



รายงานประจำปี 2560
ANNUAL REPORT 2017

บริษัท ออฟเตอร์ ยู จำกัด (มหาชน)
• AFTER YOU PUBLIC COMPANY LIMITED •

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1. Message from Chairman and Managing Director

I am very pleased on the occasion of the 10th anniversary of After You Public Company Limited. The year 2017 was a year of many progressions, and branch expansion has been unprecedented since the company was established in 2007.



As the support from shareholders and sponsors who trusted the company by subscribing for the shares offered at the end of 2016, the company was able to receive more than 700 million Baht enabling high liquidity to launch 8 new branches: 7 branches in Bangkok and metropolitan areas, and 1 in the countryside (Nakhon Ratchasima). Moreover, the cash received was to repay bank loans, construct and improve the plant for the additional production line of the overwhelmingly popular shaved ice 'Kakigori', establish a product distribution center, renovate the office, hire business support staff, support branch expansion, and enable new business models in the future such as supporting on-demand production, co-developing the products or delivering products for sale by co-branding with partners resulting in Synergy. In 2017 the company began launching the catering services in foreign countries, as well as starting to search for qualified entrepreneurs to expand overseas branches of After You Cafés. These new models will help to generate revenue in unlimited growth which differs from the current business model of high-volume in-store sales that still relies on shopping centers and transportation. In 2017, After You PLC. had total revenue of 735.4 million Baht, an increase of 21% from the previous year, and net profit of 128.9 million Baht, an increase of 30.5 % from the previous year. I would like to express my gratitude for the support of our customers consuming our desserts and beverages. In addition, we thanks the parties who purchase our products or use catering services, and airlines who bring After You's dishes to serve both domestic and international passengers. This will help After You brand to get perception apart from tourist groups, thereby supporting our 2018 business plan as well. As such the first After You Café branch that should be successfully launched in overseas at our first step.

I would like to take this opportunity to encourage shareholders, executives, and employees to help the company to reach the targeted goals, to grow business rapidly while participating to develop the society, to publicize our Thai brand "After You" to the world in various regions proudly, and I would like to bless the company to success in business, service, excellent management and sustainable brand popularity for creating maximum satisfaction value to our shareholders, customers, partners and employees forever.

A handwritten signature in blue ink, consisting of stylized, overlapping strokes that form a unique mark.

Sincerely yours,

Mr. Premon Pinskiul, Chairman of the Board

MESSAGE FROM MANAGING DIRECTOR



Year 2017 was the 10th year anniversary. Congratulation to AFTER YOU PUBLIC COMPANY, the great proud of us. From the very first branch opened at Thonglor ten years ago, we began branch expansion according to such limited resources and production capacity at that time. In addition, we had been struggled through the political crisis and economic slowdown that effected purchasing power and sale volume. However, we have carried on constructing the factory and developing our menus for best quality and standardized tasty products.

We have created new menus nearly each quarter to satisfy our customers with various demands for ten years.

In Year 2017 we have created new menus such as durian dishes at Paragon Branch gaining tremendous response from Chinese tourists. AFTER YOU DURIAN SHOP” serves toast, sticky rice in durian & coconut milk, durian ice-cream, and KAKIGORI DURIAN (shaved ice with durian flavor).

We still have seasonal fruit menus and healthy menus to serve such as MAYONGCHID SMOOTHIE, NAMDOKMAI MANGO both SMOOTIE and KAKIGORI.

HOJICHA KAKIGORI, the most popular dish first served in July 2017, have been the highlight of the year. Due to these success and support from our consumers, our 2017 business figures were as planned. Net profit or the major part of the return to the shareholders, grew 30.5 % from last year to THB 128.9 million.

A noteworthy point resided in the 2017 revenue source. Catering and production-made-to-order sales grew from 8 million last year to 19.7 million Baht in 2017, this implies the company succeeded from new business model projects, not only from serving dessert in the shop. We also received trustfulness from our customers, caterers and our alliances who order our desserts to supply their customers for special occasion.

In June 2017 our production factory received two certificates which ensure standard, quality, cleanliness and trustworthy production

- Certificate of Good Manufacturing Practice (GMP)
- Hazard Analysis and Critical Control Points (HACCP)

They are very essential international standard to confirm and to ensure their decision for order to make the products.

About sale and marketing, year 2017 was the good memorial year since there were several new activities never initiated before such as being catering abroad in two countries, Singapore and Malaysia. Our products were also appeared co-branding on sale in café or

some branches of famous coffee shop in Bangkok. These showed popularity of brand "AFTER YOU", both in our country and outside.

Not only satisfying the consumers at the shops and our alliances caterers, we promise "AFTER YOU" will not stop giving good return to the shareholders and society by maintain expansion and business development especially opening the first new overseas branch in year 2019. We aim to lower production cost with new technology together with good management. In 2018, the company plans for ERP system (Enterprise Resources Planning) via approximately THB 10 million budget to support back office efficiently. By such system's environment, business decision can be done at the right time due to accurate and timely data. All of these endorse that "AFTER YOU Public Company" have been developing continuously.

We would like to express our gratefulness to all shareholders, directors, managers, staffs and employees for co-operating in customer service, increasing sales amount and fulfilling happiness to society through CSR activities. Lastly, we would like to thank our patronage customers, members who love our dishes in "AFTER YOU" shops. You are really the influential groups who power our company. We hope all of you will continuously support us and become "AFTER YOU" fans endlessly.



(Maetup T. Suwan)

Managing Director

2. Financial Information Highlights

Financial Performance	Unit	2017	2016	2015
Total assets	Baht	1,033,812,475	981,933,022	363,793,202
Total liabilities	Baht	101,514,478	173,099,297	246,826,962
Total shareholders' equity	Baht	932,297,997	808,833,725	116,966,240
Sales	Baht	723,963,348	606,377,892	414,273,599
Total revenues	Baht	735,380,397	608,387,550	414,856,463
Total comprehensive net income	Baht	128,903,062	98,621,665	57,509,151
Earnings per share	Baht	0.16	0.16	0.11
Financial Ratio	Unit	2017	2016	2015
Gross profit margin		66.25%	64.08%	62.30%
Operating profit margin		20.17%	20.76%	18.74%
Net profit margin		17.53%	16.23%	13.86%
Return on equity		14.81%	21.34%	51.54%
Return on assets		12.79%	14.68%	20.36%
Return on fixed assets		46.54%	48.82%	41.05%
D : E ratio	Times	0.11	0.21	2.11
Interest coverage ratio	Times	680.16	18.81	34.81
Dividend payout ratio (Using actual number of shares at year-end)		94.70%	93.75%	100%
Liquidity ratio	Times	6.63	6.42	1.01
Average collection period	Days	3.34	1.37	1.54
Average inventory period	Days	8.20	7.29	6.35
Average payable period	Days	31.99	29.16	29.63

3. Directors and Executives



Mr. Premon Pinskiul
*Chairman of the Board,
Independent Director and
Audit Committee Member*



Mr. Wiwat Kanokwatanawan
Vice Chairman of the Board



Mr. Piched Bhimayothin
*Independent Director and
Chairman of Audit
Committee*



Dr. Thamnoon Ananthothai
*Independent Director and
Audit Committee Member*



Mr. Maetup T.Suwan
Director and Managing Director



Ms. Gulapat Kanokwatanawan
Director and Deputy Managing Director



Mr. Mill Kanokwatanawan
*Director and Assistant Managing
Director*



Ms. Uraiwan Samanwong
Director of Manufacturing



Mr. Songpon Tasnasathienkij
Director of Operations



Ms. Chamaiporn Tungkittisuwan
Director of Finance & Accounting

Detail of Directors, Management, Controlling Parties and Company Secretary

Name-Surname / Position / Date appointed	Age (yrs.)	Education	¹ Share-holding (%)	Family relationship between management	Work experience		
					Period	Position	Company
1. Mr. Premon Pinskul Chairman of the Board / Independent director / audit committee / Nomination and Compensation Committee Latest Board member appointment date 27 April 2017	62	<ul style="list-style-type: none"> - Master of Arts (Economics), University of Detroit, USA - Master of Business Administration, University of Detroit, USA - Bachelor of Accounting, Thammasat University - IOD Program, Thai Institute of Directors • Directors Certification Program (DCP) • Audit Committee Program (ACP) • Monitoring Fraud Management (MFM) • Monitoring of the Quality of Financial Reporting (MFR) • Monitoring the Internal Audit Function (MIA) • Monitoring the System of Internal Control & Risk Management (MIR) 	562,500 shares or 0.07%	-None-	2015 – Present	Chairman of the Board of Directors, Independent Director, Audit Committee Member	After You Pcl.
					<u>Other</u> <u>activities</u>		
					2016 – 2017	Chief Financial Officer	Impact Electrons Siam Co., Ltd. (Energy Business)
					2016 – 2017	Director	Impact Solar Ltd. (Alternative Energy Business)
					2013 – Present	Independent Director and Audit Committee Chairman	JAS Asset Pcl. (Real Estate Business)
					2011 - 2015	Chief Financial Officer	GMM Grammy Pcl. (Media Business)

Name-Surname / Position / Date appointed	Age (yrs.)	Education	1 Share-holding (%)	Family relationship between management	Work experience		
					Period	Position	Company
					2015	Director	GDC Co., Ltd. (Media Business)
					2015	Director	GMM CJ O Shopping Co., Ltd. (Media Business)
					2015	Director	GMM Z Co., LTd. (Media Business)
					2015	Director	GMM TV Co., Ltd. (Media Business)
					2015	Director	GMM B Co., Ltd. (Media Business)
					2015	Director	GMM One TV Co., Ltd. (Media Business)
					2015	Director	GMM HD Digital TV Trading Co., Ltd. (Media Business)
					2015	Director	GMM Channel Co., Ltd. (Media Business)

Name-Surname / Position / Date appointed	Age (yrs.)	Education	1 Share-holding (%)	Family relationship between management	Work experience		
					Period	Position	Company
					2015	Director	GMM SD Digital TV Trading Co., Ltd. (Media Business)
					2015	Director	GS-1 Co., Ltd. (Media Business)
					2015	Director	Z Trading Co., Ltd. (Media Business)
					2015	Director	Digital Gen Co., Ltd. (Media Business)
					2015	Director	Digistream Co., Ltd. (Media Business)
					2015	Director	The News TV Co., Ltd. (Media Business)
					2015	Director	3-RD Co., Ltd. (Media Business)
					2015	Director	Teen Talk Co., Ltd. (Media Business)

Name-Surname / Position / Date appointed	Age (yrs.)	Education	1 Share-holding (%)	Family relationship between management	Work experience		
					Period	Position	Company
					2015	Director	Radio Concept Co., Ltd. (Media Business)
					2015	Director	Image Publishing Co., Ltd. (Media Business)
					2015	Director	A Gen Event Agency Co., Ltd. (Media Business)
					2015	Director	A-Time Media Co., Ltd. (Media Business)
					2015	Director	STGMM Co., Ltd. (Media Business)
					2015	Director	GMM Channel Co., Ltd. (Media Business)
					2015	Director	GMM Channel Trading Co., Ltd. (Media Business)
					2015	Director	GMM One TV Trading Co., Ltd. (Media Business)

Name-Surname / Position / Date appointed	Age (yrs.)	Education	/ ¹ Share-holding (%)	Family relationship between management	Work experience		
					Period	Position	Company
2. Mr. Wiwat Kanokwatanawan ^{/2} Vice Chairman / Nomination and Compensation Committee Latest Board member appointment date 23 March 2016	63	- Bachelor of Engineering, University of Kentucky, USA	4,275,000 shares or 0.52%	- Father of Ms. Gulapat Kanokwatanawan and Mr. Mill Kanokwatanawan - Uncle of Mr. Maetup T.Suwan	2015 - Present	Vice Chairman of the Board	After You PCL.
					<u>Others</u>		
					1979 - Present	Director and Chief Executive Officer	Pakfood PCL. (Seafood and frozen food business)
					Present	Director	Okeanos Co.,Ltd. (Seafood and frozen food business)
					Present	Director	Chao Phraya Coldstorage Co., Ltd. (Rental property business)
					Present	Director	Takzin Samut Co.,Ltd. (Rental property business)
					Present	Director	Looklarn Charoen Co.,Ltd. (Food business)
					Present	Director	Kanokthorn Foods Industry Co., Ltd. (Food business)

Name-Surname / Position / Date appointed	Age (yrs.)	Education	/ ¹ Share-holding (%)	Family relationship between management	Work experience		
					Period	Position	Company
3. Mr. Piched Bhimayothin Independent Director / Chairman of Audit Committee/ Nomination and Compensation Committee Latest Board member appointment date 23 March 2016	59	<ul style="list-style-type: none"> - Bachelor of Science, Kasetsart University - IOD Program, Thai Institute of Directors <ul style="list-style-type: none"> ● Directors Accreditation Program (DAP) 	562,500 shares or 0.07%	-None-	2015 - Present	Chairman of Audit Committee / Independent Director	After You PCL.
					<u>Others</u> 2014 – Present	Advisor	Pakfood PCL. (Seafood and frozen food business)
					1993 – 2014	Factory Manager	Pakfood PCL. (Seafood and frozen food business)

Name-Surname / Position / Date appointed	Age (yrs.)	Education	Share-holding (%) ^{/1}	Family relationship between management	Work experience		
					Period	Position	Company
4. Dr. Thamnoon Ananthothai Independent Director and Audit Committee Member Latest Board member appointment date 27 April 2017	61	<ul style="list-style-type: none"> - Ph.D. in International Management, Walden University Naples, Florida, USA - Master of Business Administration, The University of Sarasota, Sarasota City, Florida, USA - Bachelor Degree in Accountancy & Management, Eckerd College-St. Petersburg, Florida, USA - IOD Program, Thai Institute of Directors <ul style="list-style-type: none"> • Directors Certification Program (DCP) • Director Accreditation Program (DAP) • Audit Committee Program (ACP) • The Role of Chairman Program (RCP) • Understanding the Fundamental of Financial Statement (UFS) 	562,500 shares or 0.07%	-None-	2015 – Present	Independent Director and Audit Committee Member	After You Pcl.
					<u>Other</u> <u>Companies</u>		
					2014- Present	Executive Director	Merchant Partners Asset Management Ltd. (Financial Business)
					2014- Present	Executive Director	Merchant Partners Ltd. (Financial Business)
					2007 – Present	Vice Chairman of the Board of Directors and Audit Committee Chairman	Better World Green Pcl. (Service Business)
					2007 - Present	Deputy Chairman of the Board of Directors and Audit Committee Chairman	IFS Capital (Thailand) Pcl. (Financial Business)

Name-Surname / Position / Date appointed	Age (yrs.)	Education	1 Share-holding (%)	Family relationship between management	Work experience		
					Period	Position	Company
					2004 - Present	Executive Director	Merchant Partners Securities Pcl. (Financial Business)
					2004 – Present	Independent Director, Audit Committee Member, and Nomination and Remuneration Committee Chairman	Thai Union Group Pcl. (Seafood-based Food and Frozen Food Business)
					2001 – 2015	Executive Board Member and Clearing House Subcommittee Member	Agricultural Futures Exchange of Thailand
					1997 – Present	Director in Economic Sector Committee	The Federation of Thai Industries
					2009 – 2015	Audit Committee Member	Bangkok University
					2005 - 2015	Independent Director and Audit Committee Member	Property Perfect Pcl. (Real Estate Business)

Name-Surname / Position / Date appointed	Age (yrs.)	Education	^{/1} Share-holding (%)	Family relationship between management	Work experience		
					Period	Position	Company
5. Mr. Maetup T.Suwan ^{/2} Director and Managing Director Latest Board member appointment date 28 March 2016	44	<ul style="list-style-type: none"> - Master Degree in Industrial Design, Pratt Institute, USA - Bachelor Degree in Interior Design, School of Visual Arts, USA - Bachelor Degree in Business Administration, St. Thomas Aquinas College, USA - IOD Program, Thai Institute of Directors <ul style="list-style-type: none"> ● Directors Accreditation Program (DAP) 	239,793,750 shares or 29%	- Nephew of Mr. Wiwat Kanokwatanawan	2005 - Present	Director and Managing Director	After You PCL.
					2015 - Present	Director	Aurum and Aurum Co.,Ltd.
					<u>Others</u>		
					2010 - Present 2004 - Present	Director Director	M & M 2007 Co., Ltd. Prima Publishing (Publishing business)
6. Ms. Gulapat Kanokwatanawan ^{/2} Director and Deputy Managing Director Latest Board member appointment date 28 March 2016	36	<ul style="list-style-type: none"> - Bachelor Degree in Business Administration (International Program, Marketing, Thammasat University - IOD Program, Thai Institute of Directors <ul style="list-style-type: none"> ● Directors Accreditation Program (DAP) 	285,468,750 shares or 35%	<ul style="list-style-type: none"> - Daughter of Mr. Wiwat Kanokwatanawan - Older sister of Mr. Mill Kanokwatanawan 	2005 - Present	Director and Deputy Managing Director	After You PCL.
					2015 - Present	Director	Aurum and Aurum Co.,Ltd.
					<u>Others</u>		
					2010 - Present Present	Director Director	M & M 2007 Co., Ltd. Looklarn Charoen Co.,Ltd. (Food business)
7. Mr. Mill Kanokwatanawan ^{/2} Director and Assistant Managing Director / Company Secretary	31	- Bachelor of Arts in Economics (International Program), Chulalongkorn University	14,982,187 shares or 1.8%	- Son of Mr. Wiwat Kanokwatanawan	2015 - Present	Director	After You PCL.
					2016 - Present	Assistant Managing Director	After You PCL.
					2017 - Present	Company Secretary	After You PCL.
					<u>Others</u>		

Name-Surname / Position / Date appointed	Age (yrs.)	Education	^{/1} Share-holding (%)	Family relationship between management	Work experience		
					Period	Position	Company
Latest Board member appointment date : 27 April 2017				- Younger brother of Ms. Gulapat Kanokwatanawan	2012 - 2016	Relationship Manager	Siam Commercial Bank PCL. (Financing business)
8. Mr. Songpon Tasnasathienkij Director of Operations	42	- Bachelor Degree in Accounting, University of Thai Chamber of Commerce	320,087 shares or 0.04 %	-None-	2010 - Present	Director of Operations	After You PCL.
9. Ms. Uraiwan Samanwong Director of Manufacturing	39	- Bachelor of Home Economics, Food and Nutrition, Rajamangala University of Technology Krungthep	368,787 shares or 0.05 %	-None-	2007 - Present	Director of Manufacturing	After You PCL.
10. Ms. Chamaiporn Tungkittisuwan Director of Finance & Accounting	39	- Master of Business Administration, California State Polytechnic University Pomona, USA - Bachelor Degree in Accounting (Honors), Chulalongkorn University	320,087 shares or 0.04 %	-None-	2013 - Present	Director of Finance & Accounting	After You PCL.
					<u>Others</u> 2007 - 2013	Chief Accountant	Bumrungrad International Limited (Hospital business)

Remark: ^{/1} On 10 January 2018, ^{/2} Authorized Director to sign on behalf of the Company

4. General Information - Corporate Profile

Company information

Company name	:	After You Public Company Limited
Type of business	:	Dessert cafe
Head office	:	1319/9 , Pattanakarn Rd. , Kweang and Khet Suanluang, Bangkok 10250
Company registration number	:	0107559000109
Telephone	:	0 2318 4488
Fax / email	:	0 2318 1022 / ir@afteryou.co.th
Website/Homepage	:	http://www.afteryoudessertcafe.com
Registered capital as at 31/12/2017	:	81,562,500 Baht
Issued and paid-up capital as at 31/12/2017	:	81,562,356 Baht
Type and amount of outstanding shares	:	815,623,561 common shares @ THB 0.10 Baht par value

References Securities registrar

Securities registrar	:	Thailand Securities Depository Company Limited
Head office	:	93 Ratchadaphisek Road, Dindang, Bangkok 10400
Telephone	:	02- 009- 9384
Fax	:	0 2009 9991

Auditor

Auditor	:	EY Office Limited
Head office	:	Lake Rajada Office Complex 193/136-137, 33 rd Floor Rajadapisek Road, Klongtoey, Bangkok 10110
Telephone / Fax	:	0 2264 0777 / 0 2264 0789-90

Internal auditor	:	DIA Audit Company Limited
Audit office	:	958 On-Nut Road, Suanluang, Bangkok 10250
Telephone	:	0 2332 9806
Fax	:	0 2311 5567

5. Policy and Overview

5.1 Business vision and goal

After You Public Company Limited (Hereinafter “the Company”) is committed to be the leader in the dessert business which emphasizes on the standard of quality, and maintain the popularity of consumers by each of the products under the brand name “After You”. With attention to detail, including the continuous creation of new menus, adding variety to novelty and to accommodate the changing of consumer needs, including the development of business opportunities to enhance the competitiveness in the ASEAN Economic Community (AEC). The Company has planned to add more branches to cover the service area throughout Bangkok metropolitan area, and also plans to expand into large cities in different provinces with high potential and purchasing power. In addition, the Company is seeking opportunities to expand the business into the neighboring countries, along with the expanding distribution channels and diversified product lines as well.

5.2 Significant Changes and Progression

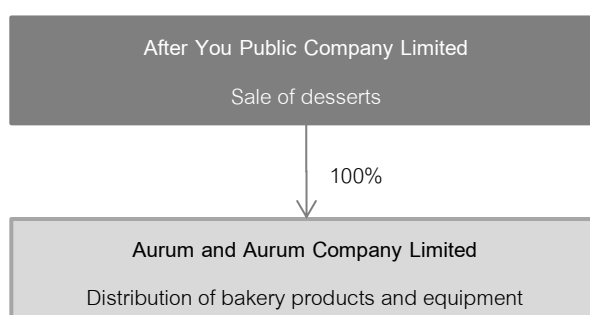
Year	Changes / Progression
2005	- The Company was established as Sea Munch Co., Ltd. by the Kanokwatanawan, T. Suwan, and Kinship family, to operate a restaurant business with the starting capital of Baht 2 million.
2007	- Increased registered capital from Baht 2 million to Baht 5 million in March. - Changed business line and operated as a dessert café, launching under the brand name "After You", opened its first outlet at J Avenue, Soi Thonglor 13.
2008	- Changed the Company name into After You Co., Ltd. to be consistent with the brand.
2009	- Opened the second branch of After You at La Villa, Phaholyothin.
2010	- The Company has structured a group holding company by establishing After You 2007 Co., Ltd. ("After You 2007") on March 17, 2010, and transferred all of the assets from Thonglor's branch into this company. - Opened the new branch at Central World, under the supervision of the Company. - Central World branch was closed down, due to the fire incident at Central World.
2011	- Opened two new branches; Siam Paragon and Crystal Park, under the supervision of the Company - Added product lines such as cookies and plastic wrapped dessert for take-away and for souvenirs.
2012	- The Company has reorganized its structure and purchased all the assets from After You 2007, which previously transferred from Thonglor branch. - Continuity of branch expansion, both in the shopping center and community mall, opening new three branches of After You at Central Ladprao under the supervision

Year	Changes / Progression
	<p>of The Company, and at Int-Intersect Rama III and Silom Complex under the supervision of After You 2007.</p> <ul style="list-style-type: none"> - Expand distribution channels such as off-site catering services and wholesale products.
2013	<ul style="list-style-type: none"> - Re-opening of After You in the Central World after the fire incident. - The Company has restructured the group again, by purchasing and transferring all the assets of Int-Intersect Rama III and Silom Complex branches from After You 2007, to be the assets of the Company on 1st July, 2013.
2014	<ul style="list-style-type: none"> - Increased registered capital from Baht 5 million to Baht 25 million in July, and onto Baht 50 million in December, to support the branch expansion and operations. - Continuity of branch expansion by opening 2 new branches: The Mall Bangkapi and Siam Square. - Expanded new product line by opening a home-made ice cream shop, under the "Crumb" trademark at Central Embassy in June. - Started selling souvenirs under After You trademark.
2015	<ul style="list-style-type: none"> - Increased the registered capital from Baht 50 million to Baht 54 million in April to support the expansion of operations and branches. - Opened five more branches at: The Crystal Ratchaphruek, Tha Maharaj Mega Bangna, The Mall Bangkai, and Future Park Rangsit, in order to cover the urban areas. - Established the new factory in Sinsakhon Industrial Estate, Samut Sakhon to support the expansion of business and future growth. - Aurum and Aurum Company Limited, a subsidiary of the Company was registered and established to carry out procurement of raw materials for production to the Company. - Close the "Crumb" homemade ice cream shop at Central Embassy, in September because the outcomes failed to meet the expectation.
2016	<ul style="list-style-type: none"> - Started production at the new factory in Sinsakhon Industrial Estates, Samut Sakhon in January. - Continuously expanded After You branch. There are three new branches opened at Terminal 21, Seacon Square and Central Pinklao. - Expanded new product line: The ice shave shop "Maygori" was debuted at The Commons, Soi Thonglor 17 in February and its 2nd branch at Siam Square in June. - The Company was transformed into a public company and changed its name to After You Public Company Limited in March.

Year	Changes / Progression
	<ul style="list-style-type: none"> - Changed par value from Baht 100 per share, into the value of Baht 0.10 per share and increased the registered capital from Baht 54 million to Baht 56 million in April. - Increased registered capital from Baht 56 million to Baht 72.50 million, offering 1.50 million shares to the Company's directors, executive and/ or employees for 1.91 million shares and 161.59 million shares to the public. - The Company offered 165 million shares at a par value of Baht 0.10 per share to the public (IPO), including offering to the directors, executive and/ or employees of the Company on 14 - 16 December 2016. - The Company was listed on the MAI on 23 December 2016. - Started construction of new office building to use as an office, employee training facility, and distribution center, to support future business expansion of the Company.
2017	<ul style="list-style-type: none"> - Open 8 new branches (7 in Bangkok & Vicinities and 1 up-country) , which were Muang Thong Thani, Bangkok Hospital, Esplanade Rachada, MBK, The Promenade, Central Bangna, Central Westgate and , the very first up-country, at the Mall Korat (Nakorn Rachasrima) the Mall Korat. - Introducing new product line "After You Durian" at Paragon Shopping Centre in May 2017 - The Factory passed and received the certificate of Good Manufacturing Practice (GMP) and Hazard Analysis and Critical Control Points (HACCP) in June 2017 - First time overseas catering at Singapore and Malaysia in Quarter 4. - Start Co-Branding scheme with 1 of leading coffee shop in that After You's popular dishes (Shibuya Honey Toast, Chocolate Brownies and ice-cream) to serve in STARBUCKS "Reserve" Branches.

5.3 Company's Structure and subsidiary

As at 31 December 2017, the Company has one subsidiary under its supervision, from which the following business structure implemented:



6. Nature of Business Operation

Revenue structure

Revenue structure of the Company varied in each of the following types of business:

Product line / Business type	Operated by	2017		2016		2015	
		Million Baht	%	Million Baht	%	Million Baht	%
<u>Sale revenue</u>							
1. Sale from dessert cafe	Company	704.29	95.77	597.83	98.26	406.53	97.99
2. Catering and OEM sale	Company	19.67	2.67	8.55	1.41	7.74	1.87
Total sale revenue		723.96	98.45	606.38	99.67	414.27	99.86
Other revenues		11.42	1.55	2.01	0.33	0.58	0.14
Total revenues		735.38	100	608.39	100	414.86	100

Remark: Other revenues includes interests, material leftovers, incentive from book sales, revenue recognition from unused gift vouchers, and the money received as a compensation for delayed-construction.

Services and Product Lines

1) Dessert café

1.1) After You

The Company operates a dessert café under the brand name “After You”, which offers a warm, family-like atmosphere, decorated with the concept of a casual restaurant which easily accessed by customers, all of the features thus create a wide range of customer's genders and ages, or from kids to the elders. At present, therefore, the Company releases more than 100 dessert and beverage products, divided into the following main categories:

- Dessert consists of freshly prepared desserts, served hot with ice cream. The main menu which has been popular among customers are such as Shibuya honey toast, Chocolate lava, and Kakigori, including the breakfast menu made from pancakes, ice cream, and cakes. There are also cookies and plastic-wrapped dessert available for take-away customer or as a souvenirs
- Beverages such as tea, coffee, chocolate, fruit juices
- Souvenirs such as shirts, books, glasses, and dessert tools.

As at 31 December 2017, After You operated in 26 branches as follows;

No.	Branches	Provinces	Type of location of branches
1	J Avenue Thonglor 13	Bangkok	Community mall
2	La Villa Paholyothin	Bangkok	Community mall
3	Siam Paragon	Bangkok	Shopping center
4	Crystal Park	Bangkok	Community mall
5	Central Ladprao	Bangkok	Shopping center
6	Int-Intersect Rama III	Bangkok	Community mall
7	Silom Complex	Bangkok	Shopping center
8	Central World	Bangkok	Shopping center
9	The Mall Bangkapi	Bangkok	Shopping center
10	Siam Square One	Bangkok	Shopping center
11	Crystal SB Rajapruek	Nonthaburi	Community mall
12	Tha Maharaj	Bangkok	Community mall
13	Mega Bangna	Samut Prakarn	Shopping center
14	The Mall Bangkae	Bangkok	Shopping center
15	Future Park Rangsit	Pathum Thani	Shopping center
16	Terminal 21	Bangkok	Shopping center
17	Seacon Square	Bangkok	Shopping center
18	Central Pinklao	Bangkok	Shopping center
19	Muang Thong Thani	Nonthaburi	Exhibition Hall
20	Bangkok Hospital	Bangkok	Hospital
21	Esplanade	Bangkok	Shopping center
22	MBK	Bangkok	Shopping center
23	The Promenade	Bangkok	Shopping center
24	Central Bangna	Bangkok	Shopping center
25	The Mall Korat	Nakhon Ratchasima	Shopping center
26	Central Westgate	Nonthaburi	Shopping center



Shibuya honey toast



Strawberry cheesecake



Hojicha



Banana muffin

Kakikori

*Chocolate Lava**Matcha Macchiato**Shibuya Toast "to go"**Nomyen Kakikori "to-go"*

1.2) Maygori

*Ichigo and Yogurt**Mont Blanc Chestnut**Hojicha**Ume*

In 2015, the shave ice menu called 'Kakigori' which served in After You Dessert café received popularity and a very good response from consumers, and therefore in 2016, the Company envisioned a business opportunity to expand its consumer base. Consequently, the Company expanded the product line to ice shave shop under the name "Maygori". The decoration of this shop aims at comfortable atmosphere and makes the customer feel at home, with the menu concept of Thai traditional dessert, i.e. shave ice topping with tropical fruits. The regular customers for this menu are diverse, not just students, but also women and the elderly. There are also variety of shave ice menus such as Ichigo and yogurt, Mont Blanc Chestnut, Hojicha, Ume, etc.

As at 31 December 2017, Maygori operated in 1 branches as follows:

No.	Branches	Provinces	Type of location of branches
1	Siam Square One	Bangkok	Shopping center

2) Catering and OEM sale

The Company has expanded its service lines into the off-site catering services for the organizers such as weddings and events. The main products offered in the catering are Shibuya honey toast, Chocolate lava Strawberry crumble and so on. In addition, the Company has also contracted to

produce products under the trademark of the Company for the group of customers such as airlines and restaurants, whose main products offered are pies, bread cookies, and variety of dessert.



Catering service



OEM sale under the Company's trademark

6.1 Market and Competition

6.1.1 Making a Difference in Products and Services

Factors that affect the Company's steadily growth in the dessert and bakery business are the variety of our products and services which differentiate us from other operators, in the following aspects.

1) Brand Awareness

Since the opening of the first branch of dessert and bakery café under the brand name "After You" in 2007, the Company has been well recognized by consumers, either via the word of mouth or social network communication, about the quality of our products and services, resulting in the popularity among the consumer which increase rapidly and continuously until present. After You Dessert Café started with the passion for sweet dessert in the childhood of Ms. Gulapat Kanokwatanawan, a major shareholder of the Company, coupling with her long time experience of making desserts, including the writing of "May Made" dessert recipe book, all of which making 'After You' well known among people who love to make and eat desserts. Assembled with the identity of the café is a dessert served hot, plus the attention to detail, and the continuity of new menus, combining with the cozy and friendly decoration concept, all are factors which make After You maintains popularity among people of all ages, from children, students, workers, to the elders.

2) Quality and Taste

The Company has a policy of focusing on inventing new products continuously and offering products which are different from competitors, in the aspect of quality, and the freshness of raw materials used, including a variety of products, to the customers. The Company first started with the menu presentation of ice cream topping with freshly made desserts, which was a different practice from the general dessert café at that time, until being recognized as the first leading café of freshly cooked

desserts. Furthermore, the Company emphasizes on quality control, i.e. raw material supply, the selection of good quality ingredients, and nutritional standards. We always implement the quality inspection of raw materials before the production process begins. The process is operated by the Company's own central kitchen and there is a transportation system for the raw materials and foods, transported from the central kitchen to the branches, including the use of standard shipping companies. These processes enable the control of the quality of raw materials and products sent to various branches. Products that are cooked at the branch will also be subject to quality checks before serving to customers, which maintains the Company's product quality and standard equally in all branches.

In addition, the Company usually develops and invents new products, offering a special menu to customers during major festivals such as Halloween and Valentine's Day. Generally, the new menus will be introduced every 2 months to create options for the customers, as well as a difference from the competition. It also promotes and increase the frequency of dessert meal among customers. Those menus are mostly popular and well recognized by customers, and the more popular menus would be listed as a regular menu to add variety to the service.

3) Excellent Service

The Company emphasizes on the quality of service and maintains impression among consumers every time they have dessert or served by us. The customers will be greeted by employees with a cheerful smile, friendly, and courteous, while recommending the products. Fast service and cleanliness are also important factors in our food and dessert business, and therefore, the standard control manager, will randomly run the quality check of service for all employees, ranging from kitchen staff, waiters, and cashier, to ensure that all employees follow the practices of the Company, as well as to improve the quality and skills of the regular staff. In addition, the Company also randomly surveyed the customer satisfaction about the dessert at the café through the questionnaire, in order to make some improvement.

4) Consumer Satisfaction

The Company attaches great importance to creating and maintaining the satisfaction of customers. We give a concern to every suggestions, feedback, and comments. In addition, the Company has the policy of encouraging the staff to ask about the level of satisfaction from the customers on a regular basis.

5) Maintaining and Expansion of Customer Base

As at 31 December 2017, the Company has accumulated nearly 300,000 members. After You members who will receive 100 points for every 100 Baht which can be redeemed for the prize within the following year. Moreover, the Company usually releases new menus or newsletters available through member information such as email, etc., to create awareness of the Company's trademarks.

In addition, the customer memberships can be used to collect statistics and to analyze statistic data to better understand the customer behaviors.

6) Social Marketing

The Company focuses on social media marketing through various channels.

- *Facebook of the Company* (<https://www.Facebook.com/afteryoufanpage>)
- *Instagram of After You* (<https://www.instagram.com/afteryoudessertcafe>)
- *Instagram of Maygori* (<https://www.instagram.com/maygori>)
- *Instagram of Ms. Gulapat Kanokwatanawan* (<https://www.Instagram.com/mayafteryou>)

All of the above marketing channels give access to new generation lifestyles and target customers of the Company. Most of them are teenagers who like to share the meal with friends or take their family to dessert café. Marketing through such channels has created incentives for repurchase of repeat customers and expansion of new customer base, as well as foster the strength of the brand. In addition, the Company resorts to the e-mail channel as a way to present new products. The Company believes that the viral marketing or a buzz through online society is a marketing strategy that suits the business of the Company which can increase the sales and proved to be high efficiency, because it can spread more quickly and influent the decision of the customer, while maintaining the low cost of marketing.

7) Strategic Location

The Company Group expanded the branch from a central area with a population density of its target customers in a location such as Thonglor, Phaholyothin, Ladprao and Siam Square, and extends its branches every year to cover all the target area. As at 31 December 2017, the Company has a total (After You and Maygori) of 27 branches located in the leading shopping centers and community malls.

6.1.2 Distribution channels

The Company has 5 channels of distribution: 1) Dessert café in Bangkok and suburban area 2) Take-Away 3) Dessert catering services 4) Original Equipment Manufacturing and 5) Gift card sales (gift voucher)

6.1.3 Pricing policy

The Company has a pricing policy that takes into account key costs and expenses such as raw material costs, operating expenses, rental and personnel expenses, including the current market prices and the level of acceptability from customers. Products that the Company manufactures and sells are the premium grades, with the quality ingredients and attention to detail in every step, therefore the price is considered medium to high. Nevertheless, the Company believes that the pricing of the Company's products is reasonable compared to the quality.

Type/ Brand	Target Groups	Pricing
1. After You Dessert café and After You Durian	Students, adolescence, adult, and elders, who have medium – high income and who likes to have a meal with friends and/or families	Dessert price per a menu Baht 125 - 345 Beverage price per a menu Baht 95 - 145
2. Maygori shave ice	Students, teenager, and adolescence, adult who have medium – high income	Price per a menu Baht 125 - 245

6.1.4 Industrial Competition

Restaurant business

Restaurant business means catering food, beverage, ice cream and cake ready for consumption, whether with or without seats, sitting at a table or self-service from food shelves, or whether eating in, taking away or home delivery. Restaurant business may be in the forms restaurants, eating houses, cafes, counters or booths, self-service restaurants, fast food restaurants, counters or booths in vehicles, or restaurants providing delivery services.

Data of restaurant business registration in March 2017 reveals that restaurant business emerges as the 3rd highest category of all types of business registration. There were 175 registrations, outnumbering the previous month (February 2017) by 56, equal to 47 %. Compared to the same period of the previous year (March 2016), the number of registration in 2017 was 10 higher, equal to 6 %.

Besides, the value of registered capitals of restaurant business in March 2016 reached its peak in one year (March '16 – March '17)

Based on the data on 31 March 2017, there are 11,945 restaurants and eating houses across the country. Most are the form of company limited (10,443 companies limited), equal to 87.43 %. Second to the company limited form is limited partnership and 1,497 registered ordinary partnership, equal to 12.53 %. There were only five company limited establishments, equal to 0.04 %.

The majority of restaurants and eating houses are located in Bangkok (43.72 %), second to which are in the South (22.12 %) and in the east (14.93%), respectively.

The restaurant business market in Thailand consists of 6 main categories; small restaurants, cafés / bars, full service restaurants, fast food, takeaway restaurants and food courts.

- 1) Street Stalls / Kiosks is a small, inexpensive restaurant with limited food items. It will serve one dish that focuses on fast food, such as five-star roast chicken or Chai-Si Dumpling and Noodle.
- 2) Café / Bars is the outlet for beverage and alcoholic beverages, including the desserts and a variety of menus in it such as Starbucks, Coffee Café, Amazon Coffee, After You, and other dessert cafés.

- 3) Full-Service Restaurant is a type of restaurant that serves meals at the restaurant, focusing more on serving foods over drinks. The restaurant offers a variety of delicacies such as MK Suki, S & P, and Fuji. A full-service restaurant does not include restaurants that serve food by self-service at the counter.
- 4) Fast Food is a restaurant with limited food items, or highlighting a few items. It is fast and convenient. There are also home-based and drive-through as optional services for customers, as seen in McDonald's KFC 7-Eleven.
- 5) Take Away Restaurant (100% Home Delivery / Takeaway) is a restaurant with no table service, and only ordering back home, such as Oishi.
- 6) Food Court (Self-Service cafeterias) is a restaurant with no standby service at the table. Customers will have to pick up and pay their own food at the food, dessert and beverage counter, all of which can be varied greatly in each of the popular shopping centers such as Food Court in Tesco Lotus, Big C and Tops.

The Company is categorized as a café / bar business which can be divided into 4 sub-categories: bars / pubs, café, juices cafés, and coffee shop, from which the café business is mostly related to the identity of the Company. The competitors, therefore, are those dessert and beverage café with similar menu styles. either operate in the department store or as a single shop, such as I berry, Kyo Roll En, including any coffee shop selling desserts such as Coffee World.

Brands	Number of branches in Thailand 14/2/2018
After You	28
Maygori	1
Coffee World	52
Farm Design	24
Kyo Roll En	16
I berry	17
Bake a wish	5

Source: Information from website of each brand (branches in Thailand only) as at 14 Feb. 2018

However, the café / bar business sector consists with a diversity of entrepreneurs, since there are many independent shops or stores with less than 10 branches (Independent Players) and account for 96.2% of overall market share, especially in the business of bars / pubs, cafés and juice shops, for it is a high growth sector with the low investing cost and low level of barriers to entry.

Factors in Driving Restaurant Business in Thailand and business trend are as follows

A) Consumers' Purchasing power (Positive outlook as 2017 showed slightly higher income than previous years)

Among items relating to personal income and private debt, the research revealed that, during 2007 – 2017, Thai households have earned more than cost of livings. In addition, both incomes and expenses have been increasing during the period from THB 18,660 to 26,973 in 2017. The expenses increased as well.

	2007	2009	2011	2013	2015	2017
Income	18,660	20,903	23,236	25,194	26,915	26,973
expense	14,500	16,205	17,403	19,061	21,157	21,897

Source: Department of Statistics, Preliminary Study of Overall Economic and social survey, the first 6 months of 2017

B) New Era of Retailed Business (Positive outlook as there are more new spaces for retailed business and café outlets)

The situation of current retailed business especially for department stores which are crucial channel for café businesses can be described as follows

There were department store branch expansion in Thailand consistently during the past few years. There also were many land purchases and property developments for residential purpose. These are supporting factors for investment in space of retailed business. As such, investors or department store businesses kept on expanding in up-country business district and tourist destination.

Number of Major Department Store in Thailand

	2012	2013	2014	2015	2016
Central Group	15	17	19	21	22
The Mall Group	8	8	8	8	10
Robinson	30	34	39	43	45
Total	53	59	66	72	77

From data gathering, it showed that there are 77 department stores in 2016, increased from 72 stores from the previous year (only 2 – 3 major firms). In the future, there will be more new launching at least showed in table below, not including unrevealed information from potential investors.

	2017	2018	2019	2020
Bangkok	Show DC , ICON Siam	Gateway Bang sue		EmSphere , Bangkok Mall
Up-Country	Central (Korat), Mahachai, Phuket	Klang Station Korat	Dara Harbor	
		Terminal 21 Pattaya		
		Blue Perl Phuket		
Total	5	4	1	2
Source – Krungsri Research Modern Retail Business May 2017				

Growth Rate (%) YoY (Source – Krungsri Research Modern Retail Business May 2017)	2012	2013	2014	2015	2016 (est.)	2017-19 (est.)
Sales Growth of Department Stores	12%	5.5%	3.4%	3%	2.8%	- -
Retail Business Growth	12%	6.3%	3.2%	2.8%	3%	4 – 6 %

C) Tourism (Positive aspect as tourists' visit keeps rising)

Tourism plays a vital role in supporting the expansion of restaurant business which benefits from tourism. Incomes generated by the tourism sector related to food and beverage is 20% of total income from tourism (Department of Tourism). Statistics of tourists during the past five years (2012-2016) show that both Thai and foreign tourists traveling to Thailand grow continuously. In 2016, there were as many as 32.58 million foreign tourists, surpassing the previous year by 8.91%. Thai tourists also increased continuously from 86.41 million in 2012 to 106.84 million in 2015.

In 2017, the Tourism Authority of Thailand planned to boost domestic tourism by solving structural and behavioral problems of tourists to travel on weekdays more and visit minor cities. As a result, these tourists will spend on food and beverage more in places they visit.

6.2 Procurement : Products / Services

The supply of products and services is divided into two main sections: a central kitchen and a dessert café. The details are as follows.

6.2.1 Central kitchen

In January 2016, the Company moved its production line from the original 700 square meters central kitchen plant on Pattanakarn Road, Bangkok, onto the new plant located at Sinsakhon Industrial Estate, Samut Sakhon with the usable area of 5,000 square meters, to expand production capacity and raise production level to meet international standards and support the future business growth. This new central kitchen plant can accommodate up to 40 - 45 branches in one shift.

The central kitchen is the unit for raw material supply, quality control, dessert preparation and production for the best taste. It provides clean and sanitary environment, for storing raw materials and goods, in order to maintain the quality of raw materials and goods, before distributing them to various branches. The steps to procure products and services in a central kitchen plant can be divided into six steps.

1) Raw material procurement

The main raw materials for dessert are flour, sugar, egg, chocolate, butter, milk and fruit, all of which are supplied by both domestic and foreign suppliers. The manufacturing department will plan the production based on the sales estimates data that each branch manager inputs into the warehouse department to evaluate the quantity of raw materials and send the purchase requisition to the purchasing department.

Purchasing Department will have a process and procedure for selecting suppliers of these raw materials, by comparing at least 2 - 3 characteristics of the manufacturers, and consider both features and qualities in each one of them, including their offering price and services. For raw materials that are regularly ordered, prices and quality will be reviewed at least twice a year, except for items with frequent price changes such as fresh or agricultural produce, then prices is reviewed at least every three month.

For raw materials with large quantities of orders or regular orders, the Company managed to contract with manufacturers and distributors of such items, in order to control the volume and pricing, for cost effective and to mitigate the risk of raw material shortages. In 2017, the Company Group placed orders for goods and raw materials from the first 10 major manufacturers and suppliers at 59 percent of the overall order value, and does not solely rely on any single manufacturer or supplier for more than 30%.

2) Quality Inspection

When raw materials are delivered to the central kitchen, the warehouse department will be responsible for inspecting all raw materials received as accurate and complete. About 5% of the raw materials will be randomly inspected, to check the date of manufacture and expiry, packaging, freshness, color, odor, size and weight as prescribed, etc. Then the raw materials will be stored in the freezer, refrigerator or storage room temperature, depending on the type of raw materials, in order to maintain the quality of raw materials as always fresh. Under the First In First Out (FIFO)

system, the raw materials will be circulated regularly and the rate of lost from expired goods will be reduced.

3) Preparation and Production

The central kitchen is the center of raw materials processing and arrange them as cooked foods (Food which has been prepared and packed in a container, ready to be cooked for a certain menu such as Shibuya honey toast or Kaki Kori, which prepared and cooked over 80 percent in advance) and instant foods (Ready-to-eat foods which packed in ready-to-use containers, such as cakes, cookies and plastic wrappers) The production department will use the sales forecasts of each manager to plan production and estimate the use of raw materials. And pick up raw materials from the warehouse. In production planning, production will be assigned a stock inventory (Safety Stock) to prevent the shortages. After processing and production finished, warehouse department will distribute raw materials and goods to various branches, to cook or sell in the café or stores.

The production process of the production department is divided into production lines according to the type of product, such as cakes, bread, ice, cookies, drinks, preparation, ingredients and packaging, starting by mixing the ingredients in proportion, according to the formula invented by product development department. The factory will further research on the production side, such as adjusting the ingredients, the method of production, calculate the appropriate storage life and delivery method. The employees are required to follow the procedures used to prepare and cook the desserts, to get the same quality and standard products. After production, the quality control department will check the quality of the product in terms of production process and quality control before stocking or distributing to the branches.

The Company focuses on production efficiency, and as a result, has set a policy to avoid the waste from the production of more than 1% of all raw materials imported into the production system. In 2016, the Company was able to effectively control the waste of production, thus less than 1%.

- The Company is committed to the development of its operations. To be highly effective, some advanced technology will be procured to support the production process and the standard of quality control during production, in order to obtain products quality in accordance with the standards set. The Company implementation of the central kitchen plant has been certified in various international standards such as ISO 9001 : 2000 standard quality management system, GMP (Good Manufacturing Practice), HACCP (Hazard Analysis and Critical Control Point) certificate in food production, and Halal accreditation from the Office of the Central Islamic Committee of Thailand by certifying that the process has been carried out correctly according to Islamic principles. The Factory passed and received the certificate of Good Manufacturing Practice (GMP) and Hazard Analysis and Critical Control Points (HACCP) in June 2017

4) Storing of raw materials and goods

Warehouse will store raw materials and goods in the room at the appropriate temperature to maintain the quality of the products to be fresh. Each item has a label that specifies the date of manufacture and expiry dates clearly. The Company uses FIFO management system to keep raw materials flowing regularly and reduce damage from expired goods.

5) Inventory Control

Warehouse and purchasing department or departments who request the order jointly check raw materials or goods ordered and recorded. When the production needs, the quantity will be calculated according to the formula ingredients and prepare the relevant documents, along with picking raw materials from the warehouse to use. After production is completed, each item is packed into a box or bag or container and put in the warehouse, along with the relevant documentation. Then the logistic department will arrange the documentation before picking items from the warehouse and distribute to the branches.

In addition, in order to effectively control the inventories, the Company also requires the warehouse, the production and the accounting department to perform stock count at the end of each month.

6) Distribution of raw materials and goods.

The Company distributes raw materials and products to various branches every day, through the Company's cold storage and van, including transportation services from standard carriers. This enables the Company to control the quality of raw materials and goods well, and assure for the cleanliness, freshness, and hygienic, and also efficiently distribute within the time limit according to the delivery plan of the Company, which emphasizes on the cost management. Additionally, the Company also uses GPS tracking systems for efficient transportation management.

6.2.2 Dessert café

Each of the branches of After You Dessert café and Maygori is responsible for the supply of raw materials and products from the central kitchen and from the manufacturers or suppliers of raw materials, storing system at the branches, preparation and cooking, customer service and cash collection, by the procedures as follows.

1) Procurement of raw materials and goods

Each branch of the dessert café will make 3 days sales forecasts according to the sales statistics of each period, to ensure that the amount of raw materials and goods ordered is the right amount, and consistent with the behavior of customers who access the site at each period of time, enabling the inventory management to be effective. The central kitchen will process and deliver the products to each branch. For the short-lived raw materials which easily deteriorated and do not go through the production process at the factory, such as milk and fruits, the branch managers will directly orders from manufacturers and suppliers. Nevertheless, any purchases of raw materials or products of

branch managers will be subject to the Company's authorization to operate. For payment of raw materials and goods ordered by the branch manager, the process will be responsible by the head office through the verification from the accounting department and procurement department before being submitted to the directors for approval.

2) Storage of raw materials at the branches

Branch staff will be responsible for any goods received from the central kitchen, or from manufacturers and suppliers of raw materials that must be checked for accuracy and completion. Raw materials from manufacturers and suppliers will be subject to a thorough quality inspection, before recording the amount of raw materials in the sales system of the branch. Then the raw materials will be stored in the freezer, refrigerator or storage room temperature, depending on the type of raw materials, in order to maintain the quality and freshness of the products, by the FIFO management system to circulate the raw materials effectively and reduce the rate of lost from expired goods.

3) Preparation and cooking desserts

When customers order and pay for the desserts and beverages at the cashier counter, their orders will be sent directly to the kitchen via online system, and monitored by the checker and quality controller before serving to the customers. The preparation process is divided into two main lines: desserts and beverages. All employees will follow the kitchen operation procedures to prepare and cook desserts and beverages as specified by the Company, and to verify the authenticity of the items, including the aesthetics and standardization of each menu prior to serving, in order to obtain the same quality and standard of goods, the district manager and the quality control (QC) manager will randomly check the work procedures of all branches on a regular basis.

4) Customer Service

The staff and employees at each branch, from waiters, kitchen hands, cashier, steward or maids, are around 20 - 30 people per branch, depending on the size of the branch. All staff must undergo training at the head office, and coaching on site, including tested for the skill and knowledge, prior to being a regular employee of the Company, in order to ensure that they have an understanding of the product, how it works, and the culture of the organization. In the aspect of customer service, the Company uses the course syllabus, instructional process and scoring, to control their standard of works.

In addition, Quality Control Department will randomly check the quality of goods and service level of employees, including the overall cleanliness of facilities in each branch on a monthly basis, to ensure the quality of food and service is in accordance with the standards set by the Company. Moreover, the Company attaches great importance to the use of information from the customer feedback form to improve the service of the Company, regularly and continuously.

5) Cash Collection (cash, credit card, QR code , Ali Pay, Gift Card)

Each branch will accept cash, credit card, QR code, Ali Pay, Gift Card from customers. Branch managers count the cash and reconcile sales at the end of the day before submitting the data to the head office. Branch manager together with assistant manager or senior staff bring the cash from the sales to deposit into the bank account. There will be random check for the cash counting and handling procedures twice a month, once by the quality control manager and another from the district manager to ensure that every branch follows the steps that the Company set forth strictly.

6) Inventory Control

The Company implements the waste control system, by requiring branch staff to record waste amount in the waste report before dumping it in the bin and there will be a check for the waste in the bin by the manager team 2 - 3 times a day. To effectively control the inventories, the Company requires every store to count 35 large items at the end of the day, and count all inventory at the end of the month. Furthermore, the operations and accounting team will randomly count the inventory at the end of each month.

6.2.3 Procurement of branch locations

Choosing the location and size of a branch is essential to the success of the dessert business, as it has a direct impact on earnings, market share, marketing plans, and the expenses incurred by the management and investment. The Company, therefore, weighs much importance of the location of the dessert café and set a strict procedure for any new branch opening as follows:

- 1) The Company has a research team to study and explore potential areas, either screened by the team or offered by shopping center and community mall operator. The main factors that the Company takes into account for the decision to open the branch are detailed as follows
 - (1) The location of the branch is in a very busy area both on weekdays and holidays, having high population density and high economic growth potential. The location is clearly visible, unblocked by anything, easy to access, resulting in a clear view of the storefront, as well as being a popular place for people when they plan to have a meal. It must also have the convenient transportation or means of traveling for the target customers to easily reach, either by private car or public transport, including sufficient parking area to facilitate the customer.
 - (2) The size of the rental area and layout of the shop fit the operation plan of the dessert café. In each branch, the Company prefers the medium-sized space of approximately 75 - 150 square meters, with an average seating of about 15 - 30 tables in order to streamline and effectively manage the business operation. Besides, the Company takes into account the appropriateness of the rental rates, contract terms, including

utilities, all of which affect the investment payback period as well as the business outcomes of each branch.

- (3) The availability of shopping centers and department stores, such as good supermarkets, sufficient usable space and adequate parking lot, full of high class restaurants in the shopping mall, operating by the effective and experienced management team.
 - (4) Population in the area observed by the number of shelters or residences, educational institution, office building, the various type of community, all of which are taken into account for the business opportunities, growth of sales, and the acquisition of market share in the dessert business.
- 2) The Company's team will collect the data from the studies and surveys to analyze and convene, in order to assess the possibility of branch opening in such a location. Both the layout and size of the area of the branch, including the marketing plan will be taken into account, for the assessment of the accessibility for targeted customers, in parallel with the feasibility of investing according to the Company policy, respectively prior to proceeding to the approval process.

The Company has set the policy on investment framework, return on investment, and the payback period, as follows:

Investment Framework: The Company will use initial investment of approximately Baht 3 – 10 million. The investment will depend on the format (dine-in or to-go) size of the cost structure, i.e. construction, design and decoration, infrastructure systems (electricity, water, telephone and collection), and equipment.

Return on investment: Return on investment of a branch must not be less than the required rate which depends on the working capital such as the cost of raw materials, packaging fee, employee wages, rent, space, electricity, selling and administrative expenses, etc.

Payback Period: Not to exceed 1 - 2 years depending on the location, size, area and purchasing power of the consumer in the area, including relevant factors and elements.

- 3) The Company coordinates with the owner regarding the space rental, the offer or the respond to offers of locations, space and rental fee to the owner of the area
- 4) The Company designs and defines the service model of the new branch, either by the Company's team or external experts, before selecting the contractor whose performance is acceptable in accordance with the selection process of the Company. Furthermore, the Company is responsible for the documentation and paperwork in the process of construction permits to relevant authorities.

- 5) After obtaining the permission of the relevant agencies, the Company's team will monitor and control all stages of construction, to prevent the mistakes, and also to control the budget. Additionally, the Company will monitor closely to ensure that construction period is in line with the initial plan and that the qualities of new branch comply with the standards set by the Company.

7. Risk factors

Risk factors in the business operation and the hedging approach can be summarized as follows:

Business Risk

1. Risk of raw material procurement and rising prices

The main raw materials for the desserts and beverages are flour, egg, butter, milk, sugar, fruit, strawberry, banana, etc., which can be volatile in price and quantity, depending on the demand and supply according to the current quantity of output entering the market, which relates to weather conditions each year. As a result, the cost of supply may be high. However, it may not be possible to immediately change the price of desserts and beverages according to the price of raw materials that may increase in any given time or unable to store the raw materials sufficiently, the Company will then lose the opportunity to generate sales. In addition, due to the increasing demand for sweets and desserts from both domestic and foreign markets, as a result, many types of raw materials have continuously increased prices which directly affect the cost of the Company.

However, the Company has collected information on sales of desserts and beverages from each branch which can be used to analyze and predict the amount of sales of desserts and beverages. It can also estimate and evaluate the quantity of raw materials to be used and can be ordered appropriately. For certain types of raw materials that are highly volatile or in high demand, the Company will enter into contracts to determine the quantity or prices that suppliers will have to sell to the Company. The sales contract is based on the principle of fairness for all parties and focuses on building good relationships with the sellers. In addition, the Company is also creating new products to take advantage of the good price and quality to compensate the cost. The procurement department also always recruits potential suppliers and manufacturers of raw materials.

2. Risk of high competition in the industry and the counterfeiting

At present, consumers in Thailand are more popular eating out and eat dessert after main course, or even eat as a snack. The competition is therefore high, and there is also the issue of counterfeiting and the emerging of new entrepreneurs in the dessert and foods industry. There are also dessert and beverage cafés from foreign countries, such as Korea and Japan, which run by both Thai and foreigners in the industry which may affect the market share, growth and performance of the Company.

For solving this problem, the Company is focused on maintaining outstanding product standards and services, including the launching of new products. Moreover, the Company provides the excellent quality and unique service to customers in order to continuously and consistently maximize the level of customer's satisfaction. The taste of each menu is very unique that no other entrepreneur can imitate, thus competitive edge against other entrepreneurs in this industry.

3. Risk in recruiting personnel in each department

Recruiting and resigning problems are a major problem in the restaurant industry and directly affect the cost of operation. Due to the Company's business and service which are dessert and beverage distribution, the personnel, is therefore, an important mechanism to drive the operation. It is also crucial to plan for new employee recruitment and ongoing training to support the opening of new branches, and replace the employees who may resign in the field of service.

However, the Company cares for all levels of employees, and therefore uses the interpersonal system to get to know every employee, through a simple and effective training system. Continuous training includes career path and opportunities for talented employees to grow steadily. They can also be promoted to the level of branch manager or district manager in the future. Furthermore, the Company provides fair and appropriate allowances, compensation, and welfare. The Company continuously concerns about the appropriate welfare and problems solving approach. In the future, the Company will initiate the project in collaboration with the vocational training institutions, offering the students with practical or on-the-jobs training at the Company's branches. This is another channel for recruiting qualified employee who ready to work with the Company.

4. Risk of cash storage and management at branches

The Company only accepts payment at the storefront of each branch in cash or gift voucher of the Company. Therefore if the Company has higher sales per day, the increased cash in the care of employees will make higher risk of lost and cannot reconcile cash sales on that day.

However, the Company is aware of such risk and has taken measures to control the cash generated from the distribution of confectionery in each branch to reduce such risk by (1) setting minimum value for the cashier employees to be operated, and appoint the branch manager or team manager to monitor the balance and store the stock immediately. (2) Have the branch manager or manager team count. (3) require the branch manager to accompany the assistant manager or senior staff, to lead the cash from daily sales to bank accounts; and (4) Randomize cash counting and cash handling procedures twice a month, once by quality control manager and once from the district manager to ensure that every branch has followed the steps that the Company set forth strictly.

5. Risk of the increase in rental fee, and the inability to find space, renew the lease, or to open new branches in department stores and community malls

All branches of the Company for desserts and beverages cafés located in the department store and community mall, to which the Company leases space, with a lease term of approximately 3 x 3 years, and the lease will be renewed after the contract expires. Nowadays the competition in this industry; food, desserts and beverages, is quite high. There is new outlet with dessert and beverage styles similar to the Company's products opening continuously. There is competition between entrepreneurs to get a location that is outstanding in the department stores, and therefore many department stores

and community malls have bargaining power with entrepreneurs. This may cause department stores and community malls to hesitate to renew the lease with the Company, if there are other operators willing to pay a higher rent, or maybe rent up when the contract is renewed. So the Company is at risk of unable to find a rental area to open a new branch at the right rental rate. In other words, if there is any rent increase in the same area or the Company is required to pay a high rent for opening a new branch, thus affect the Company's performance significantly in terms of cost of rental premises.

However, the Company is a business partner of various leading department stores and community malls and maintains a good relationship with the landlord for a long time, including good rental history and performance, thus never had any dispute with the landlord. Therefore the past leases have been renewed throughout the terms at a reasonable price. Furthermore, since the Company is also a leading dessert and beverage service operator, being popular for any consumer products which attract consumers in department stores and community malls, therefore it is believed that this kind of risk is reduced.

6. The risk of centralization of the Company's branches

In 2017, 95.8 percent of the Company's revenue comes from the sales of desserts and beverages through its 27 branches. Therefore, any unexpected event such as political conflict, riot, or a disaster like flood strikes, it can cause damage to shopping malls or communal malls or closures, which in effect will cause the lost to the branch of the Company or shut down as well. If that is the case and its branches cannot operate for a long period of time, the combination of raw materials or products can be expected to expire and deteriorate and they will affect the financial status and performance of the Company, significantly

However, the Company plans to expand its branches into potential provinces with high purchasing power that will reduce the risk of branch centralization of the Company. The Company opened its first branch up-country (in The Mall Korat) in October 2017. Moreover, it plans to open 5 branches in tourists' destinations in other provinces.

7. Risk of changing in consumer behavior

Considering the statistic from the past to the present, consumers have changed their eating habits and desserts all the time. They may have originally eaten only Thai desserts, but recently this trend has been changed to eat bakery or ice cream, or a combination of bakery and ice cream, etc. Presumably, for the Company, there can be a risk that in the future, consumers may as well change the behavior of consumption of sweets and desserts According to economic conditions, social change and popularity which include consumer health concerns, people may reduce or avoid eating sweets. If there is a change in consumer behavior in such a large number, it may affect the sales performance of the Company, significantly.

However, the Company has focused on the needs and satisfaction of customers, emphasizing on research and development of our products, to always be innovative in order to be able to respond to changes in consumer behavior accordingly.

Management Risk

1. Risk of major shareholders exceed 50 percent

As of 10 January 2018, Ms. Gulapat Kanokwatanawan's group ("Kanokwatanawan Group") and Mr. Maetup T. Suwan's group ("T. Suwan Group") hold 39 % and 32 % of the total shares sold by the Company, respectively, and both groups have relative relationship. Therefore, they are likely to vote in the same direction. If the proportion of shares is combined, it will become a largest group of shareholders or holding more than 50%, thus controller of the Company which can have influence on the decisions that needed to be resolved at nearly every shareholder meeting. Except the vote for laws or regulations which requires three-fourths of the shareholders in the meeting. Therefore, other shareholders of the Company is at risk of not being able to collect the votes to check and balance the matters proposed by the major shareholders to the meeting for further consideration.

However, the Board of Directors consists of 7 directors, of which 3 are independent directors, some are also the chairman of the audit committee and the chairman of the board. They can check for counterbalance decision and approve before presenting the topic to the shareholders meeting. In addition, in the case of there is transaction relevant to the directors, then major shareholders, the key authority, and related parties who may have conflict of interest, all of them will not have the right to vote for approval of the transaction. Additionally, in the case of shares offering that affect the shareholders, all minor shareholders will have the right to vote and the objection requires only 10% of the shareholders attending the meeting. With all that being stated, all the approval of the transaction is subject to the rules and regulations of the Office of the Securities and Exchange Commission ("SEC") and the Stock Exchange of Thailand. ("SET").

2. Risk from management that relies on executives or major shareholders

Since Mr. Maetup T. Suwan ("Mr. Maetup") and Ms. Gulapat Kanokwatanawan ("Ms. Gulapat") are the two co-founders of the Company, as well as being the major shareholders, executives, and directors, they are the key person for the Company management, who establish good reputation and recognition among consumers. They have also built up the financial strength and encouraged good performance of the Company all these years. Specifically, Mr. Maetup is in charge of the Company's management as a whole, i.e. the branch operation and expansion, while Ms. Gulapat is mainly responsible for the product development, including dessert recipes and menus released by the Company, and supervise marketing and advertising of the Company products. If the Company loses

such key executives, the management, operation, and overall performance of the Company may be significantly affected.

However, the management structure of the Company is decentralized, and the scope of responsibilities is diversified into various lines. The executives and supervisors in various departments of the Company all have the knowledge, ability, and experience in the related field, including the long time work experiences with the Company. In addition, the Company has set a good management structure which consists of the plans to expand the Company's branches, business operations, and the annual budget management. Therefore, the supportive management structure for the decentralization of operations and the preparation of the above-mentioned plans will help reduce the risk of reliance on the two major shareholders/ executives as such.

8. Shareholding Structure and Management

Shareholding Structure and Management

As at 31 December 2017, the Company had THB 81,562,500 registered capital where THB 81,562,356 was paid up portion. The derived shares were 815,623,561 common shares @ THB 0.10 par value.

Shareholders

The top 10 shareholders showed in book closing at 10 January 2018 were as follows:

	Shareholders	Number of shares	%
1	<u>Ms. Gulapat Kanokwatanawan' s group</u> ^{/1}		
	Ms. Gulapat Kanokwatanawan	285,468,750	<i>35.0%</i>
	Mr. Pruitt Kanokwatanawan ^{/2}	15,464,900	<i>1.9%</i>
	Mr. Mill Kanokwatanawan ^{/2}	14,982,187	<i>1.8%</i>
	Mr. Wiwat Kanokwatanawan ^{/3}	4,275,000	<i>0.5%</i>
	Total of Ms. Gulapat Kanokwatanawan' s group	320,190,837	<i>39.3%</i>
2	<u>Mr. Maetup T.Suwan' s group</u> ^{/1}		
	Mr. Maetup T.Suwan	239,793,750	<i>29.4%</i>
	Ms. Kanittha-Viriya T.Suwan ^{/4}	17,128,125	<i>2.1%</i>
	Total of Mr. Maetup T.Suwan' s group	256,921,875	<i>31.5%</i>
3	The Hong Kong and Shanghai Banking Corporation Limited,	40,725,000	<i>4.99%</i>
4	Mr. Piriyarat Pattarakitkasem	12,170,000	<i>1.5%</i>
5	Ms. Pimpatra Supatcharawong	9,274,100	<i>1.1%</i>
6	Mr. Kachen Benjakul	7,094,800	<i>0.9%</i>
7	Mr. Satta Hongvisetkul	6,000,000	<i>0.7%</i>
8	Mr. Wirat Tanupran	5,500,000	<i>0.7%</i>
9	Thai N V D R	5,295,394	<i>0.6%</i>
10	Mr. Jirayu Udompornpruet	5,110,100	<i>0.6%</i>
11	K Master pool Fund	4,428,300	<i>0.5%</i>
12	Others	142,913,155	<i>17.5%</i>
	Total	815,623,561	<i>100%</i>

Remark: ^{/1} Ms. Gulapat Kanokwatanawan's group is a relative with Mr. Maetup T.Suwan's group

^{/2} Mr. Pruitt Kanokwatanawan and Mr. Mill Kanokwatanawan are younger brothers of Ms. Gulapat Kanokwatanawan

^{/3} Mr. Wiwat Kanokwatanawan is father of Ms. Gulapat Kanokwatanawan

^{/4} Ms. Kanittha-Viriya T.Suwan is older sister of Mr. Maetup T.Suwan

Other Securities issued: None

Dividend Policy

Dividend policy of the Company

The Company has a policy to pay dividends to shareholders at the rate of not less than 50% of net income from the separate financial statements after deduction of corporate income tax and reserves. All types are subject to the laws and regulations of the Company. However, the dividend payment may be subject to change depending on the necessity and other suitability as the Board of Directors deems appropriate. On the other hand, the annual dividend payment must be approved by the shareholders' meeting, except for interim dividend payment where the Board of Directors may authorize the interim dividend to be paid from time to time if there is sufficient profit to do so, and the interim dividend payment will be reported to the next shareholders' meeting.

Dividend payment policy of subsidiaries

The dividend payment of the subsidiary will be subject to approval authority of the Board of Directors and shareholders' meeting of each subsidiary, while the liquidity, cash flow and financial position, the investment plans of each subsidiary must be taken into account, including other factors. In order to practice good corporate governance and transparency, when a subsidiary has a dividend payment, the board of directors of each subsidiary will report to the Board/ Audit Committee in the next meeting. Currently, Aurum Aurum Co., Ltd., one of the subsidiaries of the Company, has a policy to pay dividends to shareholders at the rate of not less than 50% of net income from the separate financial statements after deduction of corporate income tax and other reserves as defined in the laws and regulations of the Company.

The Board of Director has approved dividend payment in cash to shareholders, from the Company's financial statement for the period ended 31 December 2017, on the basis of THB 0.15 per share or in total amount not exceeding THB 122,343,534.15 or 94.7% of net profit after tax from the Company's separated financial statement. This is in line with the Company's dividend policy while such payment will still need approval from 2018 Annual General Meeting of Shareholders.

Management Structure

As at 31 December 2017, the Company had 3 committees; The Board of Directors, Audit Committee, and Nomination and Compensation Committee

The Board of Directors

The Board of Directors of the Company as at 31 December 2017 consists of 7 members as follows:

Name-Surname	Position	Board Meeting	
		Number of meetings	Number of attendance
1. Mr. Premon Pinskiul	Chairman of the Board, Independent Director and Audit Committee Member	7	7
2. Mr. Wiwat Kanokwatanawan	Vice Chairman of the Board	7	7
3. Mr. Piched Bhimayothin	Independent Director and Chairman of Audit Committee	7	7
4. Dr. Ananthothai Thamnoon	Independent Director and Audit Committee Member	7	7
5. Mr. Maetup T.Suwan	Director	7	7
6. Ms. Gulapat Kanokwatanawan	Director	7	7
7. Mr. Mill Kanokwatanawan	Director and Company Secretary	7	7

Secretary to Board: Ms. Korbsakao Iamsuri

Authorized directors to sign on behalf of the Company according to the Company registration

The authorized directors of the Company are Mr. Wiwat Kanokwatanawan, Mr. Maetup T. Suwan, Ms. Gulapat Kanokwatanawan, and Mr. Mill Kanokwatanawan. Two of these four directors jointly sign with the Company's seal affixed.

Scope of Authority, Duties, and Responsibilities of the Board of Directors

At the 2016 Annual General Meeting of Shareholders on 23 March 2016, the scope of authority, duties and responsibilities of the Board of Directors were determined as follows:

- (1) Performing duties and oversee the Company's operation to comply with the law, objectives, regulations, resolutions of the Board of Directors, and also responsible for resolutions of the shareholders' meeting, with prudence, accountability, and honesty to protect the benefits of the Company.
- (2) Identify the vision, strategy, direction of business, policy, goals, business plan, budget, management structure, and the level of approval for the Company and subsidiaries as proposed by the management. Oversee the management and performance of the executives, subcommittees of the Company or any person entrusted with such duties in order to comply with the policies set out efficiently and effectively to maximize the value for the Company and shareholders.
- (3) Monitor and evaluate performance of management and/or subcommittees of the Company, continuously and consistently, to achieve the goal of strategy, plan and budget.

- (4) Facilitate the Company and subsidiaries with suitable and efficient accounting system, reliable financial report and audit, including internal control and audit system, adequately and appropriately.
- (5) To consider and approve the selection and appointment of the auditors and the appropriate remuneration proposed by the Audit Committee before submitting them to the shareholders for approval.
- (6) Set the framework and policy for determining the salary rate, the raise, bonus, compensation, and reward pension, including the appropriate compensation system for executives.
- (7) To consider the audit committee's report.
- (8) To consider the acquisition or disposition of assets (if the size of the transaction does not need to be determined by the shareholders meeting), and any operation in accordance with applicable laws, notifications and regulations.
- (9) To consider and approve the linked transaction (If the size of the transaction is not required by the shareholders' meeting) between the Company and its subsidiaries in accordance with the relevant laws, notifications and regulations.
- (10) To consider the approval of interim dividend payment to the shareholders of the Company.
- (11) Review processes and policies for risk management and performance monitoring.
- (12) Ensure that there is no conflict of interest between the Company's stakeholders and subsidiaries. In case any director has an interest in any transactions with the Company or there is an increase or decrease of shareholdings of the Company or subsidiaries, the director is obliged to inform the Company without delay.
- (13) Review the Company policy on Corporate Governance and Corporate Social Responsibility, including anti-corruption issue. The Company's Anti-Corruption and Corporate Governance Report and Corporate Social Responsibility Report and Annual Corruption Prevention Report shall be prepared and approved by the assigned committees.
- (14) Appoint the subcommittees to assist and support the work operation of the Board of Directors, as appropriate.
- (15) Appoint the company secretary and/or the secretary to the Board of Directors who assists the Board in performing various tasks, such as business operation of the Company and compliance with relevant laws and regulations.
- (16) Hiring a consultant or independent party who provide comments or suggestions as needed.
- (17) Prepare Annual Report and responsible for the arrangement and disclosure of financial statements to reflect the Company's financial position and results of operations of the previous year to propose to the shareholders meeting.

- (18) To hold the annual general meeting of shareholders within 4 months from the end of the fiscal year.
- (19) Consider and approve any transaction by taking into consideration the interests of all shareholders and stakeholders of the Company, appropriately
- (20) To determine the succession plan of the Company's top executives.
- (21) To review and amend the Charter of the Board of Directors in accordance with the situation.
- (22) Assign one or several directors or other persons to act on behalf of the Board of Directors.

The delegation of authority and responsibility of the Board of Directors is not subject to the delegation or authorization to any person of the Board of Directors to approve the transaction that he or she may have a conflict of interest (as defined in the relevant rules), or may have an interest, benefit, or there may be other conflicts of interest with the Company or subsidiaries in any way, excluding for the approval of policy which meet the criteria that the shareholders meeting or the Board of Directors set out.

Audit Committee

The Audit Committee of the Company as at 31 December 2017 consists of 3 members as follows:

Name-Surname	Position	Meeting attendance	
		Number of meetings	Number of attendance
1. Mr. Piched Bhimayothin	Independent Director and Chairman of Audit Committee	4	4
2. Mr. Premon Pinskul	Independent Director and Audit Committee Member	4	4
3. Dr. Ananthothai Thamnoon	Independent Director and Audit Committee Member	4	4

In addition, the company hired DIA International Auditing Co., Ltd as an outsource internal auditor and to report directly to Audit Committee.

Mr. Premon Pinskul and Dr. Thamnoon Ananthothai are the audit committees who have knowledges and experiences enough to review the Company's financial statement's reliability. The details are shown in the 3 audit committees' qualifications and experiences: Detail of Directors, Management, Controlling Parties and Company Secretary. This Audit Committee assigns Ms. Korbsakao Iamsuri as a secretary.

Term and appointment of Audit Committee.

The Board of Directors or Shareholders via Shareholders' Meeting will be authorized to appoint independent committee (s) to assume the role of Audit Committee. The Audit Committee's term will be in line with the Board of Directors' term. Nevertheless, an Audit Committee member whose term is expired may resumed his or her position if being appointed again.

Besides being expired from term mentioned, an Audit Committee will be terminated when

- 1) Death
- 2) Resign
- 3) Lack of Audit Committee's qualification according to Audit Committee Chartered or has any qualification as prohibited by Law.
- 4) The Board of Directors approves termination.

In case a member of Audit Committee resigns or leave the position before term ends, the Company must inform The Stock Exchange of Thailand immediately. Such member may indicate the reason to Stock Exchange Commission and The Stock Exchange of Thailand also.

In case a member of Audit Committee is employed until term ends or cannot stay until term ends, this will cause the Company to have less than 3 Audit Committees. The Board of Director or Shareholders' Meeting is supposed to appoint new member of Audit Committee to fulfill the team immediately or by 3 months since the team has less than required. This is to ensure continuity of Audit Committee's job performing.

Scope of Authority and Responsibilities of the Audit Committee

At the 2016 Annual General Meeting of Shareholders on 23 March 2016, the scope of authority, duties and responsibilities of the Audit Committee were determined as follows:

- (1) Review for the accuracy of financial report and adequate disclosure of information of the Company.
- (2) Review that internal control and audit system are appropriately and effectively in place, and ensure independence of the internal audit unit as well as approve the appointment, transfer, and dismissal of the chief of the internal audit unit or any other agency responsible for internal audit.
- (3) Review the Company's annual audit plan and evaluate the audit results with the Company's internal auditors.
- (4) Review the business operation of the Company to comply with the Securities and Exchange Act Regulations and Notifications of Stock Exchange of Thailand, including any relevant laws that apply to the business operation of the Company.

- (5) Consider, screen, and nominate an independent person to serve as the Company's auditor, including the remuneration for such position. Also, attend the meeting with the auditors without the presence of executives at least once a year.
- (6) Consider linked transaction or any transaction that may lead to conflict of interest to be in accordance with the Securities and Exchange Act, including the regulations and the Notification of the Stock Exchange of Thailand and relevant laws which apply to the business operation of the Company, to ensure that the transaction is reasonable and of utmost benefit to the Company.
- (7) Prepare the report of the Audit Committee, to be disclosed in the Company's Annual Report. The report must be signed by the Chairman of the Audit Committee and contain at least the following information:
 - (a) An opinion on the accuracy, completeness and reliability of the Company's financial report.
 - (b) An opinion on the adequacy of the Company's internal control system.
 - (c) Opinions on compliance with the Securities and Exchange Act Regulations and Notifications of SET and other relevant laws and regulations applicable to the business operation of the Company.
 - (d) Opinion on the appropriateness of the auditor
 - (e) Opinions on transactions that may lead to conflicts of interest or linked transactions.
 - (f) Number of Audit Committee Meetings and the attendance of each member of the Audit Committee.
 - (g) The overall opinion or observations that the Audit Committee has received from the performance of its duties under the Charter.
 - (h) Any other items that the shareholders of the Company and investors are entitled for acknowledgment under the scope of authority, duties and responsibilities assigned by the Board of Directors.
- (8) Review and propose to the Board of Directors to revise the scope of authority and responsibilities of the Audit Committee in accordance with the situation.
- (9) Monitor the relevant persons under the scope of authority of the Audit Committee and entitle to hire or bring specialists to assist in the audit.
- (10) If there is any concern about the following items or transactions which may have a significant impact on the Company's financial status and performance, the Audit Committee shall report to the Board of Directors for rectification within the time that the Audit Committee deems appropriate.
 - (a) Transaction with Conflict of Interest
 - (b) Fraud or abnormalities or defects in the internal control system.

- (c) Violations of the Securities and Exchange Act Regulations and Notifications of the Stock Exchange of Thailand or other applicable laws and regulations applicable to the business operation of the Company.

If the board of directors or the management fails to do so within the above time frame, one of the Audit Committee members may report that the above transactions or actions have been made to the Securities and Exchange Commission or the Stock Exchange of Thailand.

- (11) Advise management on the appointment, termination, performance, budget and rate of the internal audit department or any other agency responsible for internal audit.
- (12) Prepare a report on the performance of the Audit Committee to the Board of Directors at least once a year.
- (13) Review and comment on corporate governance and corporate social responsibility, and anti-corruption practices of the Company.
- (14) Review the process regarding corporate governance, corporate social responsibility, and anti-corruption practices of the Company.
- (15) Evaluate the Corporate Governance and Corporate Social Responsibility Report, and anti-corruption practices of the Company, annually.
- (16) Consider, evaluate and review the risk profile that the Company is experiencing or anticipating to occur and affect the Company, including identification of acceptable level of Risk Appetite, as well as internal and external risk management policies, to comply with the strategy and direction of the business, in at least these 4 aspects of risk:
 - (a) Financial Risk
 - (b) Operational Risk
 - (c) Strategic Risk
 - (d) Compliance Risk
- (17) Define the strategy, structure and resources used to manage the risk of the organization in accordance with the risk management policy as well as the business strategy and direction of the Company.
- (18) To perform any other act as assigned or appointed by the Board of Directors with the approval of the Audit Committee.

Nomination and Compensation Committee

The Nomination and Compensation Committee of the Company as at 31 December 2017 consists of 3 members as follows:

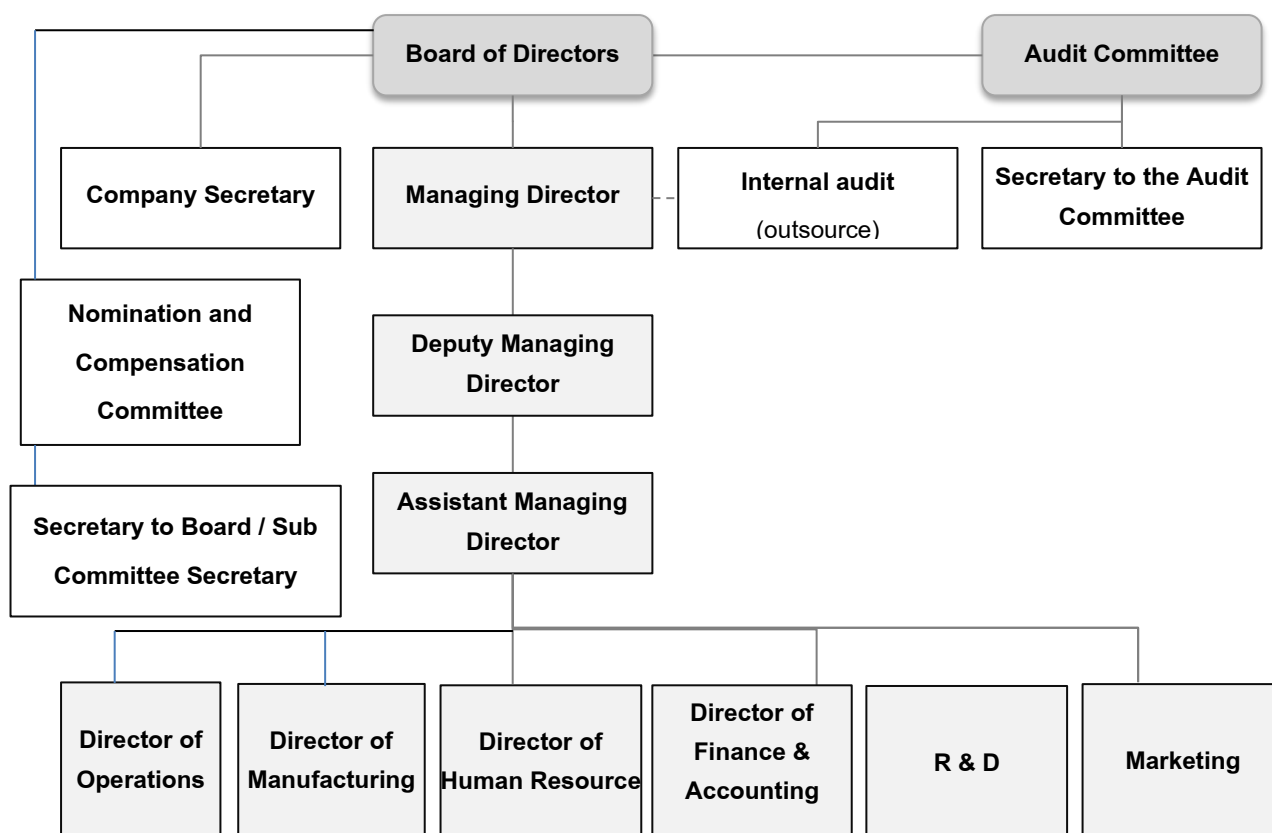
Name-Surname	Position	Meeting attendance (times)	
		Number of meetings	Number of attendance
1. Mr. Premon Pinskiul	Chairman of Nomination and Compensation Committee	3	3
2. Mr. Wiwat Kanokwatanawan	Nomination and Compensation Committee	3	3
3. Mr. Piched Bhimayothin	Nomination and Compensation Committee	3	3

The secretary of the Nomination and Compensation Committee: Mr. Maetup T. Suwan

Executives

8.1 Organization chart

The Company had the structure as at 31 December 2017 as follows:



List of executives as at 31 December 2017 is as follows:

- | | | | |
|----|----------------|-----------------|----------------------------------|
| 1. | Mr. Maetup | T.Suwan | Managing Director |
| 2. | Ms. Gulapat | Kanokwatanawan | Deputy Managing Director |
| 3. | Mr. Mill | Kanokwatanawan | Assistant Managing Director |
| 4. | Mr. Songpol | Tasnasathienkij | Director of Operations |
| 5. | Ms. Uraiwan | Samanwong | Director of Manufacturing |
| 7. | Ms. Chamaiporn | Tungkittisuwan | Director of Finance & Accounting |

Authorized directors to sign on behalf of the Company according to the Company registration

The authorized directors of the Company are Mr. Wiwat Kanokwatanawan, Mr. Maetup T. Suwan, Ms. Gulapat Kanokwatanawan, and Mr. Mill Kanokwatanawan. Two of these four directors jointly sign with the Company's seal affixed.

Remuneration for directors and executives

The Company has clearly and transparently set the remuneration for directors in consistent with the role and responsibility to supervise the work of the Company, and through the appropriate consideration, by taking into account the utmost benefit to the Company. Remuneration for directors and executives are as follows:

Monetary remuneration

1) Directors' remuneration

The Company sets out the remuneration rate for directors on a yearly basis and approved by the shareholders meeting. In this matter, the 2017 Annual General Meeting of Shareholders which held on 27 April 2017 has approved the directors' remuneration for the year 2017 (Baht/Quarter) as following details:

Remuneration for the Board of Directors: Quarterly Basis		
Position	Year 2017	Year 2016
Chairman of the Board of Directors	THB 20,000/ person/quarter	THB10,000/ person/quarter
Non-executive Directors	THB 10,000/ person/quarter	THB 10,000/ person/quarter
Executive Directors	None	None
Independent Directors	None	None

Remuneration for the Audit Committee: Quarterly Basis

Position	Year 2017	Year 2016
Chairman of the Audit Committee	THB 35,000/person/quarter	THB 35,000/person/quarter
Member of the Audit Committee	THB 25,000/person/quarter	THB 25,000/person/quarter

Table of 2017 Directors' remuneration

Name-Surname	Position	Amount (Baht)
1. Mr. Premon Pinskiul	Chairman of the Board, Independent Director and Audit Committee Member, and Chairman of Nomination and Compensation Committee	180,000
2. Mr. Wiwat Kanokwatanawan	Vice Chairman of the Board, Nomination and Compensation Committee	40,000
3. Mr. Piched Bhimayothin ^{/1}	Independent Director and Chairman of Audit Committee, Nomination and Compensation Committee	140,000
4. Dr. Ananthothai Thamnoon	Independent Director and Audit Committee Member	100,000
5. Mr. Maetup T.Suwan	Director	-None-
6. Ms. Gulapat Kanokwatanawan	Director	-None-
7. Mr. Mill Kanokwatanawan	Director	-None-
Total (Baht)		460,000

2) Executives' remuneration

In 2017, the Company has paid salaries, bonuses, contributions to the provident fund, retirement or post-exit, and other long-term benefits and compensation, to 7 executives, totaling Baht 13.90 million.

8.4.2 Other compensation

In 2017, there were no other compensation given to Board members and executives beside those above mentioned.

8.5 Personal

Total number of employees

Total numbers of employees in each department as at 31 December 2017 and 2016 were as follows:

Department		Number of employees (person)			
		2017		2016	
		Full-time	Part-time	Full-time	Part-time
1	Operations	534	102	432	89
2	Production	127	-	100	-
3	Warehouse	40	-	31	-
4	Human Resource	18	-	18	-
5	Finance & Accounting	15	-	10	-
6	Purchasing	9	-	8	-
7	Marketing (Graphic)	5	-	4	-
8	Management support	9	-	8	-
9	Maintenance	13	-	12	-
10	Information technology	4	-	3	-
11	Project Development	3	-	-	-
Total		777	102	626	89

Significant change in number of employees over the past 3 years

As at 31 December 2017 and 2016, the Company had 879 and 715 employees, respectively. Significant change was in department of operations which was in line with the growth of the business with 27 branches at the end of 2017 from 20 branches in 2016.

Major labor disputes over the last 3 years

-None-

Employee Remuneration

The Company and its subsidiaries paid compensation to employees in various ways, the amount of which in 2017 and 2016 were as follows:

Remuneration (Million Baht)	2017	2016
Salaries	146.6	116.19
Bonuses	14.06	11.02
Other compensation ^{/1}	22.98	17.92
Total	183.64	145.13

Remark: ^{/1} Other compensation included duty allowance, travelling allowance, provident fund, social security and other benefits but excluded share based payment (ESOP)

Policy and Guidance in developing knowledge and potentiality for the personnel

After You Public Company Limited. is encouraging all the executives and employees to develop their knowledge, skills, and capabilities needed in performing their current roles and future roles as the Company recognizes that the resources are the significant part for the Company and the Company wants the staffs to grow and have a career path by arranging training and seminars both within the organization and the specialized institutions as appropriate.

The Definition of Knowledge and Capability Development for the Personnel

1. On-Site Training/ Internal Training: Internal Training arranged at the Company by Human Resources Training and Development Department as necessary by setting a development plan and annual curriculum in order to develop knowledge of staffs and skills needed in performing their current roles and future roles. These trainings can be arranged within the Company or offsite training.

2. Off-Site Training: The external trainings arranged by Human Resources Training and Development Department and requested by other business units (must be approved by the Management for sending the staffs to participate in training as necessary under the courses organized by various educational institutions.

Guidance

1. HR Training and Development Department is responsible for assessing and exploring the needs of the staffs in development and set the annual development plan, including the budget to be completed before January of each year. The personnel development plan must be in line with the real needs of the Company's development plan and it must be approved by the Managing Director, including the annual development plan must be sent to the other parties in advance.

2. HR Training and Development Department must keep track of training plans. If there is a need to change or modify the training plan, they must inform the related parties in advance.

3. HR Training and Development Department must control the training budget to be within the budget plan.
4. HR Training and Development Department will be responsible for the training. All parties concerned to the training must cooperate and coordinate with the HR Training and Development Department on the date, time, venue, tools and all facilities as needed.
5. HR Training and Development Department must evaluate and follow up all the courses that had been arranged.
6. The Company encourages the executives to attend relevant seminars and related courses as appropriate to develop knowledge and leading the Company to grow.
7. In the year 2017, the Company focused on enhancing and developing the potential of Top Management, who grew from the operation staffs and outsourcing staffs. The Company provided the programs, which enhancing creative thinking in the workplace, leadership and management skills for supervisors, especially skills in developing their own personnel to be able to support the Company's expansion in the future.

In addition, the Company also focuses on improving the working skills of newly-employed operation staffs and the existing staffs by emphasizing on the skills for designing products properly, beautiful and clean to meet the standards. The Company also provides the course which can make the staffs to adjust the attitude for working to be in line with the Company's values and the Company's guidelines. The main courses that the Company has been organized are as follows:

- New staffs orientation: To make them understand the Company's business and the Company's strategies, including the Company's vision and the Company's values that all staff must abide and respect the company's regulations.
- Training to become a professional service providers in After You Shop.
- Training for Product Development Skills
- Training for supervising techniques to strengthen leadership skill for Top Management.
- Training for enhancing other required skills for supervisors, such as communication skill

As of December 31, 2017, After You Public Company Limited. ("The Company") had organized training courses to the staffs for 15,544 hours. The average training hour assigned to 1 staff is 19.7 hours (calculated from 789 annual average number of staffs)

8. Type of Development

8.1 Development in Management Skill: to develop knowledge and basic skills in Management, Services and analyzing skills to solve the problems

8.2 Developing knowledge by function of work: to develop knowledge and skills of the staffs at After You Branch, such as, how to make desserts or drinks.

9. Development Management

9.1 Development Plan which set by HR Training and Development Department

- Follow the Annual Development Plan
- Additional Development Plan as requested by other business units
- Sending the staffs to attend the courses organized by other training institutions

9.2 Human Resource Division and Training Division have a duty in collecting and keep tracking of the training courses and personnel development.

9.3 In case the staffs had been nominated for any training courses, which they cannot attend on the date and time that had been set, the staffs must inform their supervisor and the supervisor must inform HR Training and Development Department in advance.

10. Scope of Responsibility

10.1 HR Training and Development Department responsible for development management and development of technical knowledge of the staffs, which included as follows: -

- Assess the needs in development.
- Conduct Training Roadmap and Annual Training Plan.
- Design training courses or training activities for development.
- Arrange the training course as planned.
- Evaluate and follow up the result from the training courses, which had been organized.
- Keep tracking of the training record.

10.2 All related parties must assist and support the HR Training and Development Department on the following matters:-

- Provide information and opinion in development.
- Evaluate the needs of development for the staffs in every division.
- Cooperate for sending the staffs within division to be a speaker in requested topics.
- Cooperate for sending the staffs to participate in training.
- Send training information which organized within a department to Human Resource Department and Training Development Department for further record.
- All supervisors must follow up the result of training courses that their staffs had attended, and evaluate their knowledge and skills before attending the training and after the training, including open an opportunity for the attended staffs to share and exchange their knowledge with other staffs who are in the same department.

10.3 Each responsible unit for each specialized training must conduct a policy and guidance for each training and also provide a mentor for on-the job training and One-on-One training for new staffs.

9. Corporate Governance

Corporate Governance Policy

The Board of Directors operates with compliance to the laws, objectives, Articles of Association and resolutions of the shareholders' meeting of the Company. The Company has also adhered to and complied with the Principles of Good Corporate Governance of Listed Companies in accordance with the guidelines set by the Stock Exchange of Thailand to guide the Company's operations and subsidiaries to achieve operational efficiency as well as to give transparency to investors, which in effect will elicit trust in any company's business from outsiders. The Company's good Corporate Governance Policy covers 5 categories as follows:

Section 1: Rights of Shareholders

The Company recognizes and values the basic rights of its shareholders, both as securities investors and owners of the Company, such as the rights to purchase, sell, and transfer their securities. Also, the right to receive a share of profits from the Company, the rights to receive sufficient information, the rights of shareholders meeting, including the right to comment and make important decisions about the Company, such as the allocation of dividends, appointment or removal of director, appointment of auditors, approval of major or significant transactions of business operation of the Company, including amendments to the Memorandum and Articles of Association of the Company.

Specifically, the Company has a mission to promote and facilitate the exercise of the rights of shareholders as follows:

- (1) The Company will send the invitation letter together with supporting information for each agenda, to the shareholders prior to the meeting date not less than 7 days or any other period as required by the relevant laws or regulations. In addition, the information will be posted on the Company's website before the shareholders' meeting.
- (2) If the shareholders cannot attend the meeting on their own, the Company will allow the shareholders to appoint an independent director or other person to attend the meeting by using a proxy form as the Company delivers along with the notice of meeting.
- (3) In the shareholders' meeting, the Company will use the premise which is convenient for travelling and transportation, and also provides the map showing the location of the shareholders' meeting or attached in the invitation letter. The Company will select the appropriate date and spare sufficient time allocated to the meeting in order to comply with the policy to facilitate the shareholders of the Company.
- (4) Before the shareholders' meeting, the Company will allow shareholders to send their comments, suggestions or questions in advance of the meeting in accordance with the Company's rules or regulations.

- (5) At the shareholders' meeting, the Company will give all shareholders equal rights to express their opinions. Any suggestions or questions in the relevant agendas freely before voting for the resolution on any agenda, and there will be directors and management of the Company involved in the shareholders meeting to answer questions.
- (6) The Company will encourage the use of ballots on every agenda, for transparency and verification of vote counting.
- (7) After completion of the shareholders' meeting, the Company will prepare the minutes accurately and completely. There will also be important issues, questions, comments and suggestions recorded in the minutes. In addition, the Company will apply the voting results for each agenda item. Include the minutes posted on the Company's website for shareholders to consider. The minutes of such meeting shall also be sent to the Stock Exchange of Thailand within 14 days from the date of the meeting. This is in accordance with the requirements of the Securities Exchange Commission and the Stock Exchange of Thailand.
- (8) The Company will facilitate the shareholders to receive dividends and pay dividends by way of transferring money to the bank account to ensure the shareholders receive dividends on time and prevent the problem of paycheck, damaged, lost or delayed.
- (9) The Company gives shareholders the opportunity to receive the current information of the Company through the Company's website on a regular basis.

Section 2: Equitable Treatment of Shareholders

The Company treats all shareholders equitably, whether it is major or minor shareholders, executive or non-executive shareholders, Thai or foreign shareholders. The details of practices are as follows:

- (1) The Company will schedule the shareholders' meeting, including agenda related to the Stock Exchange of Thailand prior to publish the schedule of meetings via the Company's website. The invitations in Thai and English languages will be published and distributed on the Company's website as well.
- (2) The Company will facilitate minor shareholders to nominate directors or propose additional agendas prior to the shareholders' meeting. The Company will set clear rules in advance on how to provide minority shareholders, to nominate a director, and the criteria to determine whether the Company agenda will be added as proposed by minority shareholders.
- (3) In conducting each shareholder meeting, the Company will provide equal opportunity for all shareholders. Before the conference, the chairman of the meeting will explain the procedure for voting and counting the vote on each agenda item. It also gives the opportunity for all shareholders and proxies to express their opinions, suggestions, and questions in each agenda

item in a timely and adequate manner. The Chairman will proceed with the meeting according to the agenda, without allowing the management to add unnecessary agendas that fails to give notice to the shareholders in advance, particularly the important agenda where the shareholders may need time to study further information before making a decision.

- (4) For the election of directors, the Company will encourage the election for one individual each time.
- (5) The Company has required the directors to report any interest in any agenda at least prior to the consideration of the related agenda item in the Board of Directors' meeting and to record such interest in the minutes of the Board of Directors meeting. Also, directors who have a significant interest or unable to freely express their views on the agenda are prohibited from participating in the meeting.
- (6) The Company has set guidelines for keeping and preventing the use of inside information of the Company by prohibiting persons or entities who know the inside information to disclose such information to other agencies or outsiders. In case any person discloses such information or uses it for the benefit of himself or others, or conduct transactions that may cause conflict of interest shall be deemed faulty and subjected to disciplinary action. In addition, all directors and executives who are required to report their legal holdings are required to submit such reports to the Company Secretary on a regular basis to the Company Secretary and also disclose the information in the Annual Report of the Company.

Section 3: Role of Stakeholders

The Company attaches importance to the rights of all stakeholders, whether the internal stakeholders such as the shareholders and employees of the Company or external stakeholders such as business partners or customers. The Company recognizes that support and comments from all stakeholders will be beneficial for the Company's business and development. Therefore, the Company will comply with the laws and regulations, and the relevant requirements for the rights of such stakeholders are also taken into account, along with the rights of all stakeholders set forth in these guidelines:

- Shareholders** : The Company will operate its business with transparency and efficiency, by striving to build good performance and stable growth, and also to maximise shareholder benefits in the long run, including transparent and reliable disclosures of information to shareholders.
- Employees** : The Company will treat all employees equally, fairly and with reasonable compensation. The Company will support for employees' knowledge, abilities and potential, such as training, seminars and training, etc., and provide an opportunity to all employees, along with the motivation for highly skilled employees to stay with the Company. To develop the organization further,

the Company also sets out guidelines for anti-corruption, encouraging all employees in compliance with relevant laws and regulations, such as strictly prohibiting internal information.

- Business partners** : The Company has a process for selecting partners by providing partners with equal information. In addition, the Company has developed appropriate and fair contract forms for all parties and provide a tracking system to ensure that the terms of the contract are fully complied with. The Company also prevent fraud and misconduct at every stage of the procurement process. The Company will purchase goods and raw materials from business partners based on trading conditions and strictly follow the contract with every business partners.
- Customers** : The Company is responsible for the customer by maintaining the quality and standards of products and services, including the response to customer needs as complete and comprehensive as possible. To focus on long-term customer satisfaction, the Company also takes into account the hygiene and health of customers in consuming the Company's products and to provide accurate and complete information about each of the products to customers. The Company also provides channels for its clients to report inappropriate products or services, and use that information in order to prevent and solve problems related to products and services of the Company. Customers can report problems through various channels easily and promptly, either by the phone or the Company's online channels such as Facebook and Instagram.
- Creditors** : The Company will comply with the terms and conditions of the agreement with creditors as well as repay principal, interest, and security of collateral under the relevant contracts.
- Competitors** : The Company thrives in a good competitive environment, Code of Conduct and also support and promote fair competition policy.
- Society and public sector** : The Company cares and pays attention to social security, environment, and quality of life of people involved in the Company's operations, and encourage employees of the Company to be consciously responsible for the environment and society as well. In addition, the Company strives to participate in activities that create and maintain the quality of environment and society.

Stakeholders can also ask for details and complaint for legal clues or offenses such as the inaccuracy of financial reports, inadequate internal control system, or the unethical business operation of the Company, through independent directors or the Audit Committee of the Company. The information and complaints to the Company shall be kept confidential and the independent directors or the audit committee will conduct the investigation and find solutions (if any) and will report to the Board of Directors. Finally, the Company will disclose the processes and outcomes of any issue on the Company's website or Annual Report.

Section 4: Disclosure and Transparency

- (1) The Board of Directors attaches importance to the disclosure of accurate, complete, adequate, transparent and timely information, for financial and general information, as well as any other information that may affect the operation or affect the price of the Company's securities or will affect the decision making process of investors and stakeholders. The Company will disclose such information in accordance with the regulations of the Office of the Securities and Exchange Commission, The Capital Market Supervisory Board, and the Stock Exchange of Thailand.
- (2) The Company appoints an Investor Relations Dept. to communicate with investors or shareholders. The Company will arrange a meeting to analyze the results of operation regularly and review the Company's information, financial information, and general information for the shareholders, securities analysts, Credit Rating Agency, including relevant government agencies through various channels, i.e., reporting to the Securities and Exchange Commission and Stock Exchange of Thailand. In addition, the Company also makes regular disclosures in both Thai and English, for shareholders to receive regular news through the Company's website. The information on the Company's website is always updated, includes vision, mission statement, financial statements, press releases, Annual Report, structure and management, as well as shareholding structure and major shareholders, invitation letters, company registration documents, Charters, etc. Investor can contact Ms. Korbsakao ext. 206 / email ir@afteryou.co.th.
- (3) The Company attaches importance to the financial statements and the financial information appearing in the Annual Report. The Audit Committee will review the quality of financial reports and internal controls, including adequate disclosure of material information in the notes to the financial statements and report to the Board of Directors. The Board of Directors' responsibility for the financial statements is presented alongside the auditor's report in the Annual Report. The Board also encourages the Management Discussion and Analysis for the quarterly disclosure of financial statements.
- (4) The Company will disclose information about each director, roles and duties of the Board of Directors and its subcommittees. Number of meetings and attendance in the past year and commentary from acting, along with the continuing professional training and development are also present in the Annual Report and the Company's annual registration statement, including disclosure of compensation policy, the nature and details of the remuneration of directors and top executives in the Company and its subsidiaries (if applicable), too.
- (5) The Company will disclose the auditor's fees and other service fees provided by the auditor.
- (6) The Company will provide a report on corporate governance policy, risk management policy, CSR and environment policy, which have been approved in summary, including the results of such

policy implementation, as well as the failure to comply with such policy, with reason. The report will be present through various channels such as Annual Reports, the Company's website, etc.

Section 5: Responsibilities of the Board of Directors

1. Structure of Board of Directors and Committees

The Board of Directors consists of personnel who are knowledgeable, capable and experienced in working beneficially with the Company. They are key players in policy formulation and corporate overview, and also play an important role in overseeing, monitoring and evaluating the Company's performance according to the plan.

As at 31 December 2017, the Board of Directors consisted of 7 members:

- (1) Executive Directors; Mr. Maetup T. Suwan, Ms. Gulapat Kanokwatanawan and Mr. Mill Kanokwatanawan.
- (2) One non-executive director, namely, Mr. Wiwat Kanokwatanawan
- (3) Independent directors, in accordance with the rules as specified by the SEC; Mr. Pichet Bhimayothin, Mr. Premon Pinsakul and Dr. Thamnoon Ananthothai

Independent Directors are not less than one-third of the total number of directors of the Company, which will result in proper balance of consideration and vote on matters. The Board of Directors has a term of office of not more than 3 years in accordance with the relevant law. An independent director shall hold a term of office for not more than 9 years, unless the Board of Directors deems that the person deserves to be an independent director of the Company. In addition, the Company's directors and management can be director or executive of affiliated companies or other companies. However, it must meet the requirements of the Securities and Exchange Commission, The Capital Market Supervisory Board, Stock Exchange of Thailand, and related agencies, the detail of which shall be submitted to the Board of Directors for acknowledgment.

In addition, the Board of Directors has appointed an Audit Committee to assist in the governance of the Company. The Audit Committee consists of 3 members to assist the Board of Directors in overseeing and monitoring the administration, internal control, and compliance with relevant laws, including the preparation of financial reports, to make the operation and disclosure of the Company transparent and reliable.

The Board of Directors has appointed Mr. Mill Kanokwatanawan as the Company secretary, to perform the functions related to the Board of Directors' meetings and shareholder meetings, and also supports

the work of the Board by providing advice on legal and regulatory requirements which related to the duties of the board, including coordination to comply with resolutions of the Board of Directors.

2. **Roles and Responsibilities of the Board of Directors**

The Board of Directors is responsible to the shareholders regarding the business operation of the Company, and also has the duty to set policies and directions for the Company's operations, include management to meet goals and guidelines, for long-term benefit to the shareholders under the framework of the law and the Code of Business Conduct, whereas, consideration is given to the interests of all stakeholders, as detailed in the Charter of the Board of Directors:

(1) **Corporate Governance Policy**

The Company has established the corporate governance policy of the Company. Written The Company's corporate governance guidelines are intended to guide directors, executives and employees in the implementation of such policies. The Company provides a review. The policy is annually.

(2) **Code of Business Conduct**

The Company is committed to conduct its business with transparency, morality, and accountability to its stakeholders. The Company has set a written code of conduct for the Board of Directors, executives and employees to strictly observe the following practices:

- (a) Code of Ethics for Shareholders Responsibility
- (b) Code of Ethics on Customer Relationships
- (c) Code of Ethics on Relations with Business Partners, Competitor, and Creditor
- (d) Code of Ethics for Employee Responsibility
- (e) Code of Ethics for Social and Environmental Responsibility

The Company has announced and notified all employees to strictly adhere to and abide by them.

(3) **Conflict of interest**

The Company has a policy to carefully eliminate conflicts of interest, with honesty, reason, and independence, under a good ethical framework. For the benefit of the Company, it is important that the personnel involved or related to the transaction disclose information about their interests to the Company and not participate in the consideration process, or without authority to approve such items.

The Company has a policy to conduct linked transactions and transactions with conflict of interest in accordance with the law, as well as the regulations of the Securities and Exchange Commission, the Capital Market Supervisory Board, and Stock Exchange of Thailand. This information will also be included in the Annual Report and Annual Registration Statement (Form 56-1)

(4) Internal control

The Company has established a control system for internal control both at the management level and the operation level, by employing an internal auditor, to assess the adequacy of the internal control system and report the results to the Audit Committee in accordance with the audit plan. The Company promotes the disclosed opinion of the Board of Directors or the Audit Committee on the adequacy of the internal control system in the Company's Annual Report.

(5) Risk Management

The Board of Directors establishes corporate risk management policies that cover the entire organization. It also regulates the risk management system and processes to minimize the impact on the Company's business operation. The management is responsible for compliance with the policy and regularly reports to the Board of Directors., including review of the risk management system or process.

(6) Report of the Board of Directors

The Audit Committee is responsible for reviewing financial reports, whereas the accounting department and the auditor work collaboratively to submit the financial report to the Board of Directors quarterly. The Board of Directors is responsible for the consolidated financial statements of the Company and its subsidiaries, including the financial information appearing in the Annual Report.

3. Board Meetings and Self-Assessment

The Company arranges meetings of the Board of Directors at least quarterly and special meetings are added as needed. The agenda is clearly defined in advance. The Company has sent a notice of the meeting together with the agenda and supporting documents to all directors at least 7 days in advance of the meeting date, in order for the Board to have sufficient time to study the information before attending the meeting, unless there is an urgent need case. The minutes of the meeting and the collection of certified documents for reference and verification can be documented. At every meeting, the Company arranges for the management and related parties to attend the meeting to provide accurate and timely information and details.

At the Board of Directors' meeting, the Company holds the majority vote. One member has one vote. Directors who have conflict of interest in any agenda will not attend the meeting and will not exercise their right to vote on that agenda. In the case of equal votes, the chairman of the meeting shall have one more vote as the deciding vote.

In addition, the Board encourages the performance evaluation at least once a year to improve and correct the operations. The topic of the meeting will be clearly defined before the evaluation is implemented, in order to gather comments and present to the meeting, including the rules, procedures and evaluation results as an overview in the Annual Report.

4. Compensation

Directors' remuneration is quarterly paid, the rate of which is on average compared to the same industry, by taking into account the adequacy of the duties and responsibilities of the Board of Directors. The executives, on the other hand, will receive the annual salary and bonus. The annual remuneration of the Board of Directors and the executives together shall not be abnormally high compared to the average remuneration of directors and management in the same industry, and taking into account the maximum benefit of the shareholders. There is no Nomination and Remuneration Committee in determining the directors' remuneration. The Board of Directors and the Management shall jointly determine the form and criteria for remuneration which will be proposed to the shareholders for approval.

5. Development of Directors and Executives

In the corporate governance system of the Company, the Board of Directors has a policy to promote and facilitate the training and education of related personnel, such as directors, audit committee, management executives, and company secretary. Continuous training and education can be done either within the Company or use the services of external institutions.

In the event of a change of director or a new director, management team will provide useful documentation and information on how to perform the duties of the new director, including the introduction of the nature of business and the business conduct of the Company for the acknowledgment of new director.

The Board of Directors will arrange the rotation of assigned tasks by the management and employees, based on the suitability of work and time. The managing director will set the time frame and consider the performance as a development and succession plan of the Company in order to develop the efficacy of executives and employees to be more knowledgeable and able to work on their behalf.

10. Corporate Social Responsibilities (CSR)

10.1 CSR Policy

The Company is aware of the corporate social responsibilities as a part of the business operation, and therefore implements it with the ethical and moral concerns for every stakeholder, economic and social sector, as well as environment. We believe that social responsibilities shall encourage both the growth of our company in parallel with the prosperity of our society at large.

10.2 CSR operation and report

With awareness on corporate social responsibilities, the board of directors has therefore issued the Company's policy which is designed in accordance with the CSR practices, resulting in the 8 modules as follows;

1) Good Governance

The Company is committed to operating its business with honesty, fairness, ethics, and commitment to fair competition in accordance with the Code of Conduct on trade, law and competition rules. It also denies any behavior that obstructs fair competition, such as the pursuit of confidentiality of competitors or the receipt of and the absence of any interest. In addition, the Company respects the intellectual property rights of others. The Company has a policy to comply with the laws or regulations on intellectual property rights, such as the use of computer programs, and also initiates a campaign to promote and cultivate a subconscious mind for its personnel at all levels for social responsibility.

2) Anti-Corruption

The Company operates its business on the basis of transparency, ethics, adherence to the principles of corporate governance, and comply with the laws relating to the prevention and fight against corruption and bribery in government officials or the private sector. The Company has set up a corporate structure to share responsibilities, work process, and the chain of command in each unit to be transparent, in order to balance the power and to tighten the appropriate cross-examination.

In addition, since the Company gives the importance to anti-corruption, the Company has applied to join the Anti-Corruption Network on 16 May 2016 to jointly announce its intention to become a Collective Action Coalition of Thai private sector in anti-corruption. The project is co-organized by 8 leading organizations: the Thai Institute of Directors Association, the Thai Chamber of Commerce, the International Chamber of Commerce, Thai Listed Companies Association, Thai Bankers' Association, The Thai Capital Market Federation, The Federation of Thai Industries, and lastly the Tourism Federation of Thailand.

The Company also sets guidelines for directors, executives and employees, including all subsidiaries as follows:

1. Directors, executives and employees, including all relevant parties of the Company are prohibited to commit or accept corruption in any form, either directly or indirectly, and the Company regularly reviews the compliance with this anti-corruption corruption policy.
2. Directors, executives and employees of the Company are obliged to report to the Company, whenever they are aware of corruption-related actions involving the Company activity, by informing the supervisor or responsible person and provide cooperation in the investigation of facts.
3. The Company will ensure fairness and protect complainants who report corruption, including persons who cooperate in reporting and in the investigation of corruption.
4. The Board of Directors and management must act as role models in the fight against corruption and is responsible for promoting and supporting anti-corruption policies, by mean of communication to all employees and stakeholders. Also, review the appropriateness of policies and measures to suit changing business conditions, regulations, and legal requirements.

5. Persons who commit corruption shall be subjected to disciplinary action in accordance with the regulations prescribed by the Company and may be subject to legal penalties, if the action is illegal.
6. The Company provides training and dissemination of knowledge to directors, executives and employees of the Company to have an understanding of the implementation of the anti-corruption corruption policy and promote moral, honesty, responsibility and obligations.
7. The Company encourages the business partners or any personnel who perform duties related to the Company, to report a violation of the Company's Anti-Corruption Policy.
8. The Company has a fair policy on recruiting the personnel, jobs promoting, training, performance evaluation, and the remuneration of employees of the Company, which sufficient to prevent corporate corruption and also creates collateral for employees at all level of the Company.
9. For the clarification in dealing with the high risk of corruption in the following matters, the directors, executives and employees of the Company must be cautious on;
 - 9.1 Giving or receiving gifts, and entertainment activity within the Company must be transparent and legal, and is traditionally appropriate.
 - 9.2 Giving or receiving the donation or money must be transparent and legal, and ensure the act of such giving or receiving shall not be deemed bribery.
 - 9.3 The conduct of business, dealing, negotiating, bidding and other actions with the government or private sector must be transparent. In addition, directors, executives, and employees of the Company must not give or accept bribes at all stages of the operation.

3) Respect for human rights

The Company has a policy of supporting and respecting the protection of human rights. By treating those involved, whether employees, community or society, with respect for the values of humanity, taking into account equality and freedom, neither violate basic rights nor discriminate on the basis of race, nationality, religion, language, skin color, sex, age, physical condition or social status. The Company also takes care of the business operation or transaction, not to be involved in human rights abuses such as child labor. In addition, the Company promotes the observance of human rights compliance, by providing participation in the forum and channels of complaint for those who have been damaged by the violation of the rights caused by the business of the Company, and willing to take appropriate remedies for the victim. Furthermore, in order to effectively respect human rights, the Company has built up the human rights knowledge and awareness of its personnel, to always abide by human rights principles.

4) Fair Labor Practices

The Company recognizes the importance of human resources development and treats employees fairly. This is a factor that will increase the Company's value and enhance the Company's competitiveness and sustainable growth in the future, by set forth the policy and practice as follows:

1. Respect the rights of employees according to human rights principles and comply with labor laws
2. Provide employment process with fairly conditions, and providing compensation by considering under the fair evaluation system.
3. Promote personnel development, by providing training, seminars, and sending personnel to attend seminars or any training related to the development of knowledge, capability, good attitude, ethics, and teamwork of personnel.
4. Provide welfare for employees as required by law, such as social security and other legal requirements such as health and accident insurance, including various types of grants to employees, such as scholarships to children, funeral expenses, etc.

5. Provide annual health check-ups to all levels of the Company, taking into account the risk factors based on age, gender, and working environment of each employee.
6. Make sure employees are safe, and work in good hygienic workplace, by providing preventive measures and empowering employees to have a sense of security, include training management and also encourage employees to have good hygiene, and always keep the workplace in safe conditions.
7. Allow employees to express their opinions or complaints about unfair practices or wrongful acts in the Company, including the protection of employees who report such matters.

5) Customer Responsibility

The Company is committed to developing its products and services, including its affiliates for the utmost satisfaction and benefit of the customer, and also adhering to the customer responsibly. The practices of honesty and care for customers, as a family member of the Company, are as follows.

1. The Company regards the quality and standard of products and services by focusing on the use of quality raw materials and standard of production, to provide customers with quality and hygienic products. In addition, the Company appreciates the importance of providing insights into the products, by any employee of the Company, and believe it to be accurate and useful product information.
2. The Company has a project to develop new products continuously, to meet the needs of customers, to provide customers with a variety of quality products and services, and to meet the demand for consumption.
3. The Company adheres to fair market. The policy is to provide customers with information about the Company's products and services that are accurate, not distort, obscure or over-advertised, and to provide customers with accurate and sufficient information in order to make a decision.
4. The Company takes into account customer safety. We strive to provide our customers with quality and safe products and services in accordance with international standards and safety regulations and as required by law, including designing, creating, and developing process of products and services, in order to ensure confidence in the quality, standards and safety of our products and services.
5. The Company provides a customer relationship system to communicate with customers, including efficiently complaints channel about the quality of goods and services, through our website and social media, in order to quickly respond to the needs of our customers.
6. The Company will keep confidential customer information and will not use such information in the wrong way.
7. The Company provides activities to strengthen customer relationships, promoting sustainable relationship between customers and the Company

6) Environmental Protection

The Company attaches great importance to corporate social responsibility for environmental protection by conducting and controlling the production of goods and services. The Company also operates under the concept of environmental awareness and protection, by focusing on the care and development of the production process. In addition, the Company also focuses on reducing waste from the production process, based on the principle of minimum use or use as necessary, with the purpose of optimizing the sharing of resources, to maintain and avoid environmental damage, beginning with an Eco-friendly product designs, where material is not wasteful and can be recycled several times, and searching for any environment preserving system, to use either as a practices or an operation equipment.

7) Community/ Social Development

The Company is aware of the community and social responsibility, thus strengthen the community and give back to society. The purpose is to create knowledge and o empower people, therefore, the Company has a policy to support and develop society, focusing on donation and educational support, cooperating with the community around the area where the Company's branches operate, including responding to events that affect the community, society, and environment due to the Company's operations. In addition, the Company also encourages employees' awareness and responsibility for the environment and society, and in 2017, the Company has successfully organized the following social activities:

✓ Donation Activities for Flood Victims in the South

- Heavy rain from 1st December 2016 to 3rd February 2017 caused flash floods and storms in Prachuabkirikhan and in the south of Thailand, impacting 12 provinces, 129 sub-districts, 835 districts, 6,307 villages, 587,544 families, 1,815,618 people, of which 97 were dead. 4,314 roads, 348 bridge approaches, 270 drainages, 126 irrigation ditches, 2 reservoirs, 165 governmental buildings, and 2,336 schools were damaged. After You Public Company Limited saw the need to and had the intention to help the flood victims in the south, so the company organized donation activities to raise money from the company's executives and staff to aid the people in the area. The money was used to purchase necessary items which then were sent to the flood victims.

Benefits of the donation activities

- Employees learned to share and help others, and assimilate social philanthropy
- Employees gained patience, learned to share and help others, and became more philanthropic
- Employees learned to sympathize over those who were less privileged and faced more problems
- Employees were motivated and resolved to behave well

Passing Happiness to the Veterans

- Donated necessary items and joined as volunteers to send happiness to the veterans with After You desserts. After You Public Company Limited would carter desserts to veteran patients on from 10.00 am. to 2.00 pm. 15th May 2017 at Veterans General Hospital, 123 Vibhavadi Rangsit Road, Samsen Nai sub-district, Phayathai district, Bangkok, 10400.

✓ 18 September 2017 – Activity of returning corals to the sea at Nang Rong Beach, Sattahip





✓ Stronger Than Cancer Project

In late 2017, Thai Cancer Society (TCS) under Heart to Heart Foundation (Dr. Sanguan Nitayarumpong) have formed as a network of patients, families, volunteers, and medical and public health professionals, who understand and are ready to be a part to help cancer patients with friendship therapy or “friends help friends”, provide support to develop systems and public policies with regard to cancer in order to help cancer patients enjoy better qualities of life. Thai Cancer Society, therefore, joins hands with its partners to organize Stronger than Cancer campaign. After You Public Company Limited sees the importance of fighting against cancer and will have its employees join the exercise and donations for this project.



11. Internal control and risk management

Internal control and risk management

The Company attaches great importance to the internal control system, internal audit, and risk management, because the good internal control system reduces business and operational risk to an acceptable level, and it helps to discover the shortcomings at the right time. It also helps to make the Company's financial reports accurate and reliable, and helps the Company achieve its defined goals efficiently. The Company has adopted the framework of the internal control guidelines of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) to apply into the business operation as follows:

(1) Control Environment

The Company has a business policy which respects for honesty and ethics and express it through joining with the Collective Action Coalition in the private sector in the Thai anti-corruption campaign, including clearly defined business goals in both short and long term. In addition, the Company has set up a corporate structure and regulations that help to ensure the management of the Company is strict and to prevent the misappropriation use of the Company's assets.

(2) Risk Assessment

The Company assesses the risk factors in conducting business both from external and internal factors. This includes risks that may cause fraud or improper actions. In addition, the Company has set clear objectives for its operations, reporting both financial and non-financial information, including compliance with applicable laws and set acceptable risk tolerance levels appropriately.

(3) Control Activities

The Company has a written internal control measures which cover the various processes, to reduce the potential risk to an acceptable level. This includes preventive controls, segregation, access control of the Company's assets, and appropriately setting the monetary and authority limitation of each executive.

(4) Monitoring Activities

The Company has hired DIA Audit Company Limited to monitor compliance with the internal control system. It also reviews and evaluates the effectiveness and effectiveness of the internal control system and the Company's information systems. The results of monitoring and evaluating are reported to the Audit Committee on a quarterly basis.

Board of Directors has assigned the Audit Committee to consider the adequacy of the Company's internal control and internal audit systems, including review and control of compliance with all applicable laws, regulations and policies associated. The Audit Committee is initially established for the benefit of good management in accordance with good governance principles, including an assessment of the adequacy of the Company's internal control system.

In 2017, the Audit Committee held 4 meetings, one of which is the meeting with the Company's auditor without the attendance or presence of executives.

At the Board of Directors' Meeting No. 1/2017 held on 27 February 2018, where the Audit Committee attended, Board of Directors has evaluated the Company's internal control system, by interviewing the management team and reviewing the Audit Committee's report on the adequacy of the internal control system developed by the management, then concluded that, from the assessment of the Company's internal control system in 5 areas, i.e. internal control, risk assessment, operational control, information and communication systems, and lastly the tracking system, the Board of Directors stated that: The Company's internal control system is adequate and appropriate to the size of the Company and the current situation of the Company. The Company adequately manages the operation of the system and also has an internal control system that monitors the operation of subsidiaries to protect the assets of the Company and its subsidiaries from improper or unauthorized use by directors or management, include transactions with any person who may have conflicts or inter-relations, sufficiently.

12. Related Party Transactions

Description of stakeholders who had inter-relationship, as at 31 December 2017:

Relevant parties and business types	Relationship as of 31 December 2017
1. Ms. Gulapat Kanokwatanawan ("Ms. Gulapat")	<ul style="list-style-type: none"> Directors, executives and major shareholders of the Company
2. Mr. Maetup T. Suwan ("Mr. Maetup")	<ul style="list-style-type: none"> Directors, executives and major shareholders of the Company
3. MayMing Ordinary Partnership ("MayMing") Operate building lease business	<ul style="list-style-type: none"> Major Shareholders, Ms. Gulapat, held 35 percent of the Company and owned 55 percent of MayMing, whereas Mr. Maetup held 29.40% of the Company and 45% of MayMing
4. Prima Publishing Company Limited ("Prima") Operate printings and publishing	<ul style="list-style-type: none"> Major Shareholder, Mr. Maetup, held 29.40% in the Company and 50% in Prima Mr. Maetup, an executive and major shareholder of the Company, was the director of the Company and Prima
5. Mr. Wiwat Kanokwatanawan ("Mr. Wiwat")	<ul style="list-style-type: none"> Director of the Company Father of Ms. Gulapat and Mr. Mill, directors, executives and major shareholders of the Company
6. Mr. Paiboon Kanokwatanawan ("Mr. Paiboon")	<ul style="list-style-type: none"> Brother of Mr. Wiwat, a director of the Company
7. Mr. Pruitt Kanokwatanawan ("Mr. Pruitt")	<ul style="list-style-type: none"> Brother of Ms. Gulapat, a director, an executive and major shareholder of the Company
8. M&M 2007 Company Limited ("M&M 2007") (Formerly known as After You 2007) Currently inactive and there will be no conflict of interests with the Company in the future, whatsoever	<ul style="list-style-type: none"> Major Shareholders, Ms. Gulapat and Mr. Maetup held 35% and 29.40% respectively in the Company and held 54% and 54% respectively in M & M 2007 Common directors, Ms. Gulapat and Mr. Maetup, were directors, executives, and major shareholders of the Company as well as director of M & M 2007
9. Pakfood Public Company Limited ("Pakfood")	<ul style="list-style-type: none"> Common director, Mr. Wiwat Kanokwatanawan, a director of the Company and a director in Pakfood

Detail of related party transactions in 2017 and 2016

Relevant Party	Description	Value (Million Baht)		Reason and Necessity
		2017	2016	
1. MayMing Ordinary Partnership	<p><u>Rent commercial buildings</u></p> <p>The Company leased two commercial buildings with a height of 5 floors, a roof deck with an area of 240 square meters per building. Located at 338, 338/1 Soi Pattanakarn 30, Pattanakarn Road, Suanluang, Bangkok, to serve as the Company's office. The rental rate was 65,000 Baht per month, or approximately 135 Baht per square meter. The lease term was 3 years and could be renewed in accordance with terms and conditions as specified in the agreement. The Company commenced lease of such office from 1 January 2014.</p> <p>In June 2017, the Company moved to new Head Quarter. Thus, it rented these commercial building to accommodate café staffs from up-country.</p> <p>- Rental fee</p>	0.78	0.78	<p>The Company leased two commercial buildings from the May Ming Ordinary Partnership to use as its office. The rental rate was approximately Baht 135 per square meter. It was comparable to the rental rates nearby which ranged from 125.00 - 156.25 Baht per square meter per month. The settlement terms were in line with the normal commercial terms as with outsiders.</p> <p><u>Comments from the Audit Committee</u></p> <p>Such transaction is reasonable. It is beneficial for the business of the Company. The location of the rental area is ideal for liaison with clients. The rental rate compared to the market price is the same and the terms of payment are in line with commercial rental business in general. This operation will therefore continue onto the future.</p>
2. Mr. Paiboon Kanokwatanawan	<p><u>Rent commercial buildings</u></p> <p>The Company rented two commercial buildings, one four-story high-rise building with an area of 288 square meters per building, located at 324, 326 Soi Pattanakarn 30, Pattanakarn Road, Suanluang, Bangkok, Thailand, used as</p>			<p>The Company rented two commercial buildings from Mr. Paiboon Kanokwatanawan to use as a production building, office, and distribution centers at a monthly rental rate of 115 Baht per square meter. It was comparable to the rental rates nearby which ranged</p>

Relevant Party	Description	Value (Million Baht)		Reason and Necessity
		2017	2016	
	<p>the office and distribution center of the Company. The rental price was 66,250 Baht per month or approximately 115 Baht per square meter. The contract could be renewed under the conditions and details specified in the agreement. The rental started 15 August 2014 and was renewed indefinitely. In case the Company, would like to terminate the terms, written notice must be given at least 90 days prior to termination.</p> <p>- Rental fee</p>	0.80	0.80	<p>from 125.00 - 156.25 Baht per square meter per month. The settlement terms were subject to normal commercial terms as well as outsiders.</p> <p><u>Comments from the Audit Committee</u></p> <p>Such transaction is reasonable. It is beneficial for the business of the Company. The location of the rental area is close to one of the Company's office buildings. This makes it convenient to conduct business. The rental rate between the market price and the terms of payment are in line with commercial rental business in general. This operation will therefore continue onward in the future.</p>
3. Prima Publishing Company Limited	<p><u>Consigned book selling</u></p> <p>The Company introduced the May Maker and Sweeter Tokyo, dessert recipe books, to be one of the Company's products, in the type of consignment. May Made and Sweeter Tokyo book were written by Ms. Gulapat Kanokwatanawan, printed and distributed by Prima. These books were copyrighted by Ms. Gulapat who started writing since 2006 before establishing After You.</p> <p>May Made Books was a collection of dessert recipes. It was not a secret formula of the Company. The book Sweeter Tokyo was a guidebook for desserts in Tokyo, Japan which</p>			<p>Since there were souvenir and gift baskets available in the Company's dessert café, the Company sold books in the form of consignment. Discounts and terms of payment which the Company and Prima were mutually agreed, could be comparable to the discounts and conditions Prima offered to third parties.</p> <p><u>Comments from the Audit Committee</u></p> <p>Such transaction is reasonable. The product is sold in accordance with the Company's store. And it is a business supporting item of the Company. Discounts on book and trade terms are based on book sales. In</p>

Relevant Party	Description	Value (Million Baht)		Reason and Necessity
		2017	2016	
	presented a recipe collected and derived from a Tokyo trips and not the secret formula of the Company. For accounting record of consignment sale, the Company recognized income and payable on the date of sale. - Commission from consignment - Trade account payable	0.03 0.03	0.04 0.04	general, such transactions are necessary and reasonable, and will therefore continue onwards.

Relevant Party	Description	Value (Million Baht)		Reason and Necessity
		2017	2016	
4. Pakfood Public Company Limited	<u>Service fees</u> The Company paid for some raw materials to make it ready for production. - Service charges - Trade account payable	- -	0.12 -	In mid-May 2016, the Company launched new menus and received higher customer feedback than expected. The production capacity at that time was not sufficient enough to meet the needs of customers, yet the Company managed and planned a long-term production to meet the needs of customers without increasing the number of labor. Therefore, the Company temporarily hired Pakfood to prepare some raw materials for the production process. The price charged by Pak Food was the lowest among the vendors. Moreover, the service could be provided immediately. When the Company adjusted production plan in late June, this operation thus terminated. The Company expects to offer such services in the future, though, taking into account the costs and benefits of the Company. In July 2016, the Company started purchasing some raw materials from Pakfood to be used as a component in its product because the offered price of raw materials was lower than other suppliers with the same quality. <u>Comments from the Audit Committee</u> Such transaction is reasonable since this service is to help the Company produce and provide new menu items adequately. Price and payment terms are also
	<u>Purchase price of raw materials</u> The Company purchased some raw materials to use as a component in its product. - Purchase of raw materials - Trade account payable	1.59 -	0.36 -	

Relevant Party	Description	Value (Million Baht)		Reason and Necessity
		2017	2016	
				comparable to outsiders. Such transactions are necessary and reasonable, and will therefore continue onwards.
5. Mr.Pruit Kanokwatanawan	<u>Rent a building</u> The Company's subsidiary rented a building with a space of about 450 square meters to produce products sold to the Company. The rent was 10,000 Baht per month, or about 22 Baht per square meter, payable by 31 December 2017. The contract was valid for 2 years starting 1 January 2016 and could be renewed under the terms and conditions specified in the agreement. If the subsidiary wished to terminate the lease, it must give a written notice in advance 1 month prior to termination. - Rental fee	0.12	0.12	The Company's subsidiary rented a building from Mr.Pruit to use as a building for production at the rate of about 22 Baht per square meter. The rental rate was lower than the market price. Therefore, the transaction was necessary and reasonable. <u>Comments from the Audit Committee</u> Such transaction is reasonable. It is beneficial to the business of the Company's subsidiaries. The rate of rental is moderate and not higher than the market price. This operation will therefore continue onwards.

Measures or procedures for approving related party transactions

According to the resolution of the Board of Directors of the Company No. 3/2016 held on 28 March 2016, the measures and procedures for the approval of related party transactions between the Company, subsidiaries, and any party with potential conflict of interest with the Company in the future, such as major shareholders, directors, executives, controlling persons, the Company must comply with the Securities and Exchange Act, regulations, notifications and orders of the Capital Market Supervisory Board. The stakeholders will not be able to participate in the approval process. Regarding to the law that requires related party transactions to be approved by the Board of Directors, the Company will arrange for the Audit Committee to attend the meeting to consider and comment on the necessity and reasons of entering into the transaction. The transaction which entails to trade agreement with the general commercial terms and conditions as well as trade agreement that is not subject to general commercial terms, both of the transactions shall be proceeded by the following principles:

Transaction of commercial agreement with the general commercial terms and conditions

The Board of Directors approves as the principle that management can approve related party transactions which are commercial terms with general commercial terms between the Company and subsidiaries with directors, executives or related persons. If the item has a trade agreement in the same way that a layperson will do in the same situation with the bargaining power of the trade, without influence from the status of a director, executive or related person. (As the case may be)

The Company will prepare a summary report of such transaction for reporting to the Audit Committee and the board meeting every quarter.

Transaction of commercial agreement other than the general commercial terms and conditions

Transaction of commercial agreement other than the general commercial terms and conditions shall be considered and commented upon by the Audit Committee before being presented to the Board of Directors or shareholders meeting (As the case may be) for further consideration and approval to comply with the Securities and Exchange Act Including the regulations, announcements and orders of the Capital Market Supervisory Board and the Stock Exchange of Thailand, including compliance with the disclosure requirements of connected transactions.

In the event that the Audit Committee is unqualified to consider the related transactions, the Company may appoint independent experts or the Company's auditors to comment on such connected transactions for the Audit Committee so that Board of Directors or shareholders (as the case may be) shall use information for the decision-making to ensure that the transaction is necessary and reasonable. The Company will disclose the related transactions in the Annual Registration Statement and notes to financial statements audited by the Company's auditor

Policy for future related party transactions

Related party transactions that may occur in the future require Board of Directors to comply with the Securities and Exchange Act Including the regulations, announcements and orders of the Capital Market Supervisory Board and the Stock Exchange of Thailand, including compliance with the disclosure requirements of the connected transaction of the Company or subsidiaries in accordance with accounting standards prescribed by the Federation of Accounting Professions under the Royal Patronage.

Tendency of related party transactions

The Company expects that general merchandise or regular business support items of the Company such as consignment, the rental of office space and facilities for the production of the Company's products, services, etc. will continue. The Company, in turn, will continue to provide the price and terms of payment in accordance with normal terms and conditions.

In addition, the Company Group may consider revising the prices and conditions associated with using the facility to ensure the price and terms of payment are reasonable and comply with relevant rules and regulations.

The transaction for loan borrowing and advanced payment will not happen in the future.

13. Management Discussion and Analysis

Analysis of operations and financial position

After You Public Company Limited ("The Company") operates as dessert and bakery confectionery, which consists of two types of business:

- 1) Dessert café, which operates under the brand name "After You" and "Maygori"
- 2) Off-site caterings and Original Equipment Manufacturing (OEM) which operates as services such as caterings in the weddings, and promotional events, and also a service to make products under the Company's trademarks to customers such as airlines and restaurants.

Overview of Performance and Financial Position in 2017

In 2017, the Company opened 8 After You branches and closed 1 Maygori branch. As at 31 December 2017, the Company had 26 branches of After You and 1 branch of Maygori (As at 31 December 2016, there were 18 branches of After You and 2 branches of Maygori).

During the year 2017, the Company developed and invented new products of Durian by launching "After You Durian" at Paragon Shopping Center. Main dishes are Durian Kaki Kori, Durian Toast, and Durian Smoothies. Moreover, many other new menus were introduced and in magnificent popularity pushing excessive sales such as Hojicha Kaki Kori and Shibuya Black Toast.

From the above factors, the Company's 2017 sales was Baht 723.96 million, 19.39 % increased from Baht 606.38 million in 2016. The net profit for the year 2017 rose to 30.5 % to Baht 128.9 million from Baht 98.77 million in 2016, the net profit margin is 17.53 percent in 2017, compared to 16.23 percent in 2016.

Performance Analysis

Revenue

Operated under After You Pcl.	For the period ended 31 December				
Product line / Business type	2017		2016		% Change
	Million Baht	%	Million Baht	%	
<u>Sale revenue</u>					
1. Sale from dessert cafe	704.29	95.77	597.59	98.22	17.86
2. Catering and OEM sale	19.67	2.67	8.79	1.44	123.78
Total sale revenue	723.96	98.45	606.38	99.67	19.39
Other revenues	11.42	1.55	2.01	0.33	468.16
Total revenues	735.38	100.00	608.39	100.00	20.87

Number of the Company's branches

	Unit	2017	2016
Number of new open branches	No. of branches	8	5
Closed during the year	No. of branches	1	-
Number of branches at end of period	No. of branches	27	20

Average sales per original branch	Million Baht	34.21	36.27
Same-Store Sales Growth: SSSG	%	-2.97	7.70
Sales Revenue Growth	%	19.39	46.37

The Company's revenue consists of sales revenue and other income. Almost of all revenue comes from the sale of confectionery, catering and contract manufacturing under the Company's trademark.

For the year ended 31 December 2017, sales of the Company were THB 704.29 million increased from THB 597.59 million in 2016, accounted for 17.86% increase due to the introduction of 8 new branches compared to last year. Sales from Catering service and OEM increased from THB 8.79 million in 2016 to THB 19.67 million in 2017 because the menus were in high demand thus the Group had continuously expanded this business.

The Group had other revenues of THB 11.42 million in 2017 which increased THB 2.01 million from last year. Increase in other revenues was mainly from short-term investment which the Company had invested since January 2017.

Cost of Sales and Gross Profit

The company's cost of sales consists of raw materials, packages, finished goods, supplies, and other disposable items, salary of production unit's staffs, depreciations, kitchen utensils and space usage expense of production unit. Major part (> 80%) of cost of sales is raw materials. The cost of sale rose from THB 217.78 million in 2016 to THB 244.33 million in 2017 due to higher sales.

Unit : THB mm Unless otherwise stated	For the year ended 31 December	
	2017	2016
Total sales	723.96	606.38
Cost of sales	244.33	217.78
Gross Profit	479.63	388.60
Gross Profit Margin (%)	66.25	64.09

For the year ended 31 December 2017, gross profit of the Group was THB 479.63 million or equivalent to gross profit of 66.25%, accounted for 2.16% increase, compared with 64.09% last year. The increase in gross profit margin was mostly because the Group had better cost management especially the reduction in the price of raw material which was the main cost of sales of the Group. The Group had also adjusted selling price since May this year. In addition, some new menus launched this year contributed higher gross profit margin than the previous average level.

Selling Expenses

Selling expenses mainly consist of salary for the café's staff, space and equipment rental expenses at each After You dessert café and Maygori, utility expenses, and other selling expenses such as marketing and promotional expenses, and depreciation of asset in each branch. For the year ended 2017 and 2016, selling expenses were THB 227.52 million and THB 178.53 million, respectively. Selling expenses increased THB 48.99 million or 27.44%, mainly attributable to increase expenses from new branches which require additional staff and increase rental expenses.

Administrative Expenses

For the year ended 31 December 2017 and 2016, administrative expenses increased from THB 84.17 million to THB 106.09 million, equaling to an increase of THB 21.92 million or 26.04%.

In 2016, the Company recorded the difference between the selling price and the fair value of the ordinary shares subscribed by the Company's management and/or employees according to the

Company's employee stock option plan (ESOP), amounting to Baht 7.68 million, as expense. Percentage of administrative expenses to total revenue in 2016 excluded ESOP expense was 12.57%

Increase in 2017 administrative expenses from 2016 was mainly due to the increase in the number of office employees to support the branch expansion plan.

Moreover, in February 2017, the Company recorded the expense for the annual staff seminar which was postponed from late 2016 for THB 1.69 million or 0.23% of total revenue and recorded loss from closing Maygori at the Common Thonglor branch amounting THB 0.96 million or 0.13% of total revenue.

In 2017, the Company recorded legal expense related to the registration of the license and trademark in overseas THB 2.65 million or 0.36% of total revenue. The Company had other additional administrative expenses starting in 2017 such as expenses related to the Annual General Meeting (AGM) and securities depository fees and expenses related to the analysis and audit for production to comply with the HACCP and GMP standard that the Company received the certificate since mid 2017.

Financial Cost

Financial costs in 2017 and 2016 were THB 0.64 million and THB 6.80 million which accounted for 0.09% and 1.12% of total revenues, respectively. The decrease in financial cost was due to the repayment of the entire amount of loans from bank in January 2017.

Income Tax Expenses

Tax expenses in 2017 and 2016 were THB 27.90 million and THB 22.34 million, respectively or equivalent to effective tax rate of 17.79% and 18.45%, respectively. Lower percentage in 2017 than 2016 was because the Group utilized the tax privilege for investment in assets according to the Royal Decree no. 604.

Net Profit and Net Profit Margin

Net profit of the Group was THB 128.90 million in 2017, increased by THB 30.10 million or 30.5 % from THB 98.77 million in 2016. Net profit margin of 2017 and 2016 were 17.53% and 16.23% respectively, equaling to an increase of 1.30%, which was mainly due to the increase in sale and the better cost management.

Financial Position Analysis

Assets

As of 31 December 2017 and 31 December 2016, the Company had total assets equal THB 1,033.81 million and THB 981.93 million respectively. The Company's main assets consisted of cash and cash equivalents, temporary investments, land, buildings, and equipment. An increase in the value of assets mainly resulted from the Company's temporary investments since January 2017. Such cash and cash equivalents were used to invest in land, buildings, equipment, decorations, and equipment needed for new branches, new office, distribution center, and training center completed in June 2017, including additional construction work for the extension of the factory.

Cash and cash equivalents

As of 31st December 2017 and 31st December 2016, the Company's cash and cash equivalents were THB 48.63 million and THB 628.40 million respectively. The decreased 579.77 million Baht

mostly resulted from disbursements for temporary investments, bank payment for long-term loans, payments for construction of office building, training center, distribution center, additional construction work for the extension of factory, and construction of new branches.

Current investments

As of 31 December 2017, After You Group had temporary investments of THB 463.35 million, of which investment in trading securities was THB 261.29 million, changes in fair value of trading securities, and held to maturity investment worth THB 200 million. After You Group began short-term investments in January 2017 to maximize its available cash for the highest gains.

Trade and other receivables

After You's core business is sales in shops. More than 98 - 99% of its income is derived from customer's cash, which is common for dessert and beverage café. Only 1 - 2% of its income comes from outside catering and OEM. Some customers are given credit terms, depending on commercial agreements. The Company therefore has a low ratio of trade receivables compared to its sales volume. As of 31 December 2017 and 31 December 2016, the amount of trade receivables was THB 9.42 million and THB 4.01 million respectively. Average debt collection period is 1-4 days. An increase in trade receivables was in line with the Company's increased revenue from outside catering and OEM in late 2017. Besides, as of 31 December 2017 and 31 December 2016, the Company had other receivable worth THB 1.68 million and THB 3.25 million respectively. The decreased resulted mainly from payments received from borrowers and advanced payment for employees.

Inventories

The Company's inventories consist of finished goods: cake, cookies, tea, and others, put on sale in shops, and Work in process: milk, butter, fruits, and supplies.

Inventories in million	31 st December 2017		31 st December 2016	
	THB	Percent	THB	Percent
Finished goods	6.00	24.50	5.14	23.82
Work in process	0.31	1.26	0.29	1.34
Raw materials	14.01	57.21	11.78	54.59
Supplies	4.87	19.89	4.49	20.81
Total	25.19	102.86	21.70	100.56
Reduced cost be net	(0.70)	(2.86)	(0.12)	(0.56)
Net inventories	24.49	100.00	21.58	100.00
Average inventory period (days)	8.20		7.29	

As of 31st December 2017 and 31st December 2016, the Company had net inventories worth THB 24.49 million and THB 21.58 million respectively. Average inventory holding period is 7-8 days. More than half of inventories are raw materials, which reflects the nature of the Company's business where spare raw materials are needed for production and services. The duration for product sales fits the business condition where raw materials and products must be fresh and new. The increased inventory stocks worth THB 2.91 million or an increase by 13.29% mainly resulted from more branches, thus requiring more raw materials for production and sales, and from keeping ready-made products for the increasing number of branches.

In case the Company expects a discontinuation of certain products while raw materials are still available or while there are remaining unused products, the Company shall consider establishing allowance for obsolete inventory so that the actual remaining value of products is correctly reflected.

Other current assets

As of 31 December 2017, the value of other current assets was THB 5.16 million, decreasing by 2.58 million Baht from 31 December 2016, where the value was THB 7.74 million. This is mainly due to the decreased amount VAT purchase tax to be submitted, such as purchase tax related to services and construction costs of which original invoices had not been received by the Company, and the repayment of insurance fees the Company paid back in full amounts to commercial banks.

Restricted bank deposits

Restricted bank deposits as of 31 December 2017 and 31 December 2016 are fixed deposits the Company used to guarantee debt payment for credit limits for transportation fuels and goods purchase.

Property Plant, and equipment

As of 31st December 2017 and 31st December 2016, the net value of the Company's land, buildings, and equipment was worth 436.80 million Baht and 282.99 million Baht, equal to 42.25% and 28.82% of its total assets respectively. The increase was mainly due to the rise of decoration costs and equipment for 8 branches opened in 2017; construction costs of office, training center, and product distribution center completed in 2017; land purchase costs to support the expansion of office, training center, product distribution center, and additional construction work for factory extension.

Intangible assets

As of 31st December 2017 and 31st December 2016, the Company's net intangible assets were 12.56 million Baht and 3.31 million Baht, equal to 1.21% and 0.34% of its total assets respectively. The increase was mainly due to an increase in computer software required for 8 new branches opened in 2017, and computer software installation in head office and factory.

Advance for acquisition of asset

Advance for acquisition of asset as of 31st December 2016 was 5.51 million Baht. The decrease in the amount of advance for acquisition of asset as of 31st December 2017 was due to asset purchased during the year.

Rental Deposits

As of 31 December 2017 and 31 December 2016, the Company had rental deposits worth 28.38 million Baht and 22.07 million Baht respectively, equal to 2.75% and 2.25% of its total assets. The increase in rental deposits were a result of the number of newly opened branches, since service area of all shops are rental spaces in department stores and community malls. Most rental spaces hold criteria where the Company has to place rental deposits for damage. Rental deposits was worth 3-8 months of total rental fees.

Non-current assets

Other non-current assets as of 31st December 2016 were worth 0.70 million Baht. The decline in other non-current assets as of 31 December 2017 was mainly due to reduced rental fees paid in advance for one year.

Liabilities

As of 31 December 2017 and 31 December 2016, the Company's major liabilities consisted of trade and other payables, liabilities under financial lease agreements, long-term loans from banks, unpaid revenue tax, and unpaid dividends. The total amount of liabilities was 101.51 million Baht and 173.10 million Baht respectively. The reduction of overall liabilities was mainly due to full repayment of long-term loan and interests.

Trade and other payables

As of 31 December 2017 and 31st December 2016, the Company had trade and other payables worth 59.38 million Baht and 63.79 million Baht respectively, decreasing by 4.41 million Baht (6.91%), mainly due to IPO expenses of THB 14.52 million Baht as of 31 December 2016, after offsetting with an increase in trade payables, construction deposits, and accrued bonus. The Company's average payment period is 29 and 30 days.

Other current liabilities

As of 31st December 2017 and 31st December 2016, the Company's other current liabilities were 8.61 million Baht and 16.59 million Baht respectively, reducing by 7.97 million Baht (48.08%) mainly due to the decrease in unpaid withholding tax payable to dividend payment in December 2016. The Company paid the tax in January 2017.

Long-term loans from banks

As of 31st December 2016, the Company had three long-term bank loans balance of 66.31 million Baht in total (including those current portion). The decrease of long-term loans from banks in 2017 was due to full repayment of long-term bank loans with interests in January 2017, thus no balance of long-term loan from bank as of 31st December 2017.

Provision for decommissioning

As of 31st December 2017 and 31st December 2016, the Company's provision for decommissioning were 9.12 million Baht and 6.77 million Baht respectively. Because the Company had contractual obligations for removing decorations and installations, and improving the rented space before returning to the owner, causing provision for decommissioning to increase in accordance with the rented space and the number of branches.

Provision for long term employee benefits

As of 31st December 2017 and 31st December 2016, the Company's provision for long term employee benefits balance was 6.35 million Baht and 4.66 million Baht respectively. The 1.68 million Baht increase (36.14%) was due to the increase in provision in 2017.

Other non-current liabilities

As of 31st December 2017 and 31st December 2016, the Company's other non-current liabilities were 2.52 million Baht and 3.92 million Baht respectively. The 1.40 million Baht decrease (35.62%) was mainly due to the offset of employee uniform guarantee balance.

Shareholders' Equity

As of 31st December 2017 and 31st December 2016, After You's equities totaled 932.30 million Baht and 808.83 million Baht respectively. The increase of shareholders' portion by 123.46 million Baht was due to an increase in net profits in 2017 worth 128.90 million Baht and the increased capital from stock dividend worth 9.06 million Baht, deducted by dividend payment in 2017 worth 14.50 million Baht.

Cash flow analysis

Unit : Million Baht	2017	2016
Net cash flows from Operating Activities	148.02	136.47
Net cash flows from investments	(655.61)	(85.15)
Net cash flows from financing	(72.17)	494.81
Net Increase (decrease) in cash and cash equivalents	(579.76)	546.13
Cash and cash equivalents at the beginning	628.40	82.27
Cash and cash equivalents at year-end	48.64	628.40

Net cash flow from Operation

In 2017 and 2016, the Company had net cash flow from Operation of 148.02 million Baht and 136.47 million Baht respectively, marking an increase of 11.55 million Baht, mainly due to the decrease in interest expenses of 8.61 million Baht and the increase in interest income of 2.93 million Baht.

Net cash flow from investments

Net cash flows spent on investing activities in 2017 and 2016 were 655.61 million Baht and 85.15 million Baht respectively. The majority of cash was spent on acquisition of current investments worth 460.02 million Baht, the acquisition of land, office, training center, product distribution center, factory extension, and new branch construction, worth 151.76 million Baht. Advanced payment for land purchase was 39.34 million Baht and purchase of computer software was 4.44 million Baht.

Net cash flow from financing activities

Net cash flow used for money raising in 2017 was 72.17 million Baht. The majority of the cash was spent on repayment of long-term bank loan with interest worth 66.31 million Baht and payment of dividend worth 5.44 million Baht. In 2016, the Company had net cash flow used for financing activities worth 494.81 million Baht, mainly from receipt of cash from capital increase worth 736.82 million Baht and cash receipt from long-term bank loan worth 33 million Baht, deducted by dividend payment of 160.21 million Baht, repayment of long-term loans worth 100 million Baht, and repayment of long-term bank loan worth 12.21 million Baht.

Liquidity and debt service coverage ratio

Liquidity

The Company had slightly higher liquidity ratio from 6.42 times as of 31st December 2016 to 6.63 times as of 31st December 2017. The Company's quick liquidity ratio also increased from 6.11 times in 2016 to 6.25 times in 2017.

In 2017 and 2016, the Company's cash cycle was in a satisfactory level - 20 days and 21 days respectively, due to the Company's business nature where receipt of sales revenue are in cash and high turnover of raw materials with quick cycle, resulting in the low cycle of number of days for debt collection and inventory holding period. In terms of current liabilities, the Company received credits from trade payables for raw material purchase.

Debt Service Coverage Ratio

The Company's debt to equity ratio as of 31st December 2017 was 0.11 times, compared with that of 0.20 times as of 31st December 2016. This is mainly due to the repayment of long-term bank loans in January 2017, making the Company's liabilities decrease. The Company's interest coverage ratio was 680.16 times, seeing an increase of 18.81 times from 2016. This is mainly due to the decrease in debt interest expense in 2016 resulting from the Company's full repayment of long-term bank loans during the year.

The Company's debt service coverage ratios in 2017 and 2016 were 0.55 times and 0.37 times respectively, which were lower than 1 due to the fact that the Company was expanding its branches in both Bangkok and in up-country, thus having investments on the construction of new office and factory extension to support business expansion. It was also a result of the Company's dividend payment to shareholders and repayment of long-term bank loans, causing insufficient operation cash flow.

However, the Company had excess cash left from 2016 initial public offering. Thus, it had sufficient capitals to operate, better debt service coverage ratio, and more liquidity in operating business.

14. Report of the Board of Directors' Responsibilities for Financial Statements

The Board of Directors of After You Public Company Limited is responsible for the disclosure and presentation of the consolidated financial statements of the Company and subsidiaries, including information that appears in the Annual Report. The financial statements are prepared in accordance with the financial reporting standards by careful consideration, regarding to the appropriateness of accounting policies and financial forecasts, the practices of which the Company always takes into account.

The Board has established effective internal control systems to ensure that the accounting information is accurate and complete, including the prevention of fraud or unusual transaction which deemed to be significant.

The Board of Directors has an opinion that the Company has a good, adequate, and appropriate internal control system, which leads to the conviction that the Company's financial statements for the year ended 31 December 2017 are reliable and in accordance with financial reporting standards, including the legal practice and the relevant regulations.



Mr. Premon Pinskiul
Chairman of the Board



Mr. Maetup T. Suwan
Managing Director

15. 2017 Report of the Audit Committee

The Audit Committee of After You Public Company Limited consists of independent directors who meet the requirements and guidelines of the Audit Committee of the Stock Exchange of Thailand, and appointed by the Board of Directors for 3 persons as follows:

- 1) Mr. Pichet Bhimayothin, Chairman of the Audit Committee
- 2) Mr. Premon Pinsakul, Member of the Audit Committee
- 3) Dr. Thamnoon Ananthothai, Member of the Audit Committee

Whereas, Miss Korbsakao Iamsuri acts as Secretary to the Audit Committee.

In 2017, the Audit Committee held four meetings, all of which were attended by all members of the Audit Committee. The Audit Committee has performed its duties in accordance with the Charter of the Audit Committee in its entirety. In the year 2017, the Audit Committee held a meeting with the external auditor without the management team, for once, including other meetings held with the executives, auditors, and the internal auditors, as appropriate.

The performance of the Audit Committee is summarized below:

1. Review of Financial Statements: The Audit Committee has reviewed the Company's quarterly and annual financial statements together with management and auditors covering a review of important accounting policies, changes in the past year, potential future impact, and unusual transaction which deemed to be significant, including the auditor's remarks which is in accordance with the auditor's opinion that the financial statements are valid in all aspects according to the standard of accounting principles.
2. Review of Internal Control System: The Audit Committee has reviewed the internal control system of the Company to assess the adequacy, suitability, and effectiveness of the internal control system, and considering the review of the results of the internal control assessment, in collaboration with the auditor and the internal auditor and found no significant issues that could affect the Company's business.
3. Review of Internal Audit: The Audit Committee has considered the performance of duties, responsibilities, and the independence of D.I.A Audit Company Limited as the Company's internal auditor, and approved the internal audit program of the year 2017.
4. Review of Connected Transaction: The Audit Committee has reviewed the linked transaction or transactions that may cause conflict of interest of the Company, to determine whether the transaction is reasonable and that the Company disclosed information is in accordance

with the regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission.

5. Selection of Auditors and Remuneration: The Audit Committee selects the auditors based on their independence, knowledge, ability, experience, performance, including the appropriateness of audit fee for the Company and affiliates, and presented to the Board of Directors for consideration and approval of the Annual General Meeting of Shareholders for the year 2017, from which the appointment of the auditors of the Company's office is approved as follows:

- (1) Ms. Sumalee Reewarabandith, Certified Public Accountant Registration No. 3970 or
- (2) Ms. Manee Rattanabunnakit, Certified Public Accountant Registration No. 5313 or
- (3) Mrs. Poonnard Paocharoen, Certified Public Accountant Registration No. 5238

6. Review of Legal Compliance: The Audit Committee has reviewed and supervised the Company's operations to comply with the Securities and Exchange Act, regulations of the Stock Exchange of Thailand, and the laws relating to the business of the Company, including compliance with the Company's requirements, and as a result, the Audit Committee is of the opinion that the Company complies with the law without any significant defection.

7. Review the Risk Management: The Audit Committee has reviewed the risk management of the Company to be correlated to the internal control system for overall risk management of the Company, by reviewing the policy, risk factors, risk management approach, including the progress of risk management, the results of which found that risk management is effective and in accordance with the Company's policy and strategy.

8. Reporting on Suspicious Issues: The Audit Committee is responsible for reporting to the Board of Directors in case of any suspicious transactions or actions that may have a significant impact on the Company's financial status and performances, the result of which found that in the past year, there was neither transaction nor operation of the Company that indicated as such.

In summary, in the year 2017, the Audit Committee has performed duties as specified in the Charter of the Audit Committee, using the knowledge and skill to monitor the operations of the Company and its affiliates independently, and demonstrated that Financial statements of the Company and its affiliates are provided accurately, reliably and prepared in accordance with standard of accounting principles, with the adequate disclosure. Furthermore, in the aspect of linked transactions or transactions that may have conflicts of interest, the Company has complied with the requirements of the Stock Exchange of Thailand and the Securities and Exchange Commission, including compliance with all applicable laws, rules and regulations relating to

business operations. In addition, the Company has implemented an adequate risk management, performing good corporate governance, and also having both auditors and internal auditors who are independent and qualified, to ensure the efficiency and effectiveness of auditing and internal control system.



Mr. Pichet Bhimayothin

Chairman of the Audit Committee

16. Independent Auditor's Report

To the Shareholders of After You Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of After You Public Company Limited and its subsidiary ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2017, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of After You Public Company Limited for the same period.

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks

of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matter and how audit procedures respond for are described below.

Revenue recognition

The Company operates business of food and beverage outlets in many branches. Its main revenues are generated from cash sales of foods and beverages (represents approximately 99% of total revenues from sales). Thus, revenues from sales are significant to the financial statements. In addition, the Company has launched a customer loyalty program for registered members, under which customers earn points when making purchases of foods and beverages in specified amounts and can redeem these for gifts in accordance with the conditions set by the Company. The fair value of accumulated points determined based on the estimated customer redemption is presented as a deduction against revenues from sales and recognize as revenues when the customers redeem the points for gifts. The estimation of the fair value of such accumulated points requires the exercise of judgement. There is therefore a risk with respect to the amount and timing of revenue recognition.

I have examined the revenue recognition of the Company by

- Assessing and testing the Company's internal controls with respect to the revenue and cash receipt cycles by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls.
- Observing the operations of the internal controls at selected branches.
- On a sampling basis, examining supporting documents for actual sale and cash receipt transactions occurring during the year and near the end of the accounting period.
- Performing analytical procedures on disaggregated data to detect possible irregularities in sale transactions throughout the period, particularly for accounting entries made through journal vouchers.
- Assessing the fair value of accumulated points, estimated based on customer redemption, and testing the calculation.

Other Information

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

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

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

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

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

Management is responsible for the preparation and fair presentation of the 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.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

I am responsible for the audit resulting in this independent auditor's report.



Sumalee Reewarabandith ,Certified Public Accountant (Thailand) No. 3970

EY Office Limited, Bangkok: 27 February 2018

After You Public Company Limited and its subsidiary**Statement of financial position****As at 31 December 2017**

		(Unit: Baht)			
		Consolidated financial statements		Separate financial statements	
	Note	2017	2016	2017	2016
Assets					
Current assets					
Cash and cash equivalents	7	48,635,122	628,398,173	44,413,134	625,022,920
Current investments	8	463,346,053	-	463,346,053	-
Trade and other receivables	6, 9	11,100,917	7,268,327	15,166,154	11,292,512
Inventories	10	24,486,225	21,575,684	25,066,049	22,184,369
Other current assets	11	5,164,638	7,742,044	5,162,916	7,740,368
Total current assets		552,732,955	664,984,228	553,154,306	666,240,169
Non-current assets					
Restricted bank deposits	12	400,000	200,000	400,000	200,000
Investment in a subsidiary	13	-	-	999,700	999,700
Property, plant and equipment	14	436,796,921	282,993,912	436,761,649	282,948,262
Intangible assets	15	12,555,752	3,306,128	12,555,752	3,306,128
Advance for acquisition of assets		-	5,514,000	-	5,514,000
Rental deposits		28,379,649	22,065,023	28,379,649	22,065,023
Deferred tax assets	25	2,947,198	2,170,319	2,947,198	2,170,319
Other non-current assets		-	699,412	-	699,412
Total non-current assets		481,079,520	316,948,794	482,043,948	317,902,844
Total assets		1,033,812,475	981,933,022	1,035,198,254	984,143,013

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

After You Public Company Limited and its subsidiary**Statement of financial position (continued)****As at 31 December 2017**

		(Unit: Baht)			
		Consolidated financial statements		Separate financial statements	
	Note	2017	2016	2017	2016
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	6, 16	59,381,285	63,789,842	61,807,965	67,560,460
Current portion of liabilities under finance lease agreements	17	232,704	394,418	232,704	394,418
Current portion of long-term loans from bank	18	-	12,506,038	-	12,506,038
Income tax payable		15,143,298	10,275,717	14,696,772	9,536,730
Other current liabilities	19	8,613,119	16,588,008	8,491,342	16,516,295
Total current liabilities		83,370,406	103,554,023	85,228,783	106,513,941
Non-current liabilities					
Liabilities under finance lease agreements	17	154,968	387,652	154,968	387,652
Long-term loans from bank	18	-	53,806,060	-	53,806,060
Provision for decommissioning	20	9,119,457	6,770,930	9,119,457	6,770,930
Provision for long-term employee benefits	21	6,346,910	4,662,131	6,346,910	4,662,131
Other non-current liabilities		2,522,737	3,918,501	2,522,437	3,918,201
Total non-current liabilities		18,144,072	69,545,274	18,143,772	69,544,974
Total liabilities		101,514,478	173,099,297	103,372,555	176,058,915

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

After You Public Company Limited and its subsidiary**Statement of financial position (continued)****As at 31 December 2017**

		(Unit: Baht)			
		Consolidated financial statements		Separate financial statements	
	Note	2017	2016	2017	2016
Shareholders' equity					
Share capital	22				
Registered					
815,625,000 ordinary shares of Baht 0.10 each					
(2016: 725,000,000 ordinary shares					
of Baht 0.10 each)		<u>81,562,500</u>	<u>72,500,000</u>	<u>81,562,500</u>	<u>72,500,000</u>
Issued and paid-up					
815,623,561 ordinary shares of Baht 0.10 each					
(2016: 725,000,000 ordinary shares					
of Baht 0.10 each)		81,562,356	72,500,000	81,562,356	72,500,000
Premium on ordinary shares	22	709,575,820	709,575,820	709,575,820	709,575,820
Retained earnings					
Appropriated					
Statutory reserve - the Company	23	8,156,250	7,250,000	8,156,250	7,250,000
Statutory reserve - subsidiary	23	100,000	100,000	-	-
Unappropriated		<u>132,903,571</u>	<u>19,407,905</u>	<u>132,531,273</u>	<u>18,758,278</u>
Total shareholders' equity		<u>932,297,997</u>	<u>808,833,725</u>	<u>931,825,699</u>	<u>808,084,098</u>
Total liabilities and shareholders' equity		<u>1,033,812,475</u>	<u>981,933,022</u>	<u>1,035,198,254</u>	<u>984,143,013</u>
		-	-	-	-

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

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Directors

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After You Public Company Limited and its subsidiary
Statement of comprehensive income
For the year ended 31 December 2017

		(Unit: Baht)			
		Consolidated financial statements		Separate financial statements	
	Note	2017	2016	2017	2016
Profit or loss:					
Revenues					
Sales		723,963,348	606,377,892	723,963,348	606,377,892
Dividend income		-	-	3,998,800	4,000,000
Other income		11,417,049	2,009,658	11,495,801	2,087,094
Total revenues		735,380,397	608,387,550	739,457,949	612,464,986
Expenses					
Cost of sales		244,334,351	217,781,441	249,294,491	222,644,856
Selling expenses		227,519,463	178,530,426	227,519,463	178,530,426
Administrative expenses		106,091,531	84,169,991	105,879,341	83,984,668
Total expenses		577,945,345	480,481,858	582,693,295	485,159,950
Profit before finance cost and income tax expenses		157,435,052	127,905,692	156,764,654	127,305,036
Finance cost		(635,986)	(6,798,117)	(635,986)	(6,797,087)
Profit before income tax expenses		156,799,066	121,107,575	156,128,668	120,507,949
Income tax expenses	25	(27,896,004)	(22,338,410)	(26,949,477)	(21,413,210)
Profit for the year		128,903,062	98,769,165	129,179,191	99,094,739
Other comprehensive income:					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial losses, net of income tax		-	(147,500)	-	(147,500)
Total comprehensive income for the year		128,903,062	98,621,665	129,179,191	98,947,239
		(Restated)		(Restated)	
Earnings per share	26				
Basic earnings per share					
Profit attributable to equity holders of the Company		0.16	0.16	0.16	0.16
		(Unit: Share)			
Weighted average number of ordinary shares		815,623,561	629,523,566	815,623,561	629,523,566

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

After You Public Company Limited and its subsidiary**Cash flow statement****For the year ended 31 December 2017**

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash flows from operating activities				
Profit before tax	156,799,066	121,107,575	156,128,668	120,507,949
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	38,583,156	27,875,955	38,572,778	27,869,710
Allowance for diminution in value of inventories	579,973	119,554	579,973	119,554
Write-off obsolete inventories	213,501	-	213,501	-
Unrealised gain on changes in value of investments in securities held for trading	(2,062,483)	-	(2,062,483)	-
Gain on sales of investments in securities held for trading	(1,268,570)	-	(1,268,570)	-
Loss on sale of equipment	91,678	302,074	91,678	302,074
Write-off equipment	701,842	-	701,842	-
Allowance for impairment loss on computer software	780,391	-	780,391	-
Write-off rental deposits	252,000	-	252,000	-
Provision for long-term employee benefits	2,200,600	2,456,146	2,200,600	2,456,146
Expenses in relation to share-based payments	-	7,681,188	-	7,681,188
Dividend income	-	-	(3,998,800)	(4,000,000)
Interest income	(3,841,398)	(358,761)	(3,826,651)	(348,696)
Finance costs	241,396	7,457,563	241,396	7,456,533
Profit from operating activities before changes in operating assets and liabilities	193,271,152	166,641,294	188,606,323	162,044,458
Operating assets (increase) decrease				
Trade and other receivables	(3,282,235)	(5,673,835)	(3,324,488)	(5,643,927)
Inventories	(3,704,015)	(6,955,557)	(3,675,154)	(7,222,675)
Other current assets	2,453,506	(3,665,179)	2,453,506	(3,664,129)
Rental deposits	(6,566,626)	(2,836,053)	(6,566,626)	(2,836,053)
Other non-current assets	699,412	2,372,361	699,412	2,372,361
Operating liabilities increase (decrease)				
Trade and other payables	(4,112,579)	5,450,374	(5,455,317)	6,993,961
Other current liabilities	(7,974,889)	10,278,668	(8,024,953)	10,270,600
Other non-current liabilities	(1,395,764)	794,476	(1,395,764)	794,476
Cash flows from operating activities	169,387,962	166,406,549	163,316,939	163,109,072
Interest received	3,291,043	358,761	3,276,297	348,696
Interest paid	(253,044)	(8,866,525)	(253,044)	(8,865,495)
Cash paid for decommissioning of assets	(52,051)	-	(52,051)	-
Cash paid for long-term employee benefits	(515,821)	-	(515,821)	-
Cash paid for income tax	(23,833,902)	(21,430,722)	(22,594,868)	(21,042,860)
Net cash flows from operating activities	148,024,187	136,468,063	143,177,452	133,549,413

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

After You Public Company Limited and its subsidiary**Cash flow statement (continued)****For the year ended 31 December 2017**

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash flows from investing activities				
Acquisition of investments in securities held for trading				
and held-to-maturity investments	(670,015,000)	-	(670,015,000)	-
Proceed from sales of investments in securities held for trading	210,000,000	-	210,000,000	-
Increase in restricted bank deposit	(200,000)	(200,000)	(200,000)	(200,000)
Acquisition of land, buildings and equipment	(151,759,629)	(77,050,807)	(151,759,629)	(76,998,913)
Acquisition of computer software	(4,437,180)	(2,436,620)	(4,437,180)	(2,436,620)
Advance paid for acquisition of assets	(39,336,684)	(5,514,000)	(39,336,684)	(5,514,000)
Proceed from sale of equipment	134,327	55,210	134,327	55,210
Dividend received	-	-	4,000,000	-
Net cash flows used in investing activities	(655,614,166)	(85,146,217)	(651,614,166)	(85,094,323)
Cash flows from financing activities				
Decrease in liabilities under finance lease agreements	(425,821)	(690,965)	(425,821)	(690,965)
Cash receipt from long-term loans from bank	-	33,000,000	-	33,000,000
Repayment of long-term loans from unrelated parties	-	(100,000,000)	-	(100,000,000)
Repayment of long-term loans from banks	(66,312,098)	(12,213,158)	(66,312,098)	(12,213,158)
Proceeds from increase in share capital	-	736,818,813	-	736,818,813
Cash paid for direct costs related to the share offering	-	(1,900,000)	-	(1,900,000)
Dividend paid	(5,435,153)	(160,210,000)	(5,435,153)	(160,210,000)
Net cash flows from (used in) financing activities	(72,173,072)	494,804,690	(72,173,072)	494,804,690
Net increase (decrease) in cash and cash equivalents	(579,763,051)	546,126,536	(580,609,786)	543,259,780
Cash and cash equivalents at beginning of year	628,398,173	82,271,637	625,022,920	81,763,140
Cash and cash equivalents at end of year	48,635,122	628,398,173	44,413,134	625,022,920
	-	-	-	-

Supplemental cash flows information**Non-cash items**

Transfer other current assets to advance for				
acquisition of assets account	(152,500)	-	(152,500)	-
Transfer advance for acquisition of assets to buildings and				
equipment accounts	38,205,934	-	38,205,934	-
Transfer advance for acquisition of assets to				
to computer software account	6,797,250	-	6,797,250	-
Decrease in payables for construction and				
purchase of equipment	(108,122)	(3,727,265)	(108,122)	(3,727,265)
Increase in payables for direct costs related to the share offering	-	14,524,181	-	14,524,181
Actuarial losses	-	(184,375)	-	(184,375)
Dividend receivable from a subsidiary	-	-	3,998,800	4,000,000
Dividend payable	3,637	-	2,437	-

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

After You Public Company Limited and its subsidiary

Statement of changes in shareholders' equity

For the year ended 31 December 2017

(Unit: Baht)

Consolidated financial statements						
		Issued and		Retained earnings		
		paid-up	Premium on	Appropriated - statutory reserve		
Note	share capital	ordinary shares	The Company	Subsidiary	Unappropriated	Total
Balance as at 1 January 2016	54,000,000	-	5,400,000	-	57,566,240	116,966,240
Profit for the year	-	-	-	-	98,769,165	98,769,165
Other comprehensive income for the year	-	-	-	-	(147,500)	(147,500)
Total comprehensive income for the year	-	-	-	-	98,621,665	98,621,665
Increase in share capital	22	18,500,000	709,575,820	-	-	728,075,820
Dividend paid	29	-	-	-	(134,830,000)	(134,830,000)
Transferred unappropriated retained earnings to statutory reserve	23	-	-	1,850,000	100,000	(1,950,000)
Balance as at 31 December 2016	72,500,000	709,575,820	7,250,000	100,000	19,407,905	808,833,725
Balance as at 1 January 2017	72,500,000	709,575,820	7,250,000	100,000	19,407,905	808,833,725
Profit for the year	-	-	-	-	128,903,062	128,903,062
Total comprehensive income for the year	-	-	-	-	128,903,062	128,903,062
Stock dividend	22, 29	9,062,356	-	-	-	9,062,356
Dividend paid	29	-	-	-	(14,501,146)	(14,501,146)
Transferred unappropriated retained earnings to statutory reserve	23	-	-	906,250	-	(906,250)
Balance as at 31 December 2017	81,562,356	709,575,820	8,156,250	100,000	132,903,571	932,297,997
	-	-	-	-	-	-
	-	-	-	-	-	-

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

After You Public Company Limited and its subsidiary

Statement of changes in shareholders' equity

For the year ended 31 December 2017

(Unit: Baht)

Separate financial statements					
Note	Issued and	Premium on	Retained earnings		Total
	paid-up share capital		Appropriated - statutory reserve	Unappropriated	
Balance as at 1 January 2016	54,000,000	-	5,400,000	56,491,039	115,891,039
Profit for the year	-	-	-	99,094,739	99,094,739
Other comprehensive income for the year	-	-	-	(147,500)	(147,500)
Total comprehensive income for the year	-	-	-	98,947,239	98,947,239
Increase in share capital	22 18,500,000	709,575,820	-	-	728,075,820
Dividend paid	29 -	-	-	(134,830,000)	(134,830,000)
Transferred unappropriated retained earnings to statutory reserve	23 -	-	1,850,000	(1,850,000)	-
Balance as at 31 December 2016	72,500,000	709,575,820	7,250,000	18,758,278	808,084,098
Balance as at 1 January 2017	72,500,000	709,575,820	7,250,000	18,758,278	808,084,098
Profit for the year	-	-	-	129,179,191	129,179,191
Total comprehensive income for the year	-	-	-	129,179,191	129,179,191
Stock dividend	22, 29 9,062,356	-	-	-	9,062,356
Dividend paid	29 -	-	-	(14,499,946)	(14,499,946)
Transferred unappropriated retained earnings to statutory reserve	23 -	-	906,250	(906,250)	-
Balance as at 31 December 2017	81,562,356	709,575,820	8,156,250	132,531,273	931,825,699
	-	-	-	-	-
	-	-	-	-	-

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

After You Public Company Limited and its subsidiary

Notes to financial statements

For the year ended 31 December 2017

1. General information

After You Public Company Limited (“the Company”) is a public limited company incorporated and domiciled in Thailand. The Company is principally engaged in operation of food and beverage outlets. The registered address of the Company, which is its head office, is at 1319/9 Pattanakarn, Suanluang, Suanluang, Bangkok. Its factory is located at 30/106 Moo1, Tumbon Kokkham, Amphur Muang Samut Sakorn, Samut Sakorn.

As at 31 December 2017, the Company has 27 branches (2016: 20 branches) in Bangkok, Samutprakan, Pathumthani, Nonthaburi and Nakhon Ratchasima.

2. Basis of financial statement 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 11 October 2016, 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 accounting policies.

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of After You Public Company Limited and its subsidiary (hereinafter called “the Group”) as the following.

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2017 (%)	2016 (%)
Aurum and Aurum Company Limited	Distribution of bakery products and equipment	Thailand	100	100

- b) The Company is deemed to have control over an investee or a subsidiary 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.
 - c) A subsidiary is fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
 - d) The financial statements of the subsidiary are prepared using the same significant accounting policies as the Company.
 - e) Material balances and transactions between the Company and its subsidiary have been eliminated from the consolidated financial statements.
- 2.3 The separate financial statements present investment in a subsidiary under the cost method.

3. New financial reporting standards

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

During the year, the Group has adopted the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which are effective for fiscal years beginning on or after 1 January 2017. 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 standards. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

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

During the current year, the Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements.

The management of the Group believes that the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied.

4. Significant accounting policies

4.1 Revenue recognition

Sales of goods

This mainly represents revenues from sales of foods and beverages through the dessert cafe which are recognised upon goods being delivered. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

Customer loyalty program

The Company has launched a customer loyalty program for registered members, under which the customers earn points when making purchases of foods and beverages at the specified amount. The points can be redeemed for gifts in accordance with the conditions set by the Company.

The fair value of accumulated points is determined based on the cost of redeemed gifts. The Company records such fair value based on the estimated customer redemption as a deduction against revenues from sales of foods and beverages and as unearned revenues. Revenues are recognised when the customers redeem the points for gifts.

The fair value of unredeemed accumulated points is recognised as revenues when the redemption period expires.

Interest income

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

Dividends

Dividends are recognised when the right to receive the dividends is established.

4.2 Cash and cash equivalents

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

4.3 Trade accounts receivable

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

4.4 Inventories

Finished goods and work in process are valued at the lower of cost and net realisable value. The cost of inventories is measured using the standard cost method, which approximates actual cost.

Products purchased for sales, raw materials and supplies 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 debt securities expected to be held to maturity are recorded at amortised cost. The premium/discount on debt securities is presented as interest income.
- c) Investment in subsidiary, presented in the separate financial statements, is stated at cost less allowance for loss on impairment (if any).

The fair value of unit trusts is determined from their net asset value. The fair value of debt instruments is determined based on yield rates quoted by the issuer of debt instruments.

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

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

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

4.6 Property, plant and equipment and depreciation

Land is stated at cost. Building and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any). The costs comprise any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating and decommissioning costs obligation associated with a consequence of having used the assets.

Depreciation of building and equipment is calculated by reference to their costs on the straight-line basis over the estimated useful lives as follows.

Buildings and building improvement	5, 10 and 30 years
Utility systems	5 and 10 years
Kitchenware and appliances	5 and 10 years
Furniture and office equipment	5 years
Motor vehicles	5 years

Depreciation is included in determining income. No depreciation is provided on land and assets under construction and 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 profit or loss when the asset is derecognised.

4.7 Borrowing costs

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

4.8 Intangible assets

Intangible assets are stated at cost less accumulated amortisation and allowance for loss on impairment of assets (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 estimated useful lives of computer software are 5 years.

The amortisation expense is calculated on the straight-line basis over the estimated useful lives and charged to profit or loss. No amortisation is provided on computer software under installation.

4.9 Related party transactions

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

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

4.10 Long-term leases

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

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

4.11 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Group's functional currency.

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 rate are included in determining income.

4.12 Impairment of assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment and intangible assets 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.

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

4.13 Employee benefits

Short-term employee benefits

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

Post-employment benefits and other long-term employee benefits

Defined benefit plans and other long-term employee benefits

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law and other employee benefit plans. The Group treats these severance payment obligations as a defined benefit plan. In addition, the Group provides other long-term employee benefit plan, namely long service awards.

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

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

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

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Company recognises restructuring-related costs.

4.14 Provisions

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

4.15 Equity-settled share-based payment transactions

The Company recognises share-based payment transactions when it receives services provided by employees, based on the fair value of the share options on the grant date. The excess of the fair value at subscription date over the subscription price was recorded as expense in profit or loss, and as premium on ordinary shares in the shareholders' equity.

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 Group recognises deferred tax liabilities for all taxable temporary differences while it recognises 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 Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

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

4.17 Fair value measurement

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

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

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

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

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.

Property plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimate 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 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.

Provision for decommissioning

The Group is obligated to remove decoration and fixtures and restore the rental spaces before returning them to the lessors at the end of the rental agreements. The Group records a provision for decommissioning whenever it is highly probable that an obligation will arise as a result of a past event and the amount of the obligation can be reliably estimated. In estimating of decommissioning costs, the management exercises judgement in predicting future decommissioning costs, discount rate and economic useful lives of the assets.

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

(Unit: Thousand Baht)					
	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	2017	2016	2017	2016	
Transactions with a subsidiary					
(Eliminated from the consolidated financial statements)					
Purchase of raw materials	-	-	41,079	40,929	Cost plus margin
Service income	-	-	94	88	Rate stipulated in agreement
Dividend income	-	-	3,999	4,000	As declared
Transactions with related parties					
Purchase of raw materials	1,590	363	1,590	363	Cost plus margin
Service expense	-	120	-	120	Agreed upon basis
Other income	30	40	30	40	Agreed upon basis
Transactions with related persons					
Rental expense	1,695	1,695	1,575	1,575	Rate stipulated in agreement

As at 31 December 2017 and 2016, the balances of the accounts between the Group and those related parties are as follows.

(Unit: Thousand Baht)				
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Trade and other receivables (Note 9)				
<u>Other receivables - related parties</u>				
Advance to a subsidiary	-	-	66	24
Other receivable - a subsidiary	-	-	3,999	4,000
Total	-	-	4,065	4,024
Trade and other payables (Note 16)				
<u>Trade payables - related parties</u>				
A subsidiary	-	-	5,951	6,040
A related company	27	43	27	43
Total	27	43	5,978	6,083

Directors and management's benefits

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

	(Unit: Thousand Baht)	
	Consolidated/Separate	
	financial statements	
	2017	2016
Short-term employee benefits	13,504	13,453
Post-employment benefits	341	257
Other long-term benefits	53	165
Share-based payment benefits (Note 22)	-	6,056
Total	13,898	19,931

7. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Cash	3,971	3,470	3,971	3,470
Bank deposits	44,644	624,928	40,442	621,553
Total	48,635	628,398	44,413	625,023

As at 31 December 2017, bank deposits in savings accounts carried interest at rates between 0.10% and 0.40% per annum (2016: between 0.10% and 0.87% per annum).

8. Current investments

	(Unit: Thousand Baht)	
	Consolidated/Separate	
	financial statements	
	2017	2016
Investments in securities held for trading		
Unit trusts - fixed income fund	261,284	-
Add: Change in fair value	2,062	-
Total investments in securities held for trading	263,346	-
Investments in debt securities expected to be held to maturity		
Short-term derivative debentures	200,000	-
Total investments in debt securities expected to be held to maturity	200,000	-
Total	463,346	-

9. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Past due				
Up to 3 months	9,417	4,014	9,417	4,014
Total trade receivables - unrelated parties	9,417	4,014	9,417	4,014
<u>Other receivables</u>				
Advances to a subsidiary	-	-	66	24
Other receivable - a subsidiary	-	-	3,999	4,000
Other receivables - unrelated parties	1,684	3,254	1,684	3,254
Total other receivables	1,684	3,254	5,749	7,278
Total	11,101	7,268	15,166	11,292

10. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2017	2016	2017	2016	2017	2016
Finished goods	5,997	5,139	-	-	5,997	5,139
Work in process	314	286	-	-	314	286
Raw materials	14,011	11,778	(33)	-	13,978	11,778
Supplies	4,863	4,493	(666)	(120)	4,197	4,373
Total	25,185	21,696	(699)	(120)	24,486	21,576

(Unit: Thousand Baht)

Separate financial statements

	Cost		Reduce cost to net realisable value		Inventories - net	
	2017	2016	2017	2016	2017	2016
Finished goods	5,997	5,139	-	-	5,997	5,139
Work in process	314	286	-	-	314	286
Raw materials	14,591	12,386	(33)	-	14,558	12,386
Supplies	4,863	4,493	(666)	(120)	4,197	4,373
Total	25,765	22,304	(699)	(120)	25,066	22,184

During the year 2017, the Group reduced cost of inventories by Baht 1.0 million (2016: Baht 0.1 million) (The Company only: Baht 1.0 million and 2016: Baht 0.1 million), to reflect the net realisable value. This was included in cost of sales. In addition, the Group reversed the write-down of cost of inventories by Baht 0.4 million (2016: Nil) (the Company only: Baht 0.4 million and 2016: Nil), and reduced the amount of inventories recognised as expenses during the year.

11. Other current assets

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Prepaid expenses	3,769	4,467	3,769	4,467
Others	1,396	3,275	1,394	3,273
Total	5,165	7,742	5,163	7,740

12. Restricted bank deposit

This represents fixed deposit pledged with a bank as collateral to secure credit facilities.

13. Investment in a subsidiary

Details of investment in a subsidiary as presented in the separate financial statements are as follows.

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage (%)		Cost		Dividend income	
	2017	2016	2017	2016	2017	2016	2017	2016
Aurum and Aurum Company Limited	1,000	1,000	100	100	1,000	1,000	3,999	4,000

14. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements							
	Land	Building and building improvement	Utility systems	Kitchenware and appliances	Furniture and office equipment	Motor vehicles	Assets under construction and installation	Total
Cost								
1 January 2016	72,949	89,388	19,363	26,032	64,272	6,726	2,549	281,279
Additions	2,650	426	911	7,305	7,709	3,299	51,023	73,323
Cost of assets decommissioning	-	-	-	-	1,216	-	-	1,216
Capitalised interest	-	-	-	-	-	-	264	264
Disposals	-	-	-	(568)	(522)	-	-	(1,090)
Transfer in (out)	-	2,318	6,698	1,303	11,120	-	(21,439)	-
31 December 2016	75,599	92,132	26,972	34,072	83,795	10,025	32,397	354,992
Additions	27,144	4,000	1,247	15,344	18,375	3,899	119,849	189,858
Cost of assets decommissioning	-	-	-	-	2,252	-	-	2,252
Disposals / write-off	-	-	(29)	(1,087)	(2,967)	-	-	(4,083)
Transfer in (out)	-	83,880	22,046	13,820	29,914	-	(149,660)	-
31 December 2017	102,743	180,012	50,236	62,149	131,369	13,924	2,586	543,019
Accumulated depreciation								
1 January 2016	-	206	6,528	10,595	26,162	1,949	-	45,440
Depreciation for the year	-	3,609	3,601	5,676	13,298	1,107	-	27,291
Depreciation on disposals	-	-	-	(406)	(327)	-	-	(733)
31 December 2016	-	3,815	10,129	15,865	39,133	3,056	-	71,998
Depreciation for the year	-	5,678	5,152	7,555	17,486	1,508	-	37,379
Depreciation on disposals / write-off	-	-	(6)	(951)	(2,198)	-	-	(3,155)
Transfer in (out)	-	-	-	(3)	3	-	-	-
31 December 2017	-	9,493	15,275	22,466	54,424	4,564	-	106,222
Net book value								
31 December 2016	75,599	88,317	16,843	18,207	44,662	6,969	32,397	282,994
31 December 2017	102,743	170,519	34,961	39,683	76,945	9,360	2,586	436,797
Depreciation for the years								
2016 (Baht 8.7 million included in manufacturing cost, and the balance in selling and administrative expenses)								27,291
2017 (Baht 11.0 million included in manufacturing cost, and the balance in selling and administrative expenses)								37,379

(Unit: Thousand Baht)

	Separate financial statements							Total
	Land	Building and building improvement	Utility systems	Kitchenware and appliances	Furniture and office equipment	Motor vehicles	Assets under construction and installation	
Cost								
1 January 2016	72,949	89,388	19,363	26,032	64,272	6,726	2,549	281,279
Additions	2,650	426	911	7,253	7,709	3,299	51,023	73,271
Cost of assets decommissioning	-	-	-	-	1,216	-	-	1,216
Capitalised interest	-	-	-	-	-	-	264	264
Disposals	-	-	-	(568)	(522)	-	-	(1,090)
Transfer in (out)	-	2,318	6,698	1,303	11,120	-	(21,439)	-
31 December 2016	75,599	92,132	26,972	34,020	83,795	10,025	32,397	354,940
Additions	27,144	4,000	1,247	15,344	18,375	3,899	119,849	189,858
Cost of assets decommissioning	-	-	-	-	2,252	-	-	2,252
Disposals / write-off	-	-	(29)	(1,087)	(2,967)	-	-	(4,083)
Transfer in (out)	-	83,880	22,046	13,820	29,914	-	(149,660)	-
31 December 2017	102,743	180,012	50,236	62,097	131,369	13,924	2,586	542,967
Accumulated depreciation								
1 January 2016	-	206	6,528	10,595	26,162	1,949	-	45,440
Depreciation for the year	-	3,609	3,601	5,670	13,298	1,107	-	27,285
Depreciation on disposals	-	-	-	(406)	(327)	-	-	(733)
31 December 2016	-	3,815	10,129	15,859	39,133	3,056	-	71,992
Depreciation for the year	-	5,678	5,152	7,544	17,486	1,508	-	37,368
Depreciation on disposals / write-off	-	-	(6)	(951)	(2,198)	-	-	(3,155)
Transfer in (out)	-	-	-	(3)	3	-	-	-
31 December 2017	-	9,493	15,275	22,449	54,424	4,564	-	106,205
Net book value								
31 December 2016	75,599	88,317	16,843	18,161	44,662	6,969	32,397	282,948
31 December 2017	102,743	170,519	34,961	39,648	76,945	9,360	2,586	436,762
Depreciation for the years								
2016 (Baht 8.7 million included in manufacturing cost, and the balance in selling and administrative expenses)								27,285
2017 (Baht 11.0 million included in manufacturing cost, and the balance in selling and administrative expenses)								37,368

During the year 2016, the Company had financed the construction of office building and distribution center with long-term loans from bank and long-term loans from two unrelated parties. Borrowing costs amounting to Baht 0.3 million were capitalised as cost of assets. The weighted average rate of 4.45% has been used to determine the amount of borrowing costs eligible for capitalisation (2017: Nil).

As at 31 December 2017, the Company had equipment with net book value of Baht 1.0 million (2016: Baht 1.5 million) which were acquired under finance lease agreements.

As at 31 December 2017, certain items of equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounting to Baht 34.7 million (2016: Baht 16.9 million).

The Company had pledged some of its land and factory building with net book value as at 31 December 2016 of Baht 122.0 million as collateral to secure long-term loans from bank. During the current year, the Company made full repayment of long-term loans ahead of the schedules to the bank and redeemed the pledged assets.

15. Intangible assets

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

	(Unit: Thousand Baht)		
	Consolidated/Separate financial statements		
	Computer software	Computer software under installation	Total
As at 31 December 2017			
Cost	9,083	6,797	15,880
Less: Accumulated amortisation	(2,544)	-	(2,544)
Less: Allowance for impairment loss	(780)	-	(780)
Net book value	<u>5,759</u>	<u>6,797</u>	<u>12,556</u>
As at 31 December 2016			
Cost	4,646	-	4,646
Less: Accumulated amortisation	(1,340)	-	(1,340)
Net book value	<u>3,306</u>	<u>-</u>	<u>3,306</u>

A reconciliation of the net book value of intangible assets for the years 2017 and 2016 is presented below.

	(Unit: Thousand Baht)	
	Consolidated/Separate	
	financial statements	
	2017	2016
Net book value at beginning of year	3,306	1,454
Acquisition	11,234	2,437
Amortisation	(1,204)	(585)
Allowance for impairment loss	(780)	-
Net book value at end of year	12,556	3,306

16. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separated	
	financial statements		financial statements	
	2017	2016	2017	2016
Trade payables - related parties	27	43	5,978	6,083
Trade payables - unrelated parties	23,566	19,433	20,201	17,366
Other payables - unrelated parties	11,959	21,497	11,959	21,497
Other payables for construction and purchase of equipment	7,205	7,313	7,205	7,313
Accrued expenses	16,624	15,504	16,465	15,301
Total	59,381	63,790	61,808	67,560

17. Liabilities under finance lease agreements

	(Unit: Thousand Baht)	
	Consolidated/Separate	
	financial statements	
	2017	2016
Liabilities under finance lease agreements	406	831
Less: Deferred interest expense	(18)	(49)
Total	388	782
Less: Portion due within one year	(233)	(394)
Portion due more than one year	155	388

The Company has entered into the finance lease agreements with leasing companies for rental of motor vehicles for use in its operation, whereby it is committed to pay rental on a monthly basis. The terms of the agreements are generally between 3 years and 4 years.

Future minimum lease payments required under the finance lease agreements were as follows.

	(Unit: Thousand Baht)		
	Consolidated/Separate financial statements		
	As at 31 December 2017		
	Less than 1 year	1 - 4 years	Total
Future minimum lease payments	247	159	406
Deferred interest expense	(14)	(4)	(18)
Present value of future minimum lease payments	233	155	388

	(Unit: Thousand Baht)		
	Consolidated/Separate financial statements		
	As at 31 December 2016		
	Less than 1 year	1 - 4 years	Total
Future minimum lease payments	426	405	831
Deferred interest expense	(32)	(17)	(49)
Present value of future minimum lease payments	394	388	782

18. Long-term loans from bank

			(Unit: Thousand Baht)	
			Consolidated/Separate financial statements	
Loan	Interest rate (%)	Repayment schedule	2017	2016
1	MLR and MLR-1	Monthly installments for 84 periods, ending October 2020	-	11,047
2	MLR-1	Monthly installments for 90 periods, ending December 2022	-	47,178
3	MLR-1	Monthly installments for 84 periods, ending July 2022	-	8,087
Total			-	66,312
Less: Portion due within one year			-	(12,506)
Portion due more than one year			-	53,806

As at 31 December 2016, the long-term loans were secured by the mortgage of the Company's land and factory building (2017: Nil).

In January 2017, the Company made full repayments of long-term loans and interest ahead of the schedules to the bank for all three facilities. The Company recorded loan prepayment fee in profit or loss of 2017.

19. Other current liabilities

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Unearned revenue - Customer loyalty program	3,000	1,800	3,000	1,800
Unearned revenue - Cash voucher	1,082	926	1,082	926
Withholding income tax payable	1,021	11,182	1,009	11,182
Value added tax payable	2,142	1,781	2,033	1,711
Social security fund payable	1,056	840	1,055	838
Others	312	59	312	59
Total	8,613	16,588	8,491	16,516

20. Provision for decommissioning

	(Unit: Thousand Baht)	
	Consolidated/Separate	
	financial statements	
	2017	2016
Balance at beginning of the year	6,771	5,434
Increase during the year	2,252	1,216
Finance cost	148	121
Decrease from actual payment	(52)	-
Balance at end of the year	9,119	6,771

21. Provision for long-term employee benefits

Provision for long-term employee benefits was as follows.

	(Unit: Thousand Baht)		
	Consolidated/Separate financial statements		
	Provision for post-employment benefits	Provision for other long-term employee benefits	Total
Provision for long-term employee benefits			
as at 1 January 2016	233	1,789	2,022
Included in profit or loss:			
Current service cost	109	870	979
Interest cost	7	49	56
Past service costs from benefit changes	-	154	154
Actuarial loss (gain) arising from			
Financial assumptions changes	-	(46)	(46)
Experience adjustments	-	1,313	1,313
Included in other comprehensive income:			
Actuarial loss (gain) arising from			
Financial assumptions changes	(28)	-	(28)
Experience adjustments	212	-	212
Provision for long-term employee benefits			
as at 31 December 2016	533	4,129	4,662
Included in profit or loss:			
Current service cost	332	1,771	2,103
Interest cost	16	82	98
Benefit paid during the year	-	(516)	(516)
Provision for long-term employee benefits			
as at 31 December 2017	881	5,466	6,347

Line items in profit or loss under which long-term employee benefit expenses are recognised are as follows.

	(Unit: Thousand Baht)	
	Consolidated/Separate financial statements	
	2017	2016
Cost of goods sold	419	370
Selling and administrative expenses	1,782	2,086
Total expenses recognised in profit or loss	2,201	2,456

The Company expects to pay Baht 0.9 million (2016: Baht 1.4 million) of long-term employee benefits during the next year.

As at 31 December 2017, the weighted average duration of the liabilities for long-term employee benefits is 10 years (2016: 10 years).

Significant actuarial assumptions are summarised below.

	(Unit: % per annum)	
	Consolidated/Separate	
	financial statements	
	2017	2016
Discount rate	3.01	3.01
Salary increase rate	4.00 - 10.00	4.00 - 10.00
Employee turnover rate	0.00 - 50.00	0.00 - 50.00

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations as at 31 December 2017 and 2016 are summarised below.

	(Unit: Thousand Baht)	
	As at 31 December 2017	
	Consolidated/Separate	
	financial statements	
	Increase 1%	Decrease 1%
Discount rate	(295)	342
Salary increase rate	181	(149)
	Increase 20%	Decrease 20%
Employee turnover rate	(1,647)	2,614

	(Unit: Thousand Baht)	
	As at 31 December 2016	
	Consolidated/Separate	
	financial statements	
	Increase 1%	Decrease 1%
Discount rate	(205)	239
Salary increase rate	115	(95)
	Increase 20%	Decrease 20%
Employee turnover rate	(1,094)	1,665

22. Share capital

Reconciliations of number of registered ordinary shares and issued and paid-up ordinary shares for the years 2017 and 2016 are as follows.

	(Unit: Share)	
	Registered ordinary shares	Issued and paid-up ordinary shares
Ordinary shares as at 1 January 2016	540,000	540,000
Increased from change in par value	539,460,000	539,460,000
Increase in share capital	260,000,000	260,000,000
Decrease in share capital	(240,000,000)	(240,000,000)
Issued ordinary shares for the Company's employee stock option plan (ESOP)	2,000,000	2,000,000
Issued ordinary shares for the Company's directors	1,500,000	1,500,000
Issued ordinary shares for initial public offering (IPO)	161,500,000	161,500,000
Ordinary shares as at 31 December 2016	725,000,000	725,000,000
Increase share capital for stock dividend (Note 29)	90,625,000	90,623,561
Ordinary shares as at 31 December 2017	815,625,000	815,623,561

a) On 28 March 2016, the Company registered the conversion of the Company, the change in the par value of ordinary shares, and the increase in its registered capital with the Ministry of Commerce following the resolutions of the 2016 Annual General Meeting of the Company's shareholders held on 23 March 2016 as detailed below.

- 1) The conversion of the Company to a public limited company and the change of the Company's name to "After You Public Company Limited".
- 2) The listing of the Company's shares on the Market for Alternative Investment.
- 3) The change in the par value of the Company's ordinary shares from Baht 100.00 per share (0.54 million ordinary shares of Baht 54.00 million) to Baht 0.10 per share (540.0 million ordinary shares of Baht 54.00 million).
- 4) The increase in the Company's registered capital, from Baht 54.00 million to Baht 80.00 million, through the issuance of 260.0 million additional ordinary shares with a par value of Baht 0.10 each. The allocations of the new shares are as follows.
 - Allocation of 20.0 million ordinary shares to be offered to the existing shareholders in proportion to the shareholding of each shareholder at a price of Baht 0.10 per share.

- Allocation of 236.5 million ordinary shares to an initial public offering (IPO).
 - Allocation of 1.5 million ordinary shares to be offered to the Company's directors at a price equal to the IPO price.
 - Allocation of 2.0 million ordinary shares to be offered to the Company's management and/or employees according to the Company's employee stock option plan (ESOP) at a price of Baht 0.10 per share and a price equal to 50% of the IPO price.
- b) In April 2016, the Company received share subscription from the existing shareholders amounting to Baht 2.00 million. The Company registered the increase in its paid-up capital with the Ministry of Commerce on 25 April 2016.
- c) The Company registered the decrease and the increase in its registered share capital with the Ministry of Commerce on 6 October 2016 and 7 October 2016, respectively, following the resolutions of the Extraordinary Meeting of the Company's shareholders held on 6 October 2016 as detailed below.
- 1) Approval of a decrease in the Company's registered share capital from Baht 80.00 million to Baht 56.00 million, through the cancellation of 240.0 million ordinary shares with a par value of Baht 0.10 each.
 - 2) Approval of an increase in the Company's registered share capital from Baht 56.00 million to Baht 72.50 million, through the issuance of 165.0 million new ordinary shares with a par value of Baht 0.10 each. The allocations of the new shares are as follows.
 - Allocation of 1.5 million ordinary shares to be offered to the Company's directors at a price equal to the initial public offering price (IPO price).
 - Allocation of 2.0 million ordinary shares to be offered to the Company's management and/or employees according to the Company's employee stock option plan (ESOP) at a price of Baht 0.10 per share and a price equal to 50% of the IPO price.
 - Allocation of 161.5 million ordinary shares to the initial public offering. This allocation includes the allocation of new shares to the two unrelated parties.

- d) During 14 - 16 December 2016, the Company offered 165.0 million of additional ordinary shares at a price of Baht 4.50 per share to the initial public offering and the Company's directors and prices of Baht 0.10 per share and Baht 2.25 per share to the Company's management and/or employees. The Company received full settlement of the additional share capital on 19 December 2016. The Company recorded the difference between the selling price (Baht 0.10 and Baht 2.25 per share) and the fair value (Baht 4.50 per share) of the 1,911,250 ordinary shares subscribed by the Company's management and/or employees, amounting to Baht 7.68 million, as expense in profit or loss and as premium on ordinary shares in the statement of financial position. Moreover, direct costs attributable to the share offering net of income tax, amounting to Baht 16.42 million, are presented as a deduction from the premium on ordinary shares.

The Company registered the increase in its paid-up capital with the Ministry of Commerce on 20 December 2016.

The Market of Alternative Investment (mai) has approved the listing of the ordinary shares of the Company as securities on the mai, to be traded from 23 December 2016.

- e) On 27 April 2017, the Annual General Meeting of the Company's shareholders for the year 2017 passed a resolution to increase the Company's registered share capital by Baht 9,062,500.00, from the existing registered share capital of Baht 72,500,000.00 to Baht 81,562,500.00, by issuing up to 90,625,000.00 new ordinary shares with a par value of Baht 0.10, to accommodate the stock dividend payment for the year 2016.

The Company registered the increase in its registered capital with the Ministry of Commerce on 11 May 2017.

Subsequently, the Company paid the stock dividend of 90,623,561 new ordinary shares, as mentioned in Note 29 to the financial statements, increasing the Company's issued and paid-up share capital to Baht 81,562,356.10. The Company registered the increase in its paid-up capital with the Ministry of Commerce on 25 May 2017.

23. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5% of its net profit for the year after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered share capital. The statutory reserve is not available for dividend distribution. During the year 2017, the Company set aside Baht 0.91 million (2016: Baht 1.85 million) to the statutory reserve. As at 31 December 2017, the statutory reserve has fully been set aside.

Pursuant to Section 1202 of the Thai Civil and Commercial Code, the subsidiary is required to set aside a statutory reserve at least 5% of its profit each time the subsidiary pays out a dividend, until the reserve reaches 10% of its registered share capital. The statutory reserve is not available for dividend distribution. During the year 2016, the subsidiary set aside Baht 0.10 million (2017: Nil) to the statutory reserve. As at 31 December 2017, the subsidiary's statutory reserve has fully been set aside.

24. Expenses by nature

Significant expenses classified by nature are as follows.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Salaries, wages and other employee benefits	203,821	169,772	203,596	169,522
Depreciation	37,379	27,291	37,368	27,285
Amortisation	1,204	585	1,204	585
Rental expenses from operating lease agreements	68,480	54,141	68,360	54,021
Raw materials and consumables used	206,237	189,199	211,030	195,403

25. Income tax

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

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Current income tax:				
Income tax charge for the year	28,673	22,952	27,726	22,027
Deferred tax:				
Relating to origination and reversal of temporary differences	(777)	(614)	(777)	(614)
Income tax expenses reported in the statement of comprehensive income	27,896	22,338	26,949	21,413

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2017 and 2016 are as follows.

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Deferred tax on actuarial losses	-	(37)	-	(37)

The reconciliation between accounting profit and income tax expenses is shown below.

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Accounting profit before tax	156,799	121,108	156,129	120,508
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	31,360	24,221	31,226	24,101
Effects of elimination	794	786	-	-
Effects of:				
Non-deductible expenses	625	240	606	221
Additional expense deductions allowed	(4,083)	(2,109)	(4,083)	(2,109)
Exempt revenue	(800)	(800)	(800)	(800)
Income tax expenses reported in the statement of comprehensive income	27,896	22,338	26,949	21,413

The components of deferred tax assets and deferred tax liability as at 31 December 2017 and 2016 are as follows.

	(Unit: Thousand Baht)	
	Consolidated/Separate financial statements	
	2017	2016
Deferred tax assets		
Provision for decommissioning	986	722
Provision for long-term employee benefits	1,269	932
Unearned revenue - Customer loyalty program	600	360
Adjustment of accrued rental expenses under straight-line method	105	132
Allowance for diminution in value of inventories	140	24
Allowance for impairment of computer software	156	-
Others	103	-
Total	3,359	2,170
Deferred tax liability		
Unrealised gain on changes in value of investments in securities held for trading	(412)	-
Total	(412)	-
Deferred tax assets - net	2,947	2,170

26. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year, after adjusting the number of ordinary shares used to calculate earnings per share for the years ended 31 December 2017 and 2016 in proportion to the change in the number of ordinary shares as a result of the distribution of the stock dividend of 90,623,561 shares on 11 May 2017 as if the stock dividend had been issued at the beginning of the earliest period reported.

27. 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 Group is principally engaged in operation of food and beverage outlets. Its operations are carried on only in Thailand. 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 exclusively to the aforementioned reportable operating segment and geographical area.

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

28. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rate of 5% of basic salary. The fund, which is managed by Tisco Master Pooled Fund, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2017 amounting to Baht 1.3 million (2016: Baht 0.8 million) were recognised as expenses.

29. Dividends

On 23 March 2016, the Annual General Meeting of the Company's shareholders for the year 2016 approved the dividend payment of Baht 104.50 per shares from the retained earnings as at 31 December 2015, or a total of Baht 56.4 million.

On 27 April 2017, the Annual General Meeting of the Company's shareholders for the year 2017 approved the dividend payment from the results of the Company's business operation for the fiscal year ended 31 December 2016 in the amount of not exceeding Baht 92.9 million. The final dividend payment after deducting the interim dividend payment of Baht 78.4 million paid on 27 December 2016 was in the amount of not exceeding Baht 14.5 million, or at the rate of Baht 0.02 per share. The dividends were paid in stock dividends and cash dividends in May 2017 as follows.

- The Company paid the stock dividends by issuing 90,623,561 newly issued ordinary shares, with a par value of Baht 0.10 per share, to the Company's shareholders, at the ratio of every 8 existing shares for 1 stock dividend, in the total amount of Baht 9,062,356.10, or equivalent to the dividend payment at the rate of Baht 0.0125 per share. Any fractional shares therefrom received cash at the rate of Baht 0.0125 per share in lieu of the stock dividends.
- The Company paid cash dividends at the rate of Baht 0.0075 per share or in the total amount of Baht 5,437,479.75.

30. Commitments and contingent liabilities

30.1 Capital commitments

As at 31 December 2017, the Group had capital commitments of Baht 9.0 million relating to implementation of computer software, acquisition of equipment and improvement of new branch outlets (2016: Baht 46.7 million, relating to the construction of its new office and distribution center, acquisition of equipment and improvement of new branch outlets).

30.2 Lease and service agreement commitments

The Group has entered into several operating lease and service agreements relating to the leases of building spaces. The terms of the agreements are generally between 1 to 3 years.

As at 31 December 2017 and 2016, future minimum payments required under the above contracts are as follows.

Payable	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
In up to 1 year	62.7	38.4	62.7	38.2
In over 1 year and up to 3 years	60.6	29.1	60.6	29.1

30.3 Commitment under purchase of raw material agreements

The Company entered into memorandum and agreements to purchase raw materials from several unrelated companies, at prices and per conditions as stipulated in the memorandum and agreements. The terms of the memorandum and agreements are between 1 to 3 years.

31. Fair value hierarchy

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

	(Unit: Thousand Baht)			
	Consolidated/separate financial statements			
	As at 31 December 2017			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Investments in securities held for trading				
Unit trusts - fixed income fund	-	263,346	-	263,346
Assets for which fair value are disclosed				
Investments in debt securities expected to be held to maturity				
Short-term derivative debentures	-	200,742	-	200,742

During the current period, there were no transfers within the fair value hierarchy.

32. Financial instruments

32.1 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, trade and other payables and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group is exposed to credit risk with respect to trade and other receivables in low level because sales are mostly cash sales. The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses.

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its cash at banks, investments in debt securities and long-term interest-bearing loans. Most of the financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

Significant financial assets and liabilities classified by type of interest 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 2017						
Fixed interest rates						
	Within 1 year	More than 1 - 5 years	Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
Financial assets						
Cash and cash equivalents	-	-	44.4	4.2	48.6	0.10 - 0.40
Current investments	200.0	-	-	263.3	463.3	1.40
Trade and other receivables	0.4	-	-	10.7	11.1	0.50
Restricted bank deposit	-	-	0.4	-	0.4	1.05
	200.4	-	44.8	278.2	523.4	
Financial liabilities						
Trade and other payables	-	-	-	59.4	59.4	-
Liabilities under finance lease agreements	0.2	0.2	-	-	0.4	5.30 - 5.70
	0.2	0.2	-	59.4	59.8	

(Unit: Million Baht)

Consolidated financial statements						
As at 31 December 2016						
Fixed interest rates						
	Within 1 year	More than 1 - 5 years	Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
Financial assets						
Cash and cash equivalents	-	-	624.7	3.7	628.4	0.10 - 0.87
Trade and other receivables	1.2	-	-	6.1	7.3	0.50
Restricted bank deposit	-	-	0.2	-	0.2	1.15
	1.2	-	624.9	9.8	635.9	
Financial liabilities						
Trade and other payables	-	-	-	63.8	63.8	-
Liabilities under finance lease agreements	0.4	0.4	-	-	0.8	5.30 - 5.70
Long-term loans from bank	-	-	66.3	-	66.3	MLR and MLR - 1.00
	0.4	0.4	66.3	63.8	130.9	

(Unit: Million Baht)

Separate financial statements						
As at 31 December 2017						
Fixed interest rates						
	Within 1 year	More than 1 - 5 years	Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
Financial assets						
Cash and cash equivalents	-	-	40.2	4.2	44.4	0.10 - 0.40
Current investments	200.0	-	-	263.3	463.3	1.40
Trade and other receivables	0.4	-	-	14.8	15.2	0.50
Restricted bank deposit	-	-	0.4	-	0.4	1.05
	200.4	-	40.6	282.3	523.3	
Financial liabilities						
Trade and other payables	-	-	-	61.8	61.8	-
Liabilities under finance lease agreements	0.2	0.2	-	-	0.4	5.30 - 5.70
	0.2	0.2	-	61.8	62.2	

(Unit: Million Baht)

	Separate financial statements					
	As at 31 December 2016					
	Fixed interest rates					
	Within 1 year	More than 1 - 5 years	Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
Financial assets						
Cash and cash equivalents	-	-	621.3	3.7	625.0	0.10 - 0.87
Trade and other receivables	1.2	-	-	10.1	11.3	0.50
Restricted bank deposit	-	-	0.2	-	0.2	1.15
	1.2	-	621.5	13.8	636.5	
Financial liabilities						
Trade and other payables	-	-	-	67.6	67.6	-
Liabilities under finance lease agreements	0.4	0.4	-	-	0.8	5.30 - 5.70
Long-term loans from bank	-	-	66.3	-	66.3	MLR and MLR - 1.00
	0.4	0.4	66.3	67.6	134.7	

32.2 Fair values of financial instruments

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

33. Capital management

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2017, the Group's debt-to-equity ratio was 0.1:1 (2016: 0.2:1) and the Company's was 0.1:1 (2016: 0.2:1).

34. Events after the reporting period

On 27 February 2018, a meeting of the Company's Board of Directors passed a resolution approving to propose that the Annual General Meeting of Shareholders to be held in April 2018 adopt a resolution to pay a dividend of Baht 0.15 per share, or a total of Baht 122.3 million, to the shareholders in respect of the 2017 profit. The dividend will be paid and recorded after it is approved by the Annual General Meeting of the Company's shareholders.

35. Approval of financial statements

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