedures on the Shareholders' Meeting Date

2.1 The Company will introduce technology at the Shareholders' Meeting to register shareholders, count votes and present voting results to allow the Meeting to proceed fast, correctly and accurately.

2.2 The Company will allow shareholders to pose questions to Chairman of the Board and chairman of sub-committees in matters relating to the Meeting.

2.3 Shareholders are entitled to vote separately in each proposed agenda. For an election of member of the Board, shareholders are entitled to vote for each individual director.

2.4 The Company will appoint an independent person to count or check votes at both the AGM and the EGM before disclosing voting result to the meeting and recording it in the minutes of the meeting.

2.5 Chairman of the meeting shall appropriately manage the meeting session while encouraging shareholders to express their views and ask related questions to the Meeting under a relevant meeting agenda.

#### 3. Minutes of the meeting and disclosure of resolutions of the Shareholders' Meeting

3.1 Voting procedures and presentation of counted votes will be explained to the Meeting before it starts. Shareholders will be allowed to ask questions or raise an issue. In addition, questions and answers and voting results of each agenda indicating the number of shareholders who have voted yes, no or abstention will be recorded. A list of directors present at the meeting and absent from the meeting will also be recorded.

3.2 The Company will disclose to the public voting results of each meeting agenda at both the AGM and the EGM on the next business day on the Company's website.

### Section 2: Equal Treatment of Shareholders

Realizing the importance of equal and fair treatment to all shareholders, the Board of Directors has done the following:

#### 1. Giving information prior to the Shareholders' Meeting

1.1 The Board of Directors will have the Company submit a meeting schedule, meeting agendas and the Board's opinions to the Stock Exchange of Thailand (SET) as well as post them on the Company's website at least 28

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days before the date of the shareholders' meeting.

1.2 The Board will have the Company notify shareholders all rules and regulations to be applied at the meeting including how to adopt a resolution and voting rights of different classes of shares held by shareholders.

1.3 An invitation letter to attend the Shareholders' Meeting will be entirely made both in Thai and English.

2. Protecting the rights of minority shareholders

2.1 The Board of Directors will adopt clear rules to allow minority shareholders to propose additional meeting agendas in advance prior to the meeting day for the purpose of fairness and transparency when deciding whether or not the agenda proposed by minority shareholders will be added into existing meeting agendas.

2.2 The Board of Directors will adopt procedures to allow minority shareholders to nominate a person as a director. For example, a nomination can be made through the Nomination Committee 3 - 4 months prior to the Shareholders' Meeting where qualification sheets and consents from the nominee will also be submitted.

2.3 The Board of Directors will proceed with the meeting based on the agendas notified in the invitation letter to attend the Shareholders' Meeting and will not add any meeting agenda during the meeting without notifying shareholders in advance.

2.4 The Board of Directors will allow shareholders to appoint a director on an individual basis.

3. Protection against the use of insider information

To promote equal access to information and to prevent the use of insider information for the benefit of directors, executives and employees including their spouse and children not yet legally matured as well as to strengthen our CG practice, the Company has adopted the insider information policy as follows:

3.1 Directors, executives and employees including their spouses and children not yet legally matured who have access to material information and the Company's financial statements not yet disclosed to the public are prohibited to disseminate or disclose the information to other persons both in and outside the organization. In addition, there shall be the Chinese Wall among departments to prevent premature disclosure of material information not yet disclosed to the public unless such department is required by its duty to access the information which it shall take a good care of the information the same way the information owner does. This however excludes the disclosure of information to the supervising authorities.

3.2 The Company's directors, executives and employees including their spouses and children not yet legally matured who have access to the

Company's material information and its financial statements are prohibited to buy, sell, transfer or take transfer the Company's securities within seven days prior to the disclosure of the Company's financial statements to the public.

4. Director's interest

4.1 At the Board of Directors' meeting, a director having an interest in a meeting agenda must report his interest to the meeting for the Board's acknowledgement. He/she has to leave the meeting room during the agenda.

4.2 The Board of Directors has a duty to review and resolve an issue of potential conflict of interest and connected transactions for the benefit of the Company and all stakeholders where it may designate the Audit Committee to review the issue and express an opinion regarding the transaction with potential conflict of interest and any item relating to the Company's transaction. The Audit Committee should inform the Board on a quarterly basis.

Section 3: Roles of Stakeholders

The Board of Directors has given priority to the rights of all groups of stakeholders; namely customers, suppliers, competitors, the society, employees and shareholders. Realizing its roles and responsibilities, the Board has formulated the Code of Conduct and best practices for employees to be aware of the stakeholders, to be faithful to their duties and to refrain from corruption. In

order to protect the interest of all parties in an honest and fair manner, various groups of stakeholders are treated as follows:

**Customers** The Company commits to make customers satisfactory and confident in us. It will develop quality products and provide excellent services to customers. It will also facilitate customers. The Company is responsible for customers through a department set up to follow up with customers grievances to further improve its services.

**Suppliers** The Company commits to create a mutual relationship with suppliers through which both may share reciprocal benefits and which the Company may honestly maintain supplier's rights in the service business because it places high priority to supplier's integrity. In addition, the Company also focuses at keeping supplier's information confidential.

**Competitors** The Company aims to compete on quality and service efficiency for the best interest of customers. It will not destroy competitor's reputation just for the Company's interest. Simultaneously, the Company considers other firms both as a supplier and a person sharing the same profession who has mutually committed to the ratification governing the profession.

**Society** Realizing that the Company is a component in a society, the Board of Directors has instructed the Management to adopt the CSR (corporate social responsibility) policy to provide assistance

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and support and to create something beneficial for communities and the society. In addition, employees are urged to be aware of their responsibilities to every sector of the society.

**Employees** Equal opportunity is given to employees at all levels. Human resources management is carried out on the basis of ethics and fairness. Remunerations, welfare and the provident fund will be provided for employee's secured future. The Company also pays attention to the development of human resources regardless of their levels both in terms of knowledge and skill enhancement as well as work attitude. The Company will take care of safety and healthcare issues of factory workers. All employees will be subject to a competency evaluation system. Besides, the Key Performance Indicators (KPIs) have been introduced to evaluate employee's performance vis-à-vis the Company's goals.

**Shareholders** The Company commits to maintain the interest of shareholders for their maximum satisfaction through remarkable returns and a steady growth. In addition, information will be accurately and transparently disclosed to investors and shareholders in an accurate and reliable manner. All shareholders are given a chance to equally exercise their rights.

**Section 4: Disclosure of Information and Transparency**

1. The Board of Directors has a duty to equally disclose all financial and non-financial information in a timely and reliable manner to shareholders and stakeholders via the Company's annual report, the SET's electronic notification system and the Company's website. Information to be disclosed will cover what's stated in the SET's best practices which requires the Company to disclose significant and necessary information on a regular basis in Thai and English through the SET's communication channels and on the Company's website.

2. The Company has set up the Investor Relations Unit to coordinate with institutional investors, securities analysts and shareholders of the Company to provide them with the Company's performance and investment information through a convenient, fast and easy-to-access channel of communication.

3. Significant information with effect to the Company's securities price or which could affect investment decision or make an impact to shareholders' rights and benefits will only be disclosed after the information has been officially disseminated to the SET.

4. The Board of Directors is responsible for reporting its liability to the financial statements where such report must be published with the Annual Report. It is to report remunerations of each director

in the annual report and to disclose the number of meetings held annually.

5. The Board of Directors has entrusted the Audit Committee to oversee the Management Discussion and Analysis (MDA) in conjunction with financial statements on a quarterly basis. This includes reviewing an auditing fee which shall also be disclosed in the annual report.

6. The Board of Director is required to disclose a policy under which remunerations are paid to directors and senior executives that can reflect each individual's roles and responsibilities. The disclosure shall include nature or characteristics of the remunerations as well as what each director receives from his/her directorship of subsidiary companies.

7. The Board of Directors must report changes in the Company's shareholding ratio based on the regulations of the Securities and Exchange Commission (SEC) and the SET.

8. The Board of Directors requires the Audit Committee to examine and oversee risk management where a risk assessment analysis will be conducted and risk is to be kept at an acceptable level.

**Section 5: Responsibilities of the Board of Directors**

**1. Components, qualifications of the Board of Directors and appointment**

1.1 The Board of Directors shall consist of no fewer than five members but

not exceeding 12. This however depends on what the Shareholders' Meeting may determine from time to time. Of this, at least half shall be independent directors.

1.2 Directors shall possess qualifications and shall not have prohibited characteristics as stated in the laws on public limited company. Nor shall they possess any feature that indicates the lack of qualifications to be trusted to manage a business whose shares are held by the public under the laws and the SEC's notification on securities and exchange.

1.3 The Board of Directors shall adopt rules and regulations that carefully allow directors to hold positions at other companies taking into consideration how efficient directors who work for several firms will be and how reassuring that directors can adequately dedicate themselves for the Company. As such, each director may hold position complementary to the nature of the Company's business in no more than five listed companies. In other words, efficiency of a person as the Company director may fall if he/she holds directorship in too many companies. In addition, the rule must be disclosed to the public.

1.4 The Board of Directors will assign Company Secretary to inform legal and regulatory advice that it had better learn. The Company Secretary will oversee the Board's activities and coordinate with other parties to ensure compliance with the Board's resolutions.

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The Company Secretary shall be a law or accounting graduate or has attended training relating to the Company Secretary's functions.

1.5 The Board of Directors may appoint an unlimited number of sub-committee as necessary to help it screen and oversee work under its responsibility.

1.6 Members of the Board shall be appointed with transparency. The Nomination Committee shall start a nomination process where a person with appropriate qualifications will be nominated as the Company's director together with detailed resume. The Nomination Committee will then submit a list of nominees to the Board who will propose them to the Shareholders' Meeting for approval and appointment.

1.7 Resumes of all directors will be posted on the Company's website.

1.8 Newly-appointed directors will attend an orientation session within three months after the appointment in which information proven beneficial and necessary to their performance will be presented to them.

1.9 The Board of Directors will clearly adopt a policy and procedures governing the way the Company's CEO and senior executives hold directorship at other companies. This will include types of directorship and a number of companies they may sit at. All of this is subject to the Board's approval.

1.10 The Board of Directors has designated the Company Secretary to summarize and brief new information to

new directors via the Board of Directors' Manual. New directors will make a company visit to better understand the Company's business.

2. Roles and responsibilities of the Board of Directors

The following are major roles and responsibilities of the Board of Directors:

2.1 To manage the Company in accordance with the laws, the Company's objectives, its Articles of Association and resolutions of the Shareholders' Meeting with integrity and care to protect the Company's interest.

2.2 To consider and approve key business matters such as vision and mission of the Company, strategy, financial targets, risks, major plans of action and budget.

2.3 To monitor and follow-up the compliance of management on approved policies and plans.

2.4 To govern long-term business operations, including executive development plan and management succession plan.

2.5 To set and approve a written corporate governance policy for the Company and review and enforce the policy regularly, at least annually.

2.6 To ensure that a written code of business conduct be in place and all directors, executives and employees understand business ethical standards of the Company. To closely monitor the enforcement of the code of business conduct.

2.7 To consider any conflict of interest thoroughly. There should be clear guidelines on the approval of transactions with conflict of interests so that the transactions are conducted for the best interests of the Company and all shareholders. The person who has conflict of interest should not participate in decision-making process. The Board should also monitor the regulation regarding criteria, procedures and disclosure of transactions with conflict of interests.

2.8 To oversee and ensure that the Company has efficient risk management and to review and evaluate the efficiency of risk management regularly and wherever there is change in risk level.

2.9 To ensure that an internal control system is in place, including financial, compliance, and policy controls, and to assign an independent person or department to audit and report at least annually.

2.10 The annual report should contain a statement from the Board of Directors or the audit committee on the adequacy of the Company's internal controls and risk management.

2.11 To set up the clear procedures on whistle-blowing for related parties or stakeholders and publish them on the Company's website or directly report to the Company. One channel is via independent directors or the audit committee, who should arrange an investigation and report findings to the Board.

2.12 To have clear procedures on governing its subsidiaries in order to protect investor benefits including assigning directors of its subsidiaries to be the director of its subsidiaries to ensure the alignment of the parent company's policy and under the Securities and Exchange laws or SET regulations.

2.13 To attend the meeting of Board of Directors and Shareholders unless in case of force majeure where absent directors shall notify Chairman of the Board or Company Secretary before the meeting.

2.14 To evaluate once a year of its work, functions and performance.

3. Specific committee

One of the Board of Directors' duties is to thoroughly and effectively review and approve important matters relating to the Company's operation. As a result, the Board has decided to set up the following specific committees:

3.1 The Audit Committee — At least three independent directors are appointed as members of the Audit Committee, one of whom must be knowledgeable in finance and accounting. They shall be independent as defined in the SET's announcement and according to the definition of independent director specifically for company. The Audit Committee will audit internal control system, financial reporting system and risk management and will select and appoint auditor.

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3.2 The Corporate Governance, Nomination and Remunerations Committee — All members are appointed from the Board of Directors. At least three of them shall be independent non-executive directors and at least 50% of them as well as the chairman of the committee shall be the independent directors. Moreover, the chairman of the Board of Directors should not be the chairman or the member of the Corporate Governance, Nomination and Remunerations Committee.

4. The Board of Directors' Meeting, information and documents

4.1 The Board of Directors will schedule meeting dates of the Board of Directors in advance on an annual basis. The Company Secretary will inform each director accordingly.

4.2 The Board of Directors will receive information relating to the meeting in advance. The Company Secretary will prepare an invitation letter to attend the meeting plus meeting agendas and supporting documents at least five days before the meeting date to allow the Board enough time to study the information before attending the meeting unless it's an emergency meeting.

4.3 Chairman of the Board shall approve meeting agendas where he is to consult with the CEO. Each director has liberty to propose a matter into the meeting agendas. The Company Secretary will gather proposed agendas from each director.

4.4 Directors having an interest in an agenda are required to abstain from voting or refrain from expressing opinion in the agenda. At the Board of Directors' meeting, if a director is having an interest in an agenda, Chairman of the Board will ask the director to comply with the policy by acknowledging his interest in the agenda to the meeting before he/she is invited to step out of the meeting during the agenda.

4.5 The Board of Directors has designated the Company Secretary to record a minutes of the meeting in a complete, accurate and timely fashion. The minutes must be clear in terms of meeting results and opinions of the Board for further use as reference.

5. Remunerations of the Board and CEO

The Board of Directors and CEO may not set their own remunerations since this is obviously a conflict of interest. To do so, the Remunerations Committee will determine the rates and propose them for the Board to approve before the matter is presented to shareholders for their approval based on the Board's performance.

5.1 The Remunerations Committee has a duty to provide advice regarding remunerations of the Board and CEO to the Board of Directors. Other advice includes structure/components of the remunerations proven fair to the Board's responsibilities and in line with its performance at an amount that can

effectively retain qualified directors in the same industry. Meanwhile, structure/ components of the remunerations shall be clear, transparent and easy to understand.

5.2 Shareholders are entitled to review rules and policies regarding remunerations of each director annually. The Board of Directors is to submit director's remunerations to shareholders who will review the information as part of the meeting agendas at the Annual General Meeting of Shareholders (AGM).

5.3 The Board of Directors and senior executives are required to report principles and rationale regarding director's remunerations in the Company's Annual Report and its financial statements.

6. Evaluation of the Board and CEO

6.1 The Board of Directors will evaluate itself on an annual basis. Directors will discuss what they have achieved and problems they are confronting for further improvement. An evaluation of the Board of Directors' performance will be based on evaluation guidelines as suggested by the SET. Improvement will be made to suit the Company's nature of business.

6.2 The Board of Directors will evaluate CEO's performance and compared it with the Board's performance. The evaluation will be made on the basis of performance. Chairman of the Board is designated to inform evaluation result to CEO and the Board of Directors.

7. Succession plan

7.1 The Board of Directors has entrusted CEO and the management to adopt a succession plan for executives and positions in line operation.

7.2 The Board of Directors has designated CEO to regularly report actions under the development and succession plan so that the Company is constantly ready for a successor in case the CEO could no longer perform his duty.

7.3 The Board will ensure that a system is in place to properly select responsible personnel.

8. Enhancement of directors and executives

8.1 The Board will promote and facilitate CG training to enhance knowledge on this subject.

8.2 The Board will regularly attend knowledge-enhancement courses organized by supervisory agencies where the Company Secretary is designated to coordinate with directors to inform them of relevant courses.

9. Roles and Responsibilities of Company Secretary

9.1 To perform duty with care, prudence and integrity for the best interest of the Company and to comply with the laws, objectives and Articles of Association of the Company and resolutions of the Board of Directors and Shareholders' Meetings.

9.2 To manage the meetings of the Board of Directors and Shareholders so that they are in compliance with the

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laws, the Company's regulations and its best practices.

9.3 To record the minutes of the meetings of the Board of Directors and Shareholders including to inform resolutions of these two meetings to the management and monitor the compliance with such resolutions through CEO.

9.4 To prepare and keep the following documents:

(a) Registration of Directors

(b) Invitation letter to attend the Board of Directors' meeting, minutes of the Board of Directors' meeting and the Company's annual report

(c) Invitation letter to attend the Shareholders' Meeting and minutes of the Shareholders' Meeting.

9.5 To keep and maintain a report of interest as filed by directors and executives.

9.6 To disclose information and reports under his responsibility to supervisory agencies based on the authorities' regulations.

9.7 To communicate shareholders' rights and the Company's information to shareholders.

9.8 To provide recommendations and information relating to laws and regulations that the Board is required to know and comply with; and to regularly monitor accurate compliance.

9.9 To oversee activities of the Board of Directors to ensure that directors can effectively perform their duties.

Corporate Social Responsibility

CSR



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# Corporate Social Responsibility

Throughout its 30 years in operation, MK Restaurant Group Public Company Limited has placed a strong emphasis on good corporate governance as well as commitment to ethical principle. As a result, the Company's guidelines and policies clearly reflect corporate social responsibility (CSR). Its internal management systems, knowledge creation, and human resource development proceed based on a conviction that a good organization shall enjoy sustainable growth in a happy society. True to its slogan of sharing **"Happy Moments"**, the Company aims to expand its CSR dimensions even further:

## CSR-in-Process

- **Fair Business Practice**

To ensure transparent business practice, the Company has laid down policies to treat suppliers fairly and equally. In other words, The Company requires that remunerations and benefits involved are on the basis of equality and fairness to suppliers as well as all parties involved in the whole supply chain.

At the Company, commitment and punctuality are the heart of the business. Therefore, if any dishonestly-gotten benefits are detected, the Company is ready to disclose details related to the case to suppliers and to engage them in solving the issue fast and fairly. In addition, the Company has the policy to proceed in line with the good framework of competition. The Company shall neither violate nor acquire through unscrupulous means trade secrets of its competitors. Also, it shall never seek its competitors' confidential information via any dishonest or improper methods. Strictly, the Company shall not damage its competitors' reputation with false and malicious accusations.

- **Anti-Corruption Practice**

As the aggravating corruption problem stretches its root into all sectors of the Thai society, social and economic development has faltered. Damages also happen in the face of raging graft. In a bid to efficiently solve this problem, leaders from both government and private sectors have joined forces in pursuing corruption-free practice on a serious and continued basis. Such cooperation has been embraced by the business sector as well.

Listed on Stock Exchange of Thailand (SET), the Company makes it an important mission to set a good example of corruption-free practice for other players in the private sector to follow. The Company, after all, is committed to conducting its business in line with ethics, good corporate governance, transparency, and accountability, free from any form of corruption. In pursuit of tangible results, the Company via its chairman and CEO ratified the Declaration on Thailand's Private Sector Collective Action Coalition against Corruption on September 23, 2014. The chairman and CEO of the Company also established the anti-corruption panel on October 24, 2014 for the purpose of suppressing corruption with great efficiency. The panel is tasked with reviewing the Company's anti-corruption measures, and formulating practical policies/guidelines on anti-corruption.

In addition to prescribing clear-cut policies against corruption, the Company has also inculcated in its employees the attitudes of not taking any bribe

*The Company, after all, is committed to conducting its business in line with ethics, good corporate governance, transparency, and accountability, free from any form of corruption.*

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or gift from others. In events that employees have to accept gifts on special occasions, all these gifts shall be used for public benefits.

● **Respect for Human Rights**

"MK Culture" serves as a key tool and guideline for the Company's promotion of respect for human rights. It, in addition, is the driving force behind the Company's operation. At the Company, management style allows all its members to work toward shared goals like they are in one same family. The Company has treated all its employees equally and fairly. There is no discrimination on the basis of social class, ethnicity, nationality, domicile, complexion, sexual preference, and religion because the Company is well aware these factors are no indicators of human value. The Company firmly believes that all humans have their honor, dignity, rights and liberty.

*"MK Culture" serves as a key tool and guideline for the Company's promotion of respect for human rights. It, in addition, is the driving force behind the Company's operation.*

Moreover, the Company has offered job opportunities to people with visual impairment or communication disorders because it has confidence in their potential. Many of the Company's employees are people with such disabilities and they are assigned to jobs that are within the scope of their capabilities. The Company has recruited them in a hope of helping them attain the quality of life.

● **Fair Labor Treatment**

Recognizing that employees are highly valuable and crucial to its success, the Company has treated them fairly in term of opportunities, remunerations, transfers, promotions, as well as potential development as follows:

- (1) The Company is polite to its employees, and respects their individuality as well as human dignity;



- (2) The Company offers fair remunerations to its employees;
- (3) The Company provides safe work environment to its employees both in terms of their lives and their property;
- (4) Any appointment, transfer, reward or punishment for the Company's employees are done, in good faith, based on their knowledge, abilities, and qualifications;
- (5) The Company recognizes the importance of human resource development, thus offering comprehensive and regular opportunities for its employees to enhance their knowledge and abilities;
- (6) The Company listens to employees' opinions and recommendations when they are based on their occupational knowledge;

- (7) The Company strictly complies with laws and regulations related to its employees;
- (8) The Company refrains from any unfair action, which otherwise could affect employees' job security, intimidate employees or put them under pressure.
- The Company, moreover, has established the Employee Relations Department so as to provide a channel via which employees can seek counseling or discuss grievances. Employee visits are regularly carried out at the Company's branches both in Bangkok and other provinces so as to check employees' well being and extend assistance. The welfare offered by the Company to its employees is indeed better than what is required by laws. For example, the Company has even offered a pension fund for its employees. It, in addition, has organized Big Cleaning activities

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to ensure that its work environment is in line with hygienic standards.

Inspired by the Thai Health Promotion Foundation's Happy Workplace concept, the Company has also implemented the Happy 8 project to help its employees acquire sustainable happiness through eight means. They are good health, kindness, morality, knowledge, smart use of money, good family, relaxation, and sharing happiness with others, all of which can help building a good and sustainable society.

As the Company has placed a strong emphasis on occupational safety, it has organized training on fire drills every year. Its workplaces are also well-prepared, with adequate safety equipment to ensure that its employees can enjoy safety and good work environment.

● Responsibility to Consumers

The Company has paid serious attention to customers' health and safety, thus underlining that all items on its menu must be clean and of good quality. Its food-safety experts have monitored food-safety standards at all stages right from the receipt of ingredients, cooking at central kitchens, food delivery to branches nationwide, to food storage at each branch. In addition, the Company has

provided training to all its employees so that they understand and can follow the Company's standards. Various institutes have certified the Company's standards. Certifications include:

- ISO 9001:2008 certification for quality management system: It certifies that MK central kitchens use quality-management and food-safety systems that are on par with international standards;
- Hazard Analysis Critical Control Point (HACCP) certification: The HACCP management system ensures food safety by prescribing critical control points in food-manufacturing industry. To create food safety, HACCP standards apply to all players in the food chain from primary producers to end consumers;
- Good Manufacturing Practices (GMP) certification: The Company focuses on GMP as it aims to deliver quality products. GMP here covers the manufacturing process at central

*The Company has paid serious attention to customers’ health and safety, thus underlining that all items on its menu must be clean and of good quality. Its food-safety experts have monitored food-safety standards at all stages.*



- kitchens, manufacturing equipment and the delivery to end consumers;
- Fruit/Vegetable Contaminant Testing certification from the Department of Medical Sciences, the Public Health Ministry: It certifies that the Company can conduct tests on fresh vegetables and fruits for contaminants in a systematic manner. The tests and their results are verifiable.
  - Food Safety certification from the Department of Medical Sciences, the Public Health Ministry: It focuses on determining whether any food item is contaminated with borax, salicylic acid, sodium hydrosulfite, formalin or pesticide.
  - "Q Restaurant" certification from a program of the National Bureau of Agricultural Commodity and Food Standards, Ministry of Agriculture and Cooperatives: This program encourages restaurants to use Q products, or materials produced in line with good manufacturing practices so as to ensure that consumers can enjoy safe products;

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- Certification from the "No MSG" project, the Food Institute, the Ministry of Industry: The Company has won this certification after the Food Institute inspected its systems and conducted tests on samples of its food, seasoning and sauces with lab results showing that all MK dishes are free from MSG or Monosodium Glutamate. The Food Institute has now granted "No MSG" certification signboard to all MK branches.
- The Company has closely monitored the level of polar compounds in reused oil for deep frying. No reuse is allowed when the level exceeds safety limits. In addition, the Company sells its used oil for the production of biodiesel only.
- Aware that consumers prefer "natural" food ingredients, the Company has seriously tried to use natural food dyes for its dishes. Although this policy incurs

a higher financial cost, the Company goes ahead with it to assure consumers that they enjoy chemical-free food at MK restaurants.

● Environmental Care

The Company has accorded much importance to environmental care. For the purposes of protecting ecological system and environment of communities in which the Company operates its business, the following actions have been taken:

- Infected waste has been disposed at the microbiological lab of the Company's factory, using sterilization at temperature of 121 degrees Celsius. The Company has also treated its wastewater, with water-quality tests conducted on the treated water to ensure that it is on par with proper standards under the Factory Act of B.E. 2535, the Ministry of Industry, before any discharge to public waterways.



*On the control of its environmental impacts, the Company has strictly complied with the standards of the Department of Industrial Works, international standards, and all applicable laws and regulations.*

- On the control of its environmental impacts, the Company has strictly complied with the standards of the Department of Industrial Works, international standards, and all applicable laws and regulations.
- The Company has encouraged its employees to use available resources with prudence and maximum efficiency for example by means of recycling paper, saving water, and separating garbage.
- In line with its care for the environment, the Company has replaced "bamboo chopsticks" with "plastic chopsticks" that are resistant to high heat, washable, and reusable.
- Since late 2013, the Company started installing LED lamps at its new branches as such type of bulbs is energy-saving and durable. The Company has also planned to replace old bulbs at all its older branches with LED lamps in the future.
- On transportation process, the Company has an efficient fleet-management system in place. Its fleet of 150 delivery vehicles adopts the speed range of between 80 and 90 kilometers per hour, which is found to have been the most petrol-saving range and the prevention from car accident. All these vehicles are equipped with GPS (Global Positioning System) devices, which allow the Company to conveniently



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The Company has provided service training courses to these students in line with the MK Training Center’s dual-education curriculum for senior secondary education.

manage and check their routes.

● **Community and Social Development**

**(1) Dual Education Project**

The Company has joined hands with the Office of Vocational Education Commission (Ovec) in organizing the "Dual Education System Project". Combining vocational education with on-the-job training at a business premise, this project seeks to help vocational students acquire practical knowledge, abilities and qualifications required by entrepreneurs prior to their graduation. This project is open to students of both vocational-certificate and high-vocational-certificate levels from more than 20 participating colleges. In addition to the on-the-job training, it has also offered some other training courses and various other useful activities for the students such as a commencement ceremony.

**(2) Project to Support Hearing-Impaired Students**

The Company has supported communities by offering job opportunities to students from three schools for the deaf namely Thungmahamek School for the Deaf, the Nonthaburi School for the Deaf and the Nakhon Pathom School for the Deaf. Under this project, the Company has provided service training courses to these students in line with the MK Training Center's dual-education curriculum for senior secondary education so as to help them acquire necessary skills. As parts of the courses, the students are brought on tour around and



on-the-job training at MK branches. Following the training, students may apply for jobs at the Company if they wish to earn income or more experiences. For the convenience of these students, designated officials of the Company can coordinate with their schools and give them jobs at an MK branch closest to their home. At present, a number of hearing-impaired have continued to work for the Company either as part-time or full-time employees.

**(3) Project for Student Trainees/Cooperative Education Students**

The Company has conducted PR activities so as to recruit trainees and co-operative education students to work at MK restaurants during their school breaks. Under this project, students will get both experiences and wages. In addition, participating students will also get

certificates of training from the Company.

The Company, moreover, has supported two camps for youth development. One is the Youth Camp by Yuen Poovarawan of the Kasetsart University and the Kiddy Camp by Se-Education Company. These two annual camps are held to help the youth learn various things from their surroundings.

**(4) Cook House / Library Project**

The Company has constructed a cook house for the Sathira Dhammasathan. Believing that this place is the Thailand's only Dhamma-practice facility for females to have the potential of becoming a university, the Company wishes to play a role in developing good, clean and hygienic environment for its food for the benefits of its female users. The cookhouse constructed

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by the Company is clean and modern.

Moreover, the Company has created a library for Pai Dam Temple in Sing Buri province for the educational benefits of monks, novice monks and local people.

● **Innovations**

The Company has constantly introduced innovations to its business. It is the first to have replaced gas stoves with electric pots in Thailand. In addition, it has also replaced brass strainers with stainless strainers. To completely

*The Company, moreover, has equipped its employees with PDA devices to speed up food-ordering process. Customers can thus enjoy faster and more efficient services.*

prevent the risk of an electric shock, the Company has also introduced pot with induction system. The Company, moreover, has equipped its employees with PDA devices to speed up food-ordering process. Customers can thus enjoy faster and more efficient services. The Company also has brought the robots for food serving.

At present, the Company has been experimenting with an innovative self-ordering system. More than 10 branches of the Company have had a tablet on its table so that customers can conveniently use that tablet in ordering food by themselves.

Guided by its focus on its customers' good health, the Company has worked with the Mahidol University's Food Institute in developing a special calories-calculation system. At the end of each meal at the MK restaurant, customers can thus get a slip showing the amount of calories and nutritional facts. The information



*Recognizing the importance of corporate social responsibility (CSR), the Company has constantly donated money and extended assistance to various organizations such as educational institutes and public hospitals.*



is useful for customers' healthcare.

**CSR-After-Process**

Recognizing the importance of corporate social responsibility (CSR), the Company has constantly donated money and extended assistance to various organizations such as educational institutes and public hospitals. In the hope of delivering the good quality of life to the hospital's dedicated staff via the delivery of good food, the Company has set up four restaurants at Siriraj hospital's new building or "Piyaraj Mahakarun". They are MK Suki, Yayoi, Hakata Ramen and Le Petit outlets. The net income after expenses of these four outlets will donate to Siriraj Hospital.

In addition, the Company has donated money to Siriraj hospital for the construction of Intermediate Coronary Care Unit (ICCU) and quarantine unit.

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Internal Control and Risk Management

The Board of Directors has placed much importance on internal-control system on a continued basis. It has assigned the Audit Committee, which includes independent directors, to audit the internal-control system with the Company's internal-control division reporting directly to the Audit Committee. The internal-control division has the duty to audit operations systems used by each unit of the Company in line with the annual audit plan. Approved by the Audit Committee, the plan aims to ensure that the operations of the Company are effective and efficient; that the Company's resources are used efficiently for

maximum benefits; that the Company's assets are well protected and maintained; and that any risk of mistake is minimized and damages are prevented. The audits are also carried out to supervise the Company's operations, to ensure that financial statements are accurate, reliable, and prepared in a timely manner, as well as to ensure compliance with policies, rules, regulations and laws so as to prevent any damage from being done to the Company.

The Audit Committee has already reviewed the adequacy of the Company's internal-control system. The conclusion of the review is listed in five aspects as follows:



» 1. Organization and Environment

The Company's organizational structure and work environment are adequately proper. Efforts have been made to encourage the environment for good operations so as to promote good attitudes towards the Company among staff at all levels. The efforts are about reinforcing the corporate culture that prioritizes honesty and ethics, creating clear organizational structure, clear delegation of duties and responsibilities that respond well to the Company's operations, clear job description,

and continued human resource development. In addition, the Company has continued to place much importance on performance-based evaluation system. The Company's goals are clearly communicated to every business line and division. Key Performance Indicators (KPIs) are also in place to create the efficiency of work. In addition, the Company has planned to enhance its human resource development further by developing succession plans to groom its employees for executive roles.



» 2. Risk Management

At present, the Company has not yet had a work panel on risk management to supervise and control risks. The Company, however, has placed a strong emphasis on managing risks that may affect its business and prevent it from achieving its identified goals. The Company will set up a work panel on risk management, requiring the executives of each unit of the Company to prepare and submit a report on risk management to the Audit Committee and the Board of Directors to review and acknowledge.

» 3. Control Measures

The Company has adequate and proper control measures. It has formulated policies and guidelines in a way that clearly prescribes the scope of duties, authority and power to approve, delegation of duties, and mechanisms that will prevent or minimize mistakes. Control measures also include manuals that offer work guideline at every stage, as well as audits of financial statements and reports on the Company's non-financial operating results. In events that the Company plans to conduct transactions with related parties or persons who may have conflict of interests, the Management shall report those plans to the Audit Committee that will review their appropriateness before forwarding them to the Board of Directors for approvals. Moreover, the Company has constantly monitored the operations of its subsidiaries.

» 4. Information System and Communications

The Company has used information systems for its operations so as to support internal control and facilitate the work of the Management. The systems have stored information and kept documents in an efficient manner. Relevant information is also reported to executives and operations-level staff accurately through proper channels. Communications have been made to ensure that all employees know the rules and regulations about their jobs and duties in respect to internal control. In addition, the Company's Investor Relations Unit is in place to coordinate with investors ensuring that they can get information on the Company's operations and investments promptly and conveniently through highly accessible channels.

» 5. Monitoring System

The Company has monitored and evaluated its internal-control system on a continued basis driven by the internal audit department and aligned with the annual internal-audit plans approved by the Audit Committee. In addition, the Audit Committee has invited the Company's auditor to its meeting to review and acknowledge the results of financial-statement audits and internal-control issues. If any flaw is detected, improvements shall be made immediately so as to ensure timely response.

Details of Directors and Executives

Mr. Rit Thirakomen	
Name	
Position	Chairman of the Board of Directors Chief Executive Officer Director (Authorized Signature) Acting Executive Vice President — International Business Development Division
Date of the first appointment as director	June 2012
Age	63 years
M Shareholding	139,653,133 shares or 15.4% of paid up shares
Family Relationship	Spouse of Mrs. Yupin Thirakomen
Education	Bachelor's Degree (Electrical Engineering), Chulalongkorn University
Related Training Program held by Thai Institute of Directors Association (IOD)	Director Accreditation Program (DAP) 97/2555
Experience	<div><div><b>Positions in Listed Companies</b></div><div><div>2012 – Present</div><div>Chairman of the Board of Directors and Chief Executive Officer, MK Restaurant Group Pcl.</div></div><div><div>2012 – Present</div><div>Acting Executive Vice President – International Business Development Division, MK Restaurant Group Pcl.</div></div><div><div>1989 – 2012</div><div>Director, MK Restaurant Group Pcl.</div></div><div><div>1986 – 2012</div><div>Managing Director, MK Restaurant Group Pcl.</div></div><div><div>1987 – 1999</div><div>Chairman of the Board of Directors, SE-EDUCATION Pcl.</div></div><div><div>1974 – 1987</div><div>Managing Director, SE-EDUCATION Pcl.</div></div><div><div><b>Positions in Non-Listed Companies</b></div><div><div>Present</div><div>Director, MK Worldwide Co., Ltd.</div></div><div><div>Present</div><div>Director, Global Asset Development Co., Ltd.</div></div><div><div>Present</div><div>Director, MK Interfood Co., Ltd.</div></div><div><div>Present</div><div>Director, MK Service Training Center Co., Ltd.</div></div><div><div>Present</div><div>Director, Precision Manufacturing Co., Ltd.</div></div><div><div>Present</div><div>Director, Totems Co., Ltd.</div></div><div><div>Present</div><div>Director, Hanthi Unity Group Co., Ltd.</div></div></div></div>

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Name	Mr. Somchai Hanjitkasem
Position	Managing Director – MK Restaurant Group Director (Authorized Signature) Acting Executive Vice President — Human Resources Division
Date of the first appointment as director	June 2012
Age	54 years
M Shareholding	164,128,612 shares or 18.1% of paid up shares
Family Relationship	Brother of Mrs. Yupin Thirakomen
Education	Bachelor's Degree, Bangkok University Master's Degree (MS), Abilene Christian University
Related Training Program held by Thai Institute of Directors Association (IOD)	Director Accreditation Program (DAP) 97/2555 Director Accreditation Program (DAP) 6/2546 Financial Statements for Directors (FSD) 9/2547
Experience	<b>Positions in Listed Companies</b>  2012 – Present     Director and Managing Director – MK Restaurant Group, MK Restaurant Group Pcl.  2012 – Present     Acting Executive Vice President – Human Resources Division, MK Restaurant Group Pcl.  1989 – 2012       Director, MK Restaurant Group Pcl.  1992 – 2012       Executive Vice President, MK Restaurant Group Pcl.  <b>Positions in Non-Listed Companies</b>  Present             Director, MK Worldwide Co., Ltd.  Present             Director, Global Asset Development Co., Ltd.  Present             Director, MK Interfood Co., Ltd.  Present             Director, MK Service Training Center Co., Ltd.  Present             Director, Dawiburi Villa Owner Association Co., Ltd.  Present             Director, Shellhut Entertainment Co., Ltd. Present             Director, Hanthi Unity Group Co., Ltd.

Name	Mr. Somchai Pipitvijitkorn
Position	Director
Date of the first appointment as director	June 2012
Age	76 years
M Shareholding	-None-
Family Relationship	Uncle of Mr. Rit Thirakomen
Education	Bachelor's Degree (Accounting), Chulalongkorn University Master's Degree (Business Administration), Michigan State University
Related Training Program held by Thai Institute of Directors Association (IOD)	-None-
Experience	<b>Positions in Listed Companies</b>  2012 – Present     Director, MK Restaurant Group Pcl.  2009 – 2014       Chairman of the Board of Directors, Bangsaphan Barmill Pcl.  2003 – Present     Director, Sahaviriya Steel Industries Pcl.  2004 – 2009       Director, Bangsaphan Barmill Pcl.  1986 – 1998       Director, Siam City Cement Pcl. 1984 – 1999       Director, Bank of Ayudhya Pcl.  <b>Positions in Non-Listed Companies</b>  2004 – Present     Director, Sahaviriya Plate Mill Pcl.



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NameDr. Annop Tanlamai	
Position	Independent Director Chairman of Audit Committee
Date of the first appointment as director	June 2012
Age	64 years
M Shareholding	-None-
Family Relationship	-None-
Education	Bachelor's Degree (Mechanical Engineering), Chulalongkorn University Master's Degree (Engineering Management), University of Missouri MBA (Quantitative Business Analysis), Indiana University Ph.D. (Engineering Management), University of Missouri
Related Training Program held by Thai Institute of Directors Association (IOD)	Director Certification Program (DCP) 154/2554
Experience	<b><u>Positions in Listed Companies</u></b>  2012 – PresentIndependent Director and Chairman of Audit Committee, MK Restaurant Group Pcl.  2011 – PresentDirector and Member of Audit Committee, Bangkok Expressway Pcl.  <b><u>Positions in Non-Listed Companies</u></b>  PresentDirector, Ex.19 Co., Ltd.  2012 – PresentDean, College of Management, Mahidol University  2007 – 2011Dean, Faculty of Commerce and Accountancy, Chulalongkorn University  1999 – 2007Director of the Master of Business Administration (MBA) Program, Faculty of Commerce and Accountancy, Chulalongkorn University  1995 – 1999Head of Department of Commerce, Faculty of Commerce and Accountancy, Chulalongkorn University  1989 – 1995Director of the Master of Business Administration (MBA) Program, Faculty of Commerce and Accountancy, Chulalongkorn University

NameDr. Katiya Greigarn	
Position	Independent Director
Date of the first appointment as director	June 2012
Age	63 years
M Shareholding	-None-
Family Relationship	-None-
Education	Bachelor's Degree (Electrical Engineering), Chulalongkorn University Master's Degree (Electrical Engineering), University of Missouri – Rolla Ph.D. (Electrical Engineering), University of Missouri – Rolla
Related Training Program held by Thai Institute of Directors Association (IOD)	Director Accreditation Program (DAP) 37/2548 Financial Statements for Directors (FSD) 3/2551 Advanced Audit Committee Program (AACP) 34/2554
Experience	<b><u>Positions in Listed Companies</u></b>  2012 – PresentIndependent Director, MK Restaurant Group Pcl.  2011 – PresentIndependent Director and Chairman of Audit Committee, Planet Communications Asia Pcl.  2007 – PresentIndependent Director and Chairman of Audit Committee, Premier Marketing Pcl.  2005 – 2013Independent Director and Chairman of Audit Committee, Premier Technology Pcl.  <b><u>Positions in Non-Listed Companies</u></b>  2013 – PresentDirector, Lynx Corporation Co., Ltd.  2008 – PresentDirector, Mekfah Development Co., Ltd.  2008 – PresentDirector, Viptel Co., Ltd.  2002 – PresentDirector, Chok Udom Property Co., Ltd.  2002 – PresentDirector, Sab Udom Properties Co., Ltd.  PresentDirector, KV Electronics Co., Ltd.  1988 – PresentManaging Director, KV Electronics Co., Ltd.



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Mr. Thanong Chotisorayuth	
Position	Independent Director
Date of the first appointment as director	June 2012
Age	61 years
M Shareholding	-None-
Family Relationship	-None-
Education	Bachelor's Degree (Electrical Engineering), Chulalongkorn University Master's Degree (Education Management), Chulalongkorn University Honorary Doctorate in Business Administration, National Institute of Development Administration
Related Training Program held by Thai Institute of Directors Association (IOD)	Director Certification Program (DCP) 33/2546
Experience	<b>Positions in Listed Companies</b>  2012 – Present      Independent Director, MK Restaurant Group Pcl.  1993 – Present      Director, SE-EDUCATION Pcl.  1987 – Present      Managing Director, SE-EDUCATION Pcl.  1974 – 1987      Executive Vice President, SE-EDUCATION Pcl.  <b>Positions in Non-Listed Companies</b>  2013 – Present      Director, BaesLab Co., Ltd.  2001 – Present      Director, SE-ED Book Center Co., Ltd.  2010 – Present      Director, Plearnpattana School  2006 – Present      Chairman of the Board of Directors, Plearn Patana Co., Ltd.  2003 – 2006      Director and Executive Director, Plearn Patana Co., Ltd.  1984 – Present      Director, M&E Co., Ltd.

Mrs. Vilai Chattanrassamee	
Position	Independent Director Member of Audit Committee
Date of the first appointment as director	June 2012
Age	61 years
M Shareholding	-None-
Family Relationship	-None-
Education	Bachelor's Degree (Accounting), Chulalongkorn University Master's Degree (Accounting), Thammasart University
Related Training Program held by Thai Institute of Directors Association (IOD)	Director Certification Program (DCP) 13/2544
Experience	<b>Positions in Listed Companies</b>  2012 – Present      Independent Director and Member of Audit Committee, MK Restaurant Group Pcl.  2013 – Present      Independent Director and Member of Audit Committee, Shun Thai Rubber Gloves Industry Pcl.  2010 – 2012      Independent Director and Member of Audit Committee, Asian Seafoods Coldstorage Pcl.  1999 – 2009      Vice President – Accounting and Finance, Sahaviriya Steel Industries Pcl.  1998 – 1999      Chief Financial Officer, Grammy Entertainment Pcl.  1996 – 1998      Executive Vice President, Siam Integrated Cold Rolled Steel Pcl.  <b>Positions in Non-Listed Companies</b>  Present      Director, Horton International Co., Ltd.  Present      Director, Executive Search Services Co., Ltd.  2014 – Present      Financial Accounting Specialist for Audit Committee, Metropolitan Waterworks Authority  2011 – Present      Secretary General, Federation of Accounting Professions under the Royal Patronage of His Majesty the King  2002 – 2011      Director and Treasurer, Federation of Accounting Professions under the Royal Patronage of His Majesty the King

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NameMr. Attapon Chodchoy	
Position	Independent Director Member of Audit Committee
Date of the first appointment as director	June 2012
Age	58 years
M Shareholding	-None-
Family Relationship	-None-
Education	Bachelor's Degree (Cost Accounting), Chulalongkorn University
Related Training Program held by Thai Institute of Directors Association (IOD)	Director Certification Program (DCP) 54/2548
Experience	<b><u>Positions in Listed Companies</u></b>  2012 – PresentIndependent Director and Member of Audit Committee, MK Restaurant Group Pcl.  2013 – PresentIndependent Director and Member of Audit Committee, M Pictures Entertainment Pcl.  1982 – 1999Director and Chief Finance Officer, Minor Corporation Pcl.  <b><u>Positions in Non-Listed Companies</u></b>  2012 – PresentFinancial Advisor, Unique Plastic Industry Co., Ltd.  2001 – 2011Director and Director of Finance Department, Molnlycke Health Care (Thailand) Co., Ltd.  1999 – 2001Director of Accounting and Finance Department, The British Dispensary (L.P.) Co., Ltd.

NameMr. Sujint Chumpolkajana	
Position	Director Director (Authorized Signature) Executive Vice President – Restaurant Development Division
Date of the first appointment as director	June 2012
Age	64 years
M Shareholding	7,225,100 shares or 0.8% of paid up shares
Family Relationship	-None-
Education	Bachelor's Degree (Electrical Engineering), Chulalongkorn University
Related Training Program held by Thai Institute of Directors Association (IOD)	Director Accreditation Program (DAP) 97/2555
Experience	<b><u>Positions in Listed Companies</u></b>  2012 – PresentDirector and Executive Vice President – Restaurant Development Division, MK Restaurant Group Pcl.  2006 – 2012Executive Vice President – International Business Development Division, MK Restaurant Group Pcl.  1992 – 2006Vice President, MK Restaurant Group Pcl.  <b><u>Positions in Non-Listed Companies</u></b>  PresentDirector, MK Service Training Center Co., Ltd. PresentDirector, MK Interfood Co., Ltd.



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Mr. Pravit Tantiwasinchai	
Position	Director Director (Authorized Signature) Executive Vice President – Accounting and Finance Division Corporate Secretary
Date of the first appointment as director	June 2012
Age	59 years
M Shareholding	5,366,200 shares or 0.6% of paid up shares
Family Relationship	–None–
Education	Bachelor's Degree (Accounting–Finance and Banking), Chulalongkorn University Graduate Diploma (Auditing), Chulalongkorn University
Related Training Program held by Thai Institute of Directors Association (IOD)	Director Accreditation Program (DAP) 97/2555 Director Accreditation Program (DAP) 6/2546
Experience	<b>Positions in Listed Companies</b>  2012 – Present     Director and Executive Vice President – Accounting and Finance Division, MK Restaurant Group Pcl.  2006 – 2012     Executive Vice President – Accounting and Finance Division, MK Restaurant Group Pcl.  1999 – Present     Independent Director and Member of Audit Committee, SE-EDUCATION Pcl.  1994 – 2006     Director of Accounting and Finance Department, MK Restaurant Group Pcl.  <b>Positions in Non-Listed Companies</b>  Present     Director, MK Interfood Co., Ltd.



Mrs. Yupin Thirakomen	
Position	Managing Director – Japanese Food Restaurant Group Acting Executive Vice President – Supply Chain Division
Date of the first appointment as director	–
Age	58 years
M Shareholding	363,118,579 shares or 40% of paid up shares
Family Relationship	Spouse of Mr. Rit Thirakomen Sister of Mr. Somchai Hanjitkasem
Education	Honorary Master's Degree (Business Administration), Kalasin Rajabhat University
Related Training Program held by Thai Institute of Directors Association (IOD)	–None–
Experience	<b>Positions in Listed Companies</b>  2012 – Present     Managing Director – Japanese Food Restaurant Group, MK Restaurant Group Pcl.  Present     Acting Executive Vice President – Supply Chain Division, MK Restaurant Group Pcl.  2006 – 2012     Executive Vice President – Supply Chain and Japanese Restaurant, MK Restaurant Group Pcl.  1986 – 2006     Vice President, MK Restaurant Group Pcl.  <b>Positions in Non-Listed Companies</b>  Present     Director, Global Asset Development Co., Ltd. Present     Director, National Food Retail Co., Ltd. Present     Director, Kipson Intertech Co., Ltd. Present     Director, Superior Food Service Co., Ltd. Present     Director, Hanthi Unity Group Co., Ltd. Present     Director, Health Plus Creation Co., Ltd.

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Change in M Shares Held by Directors and Executives

No.	Name	Position	M shares held as of February 7, 2014	M shares held as of January 8, 2015	Increase/ (Decrease) in M Shares held	Percentage of shares held (%)
1	Mr. Rit Thirakomen	Chairman of the Board of Directors Chief Executive Officer	139,608,033	139,653,133	45,100	15.4%
	Spouse and minor children		198,990,002	363,118,579	164,128,577	40%
2	Mr. Somchai Hanjitsasem	Managing Director – MK Restaurant Group	164,088,012	164,128,612	40,600	18.1%
	Spouse and minor children		-	-	-	-
3	Mr. Somchai Pipitvijitkorn	Director	-	-	-	-
	Spouse and minor children		-	-	-	-
4	Dr. Annop Tanlamai	Independent Director Chairman of Audit Committee	-	-	-	-
	Spouse and minor children		-	-	-	-
5	Dr. Katiya Greigarn	Independent Director	-	-	-	-
	Spouse and minor children		-	-	-	-
6	Mr. Thanong Chotisorayuth	Independent Director	-	-	-	-
	Spouse and minor children		-	-	-	-

No.	Name	Position	M shares held as of February 7, 2014	M shares held as of January 8, 2015	Increase/ (Decrease) in M Shares held	Percentage of shares held (%)
7	Mrs. Vilai Chattanrassamee	Independent Director Member of Audit Committee	-	-	-	-
	Spouse and minor children		-	-	-	-
8	Mr. Attapon Chodchoy	Independent Director Member of Audit Committee	-	-	-	-
	Spouse and minor children		-	-	-	-
9	Mr. Sujint Chumpolkanjana	Director Executive Vice President – Restaurant Development Division	7,200,000	7,225,100	25,100	0.8%
	Spouse and minor children		-	-	-	-
10	Mr. Pravit Tantiwasinchai	Director Executive Vice President – Accounting and Finance Division	5,350,000	5,366,200	16,200	0.6%
	Spouse and minor children		-	30,000	30,000	0.0%
11	Mrs. Yupin Thirakomen	Managing Director – Japanese Food Restaurant Group	198,990,002	363,118,579	164,128,577	40%
	Spouse and minor children		139,608,033	139,653,133	45,100	15.4%



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## General Corporate Information and Other References

Company Name :	MK Restaurant Group Public Company Limited
Primary Business:	Restaurant
Head Office:	1200 Bangna-Trad Road, Bangna, Bangna, Bangkok 10260
Registration No.:	0107555000317
Homepage:	www.mkrestaurant.com
Telephone:	+66 2836-1000
Fax:	+66 2836-1099
Share Capital as of December 31, 2014	
Registered Capital:	Baht 925,850,000 comprising of 925,850,000 shares with a par value of Baht 1 each
Issued and Paid-up Capital:	Baht 907,081,100 comprising of 907,081,100 shares with a par value of Baht 1 each
Registrar:	
Thailand Securities Depository Co., Ltd.	
The Stock Exchange of Thailand Building	
62 Rachadapisek Road, Klongtoey, Bangkok 10110	
Tel: +66 2229-2800	
Fax: +66 2359-1259	
Auditors:	
EY Office Limited	
33 <sup>rd</sup> Floor, Lake Rachadapisek Office Complex	
193/136-137 Rachadapisek Road, Klongtoey, Bangkok 10110	
Tel: +66 2264-0777	
Fax: +66 2264-0789	

**MK Restaurant Group Public Company Limited**  
Head Office: 1200 Bangna-Trad Road, Bangna, Bangna, Bangkok 10260  
Telephone: +66 2836-1000 Fax: +66 2836-1099  
www.mkrestaurant.com



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