



ANNUAL REPORT

2018

รายงานประจำปี 2561



AFTER YOU PUBLIC COMPANY LIMITED

บริษัท ออฟเตอร์ ยู จำกัด (มหาชน)

Table of Content

		PAGE
1	Message from Chairman and Managing Director	3
2	Financial Information Highlight	4
3	Directors and Executives	5
	Detail of Directors, Management, Controlling Parties and Company Secretary	6
4	General Information – Corporate Profile	15
5	Policy and Overview	16
	5.1 Business vision and goal	16
	5.2 Significant Changes and Progression	16
	5.3 Company's structure and subsidiaries	19
6	Nature of Business Operation	20
	6.1 Market and competition	23
	6.2 Procurement : Products / Services	32
7	Risk Factors	38
8	Shareholding Structure and Management	43
	Management Structure	44
9	Corporate Governance	57
10	Corporate Social Responsibility	65
11	Internal Control and Risk Management	72
12	Related Party Transaction	74
13	Management Discussion and Analysis	82
14	Report of the Board of Directors' Responsibilities for Financial Statements	91
15	2018 Report of the Audit Committee	92
16	Independent Auditor's Report	95

1. Message from Chairman and Managing Director



Amidst intense competition from existing players and new comers, 2018 has been an exciting year for After You Public Company Limited (After You). After You is a dessert and bakery business under the main concepts of comfort friendly, and family-like coziness, as well as catering and made-to-order. After You has expanded its branch in Bangkok and other major provinces. In addition, After You have started an online ordering service to increase access and convenience for the



customers. Moreover, it is a cost-efficient channel which help support rental and service staff costs.

In 2018, After You had the total sales revenue of 871.1 million Baht, which was 20.3% higher than the previous year. While net profit was 147.4 million Baht, or 14.4% increase from the previous year. Revenue growth was a result of increasing branch number and new online channel. After You continues to create new products. In 2018, the Company has launched 2 new products, namely "Kanom Pang Neay Sod (Fresh Butter Bread)" and "Kanom Pang Nom Sod (Fresh Milk Bread)" as a campaign under Yuvabadhana Foundation. The 2 new products are very well received by the customers and have become popular items of the stores. With high demands and pre-order volume, After You had increased its production capacity to cater to our customers.

For 2019, After You aims to expand its branch both domestically and in the overseas. In addition, we plan to expand to other new sales channels according to the needs of the customers and market trend. We hold the vision to make After You a leading dessert and bakery brand in both Thailand and overseas.

After You has always upheld corporate governance and use it has a guide in our business development. In 2018, After You was awarded 4 stars in the Corporate Governance Report of Thai Listed Companies 2018 (CGR 2018) by the Thai Institute of Directors (IOD).

On behalf of the board of directors, executives, and employees of After You Public Company Limited, I would like to thank shareholders, customers, trade partners, business alliances, and other stakeholders that have been very supportive to our business and help us achieve our goals. We will continue to conduct our business with care, good corporate governance, and responsibility to ensure that we grow with strength and sustainability in the years to come.



Premon Pinskul
Chairman of the Board



Maetup T. Suwan
Managing Director

2. Financial Information Highlights

Financial Performance	Unit	2018	2017	2016
Total assets	Baht	1,097,421,035	1,033,812,475	981,933,022
Total liabilities	Baht	140,320,873	101,514,478	173,099,297
Total shareholders' equity	Baht	957,100,162	932,297,997	808,833,725
Sales	Baht	871,088,755	723,963,348	606,377,892
Total revenues	Baht	880,729,949	735,380,397	608,387,550
Total comprehensive net income	Baht	147,146,008	128,903,062	98,621,665
Earnings per share	Baht	0.18	0.16	0.16
Financial Ratio	Unit	2018	2017	2016
Gross profit margin		66.83%	66.25%	64.08%
Operating profit margin		19.59%	20.17%	20.76%
Net profit margin		16.74%	17.53%	16.23%
Return on equity		15.61%	14.81%	21.34%
Return on assets		13.83%	12.79%	14.68%
Return on fixed assets		43.32%	46.54%	48.82%
D : E ratio	Times	0.15	0.11	0.21
Interest coverage ratio	Times	n.a	680.16	18.81
Dividend payout ratio (Using actual number of shares at year-end)		104.9%	94.70%	93.75%
Liquidity ratio	Times	4.49	6.63	6.42
Average collection period	Days	4.53	3.34	1.37
Average inventory period	Days	9.21	8.20	7.29
Average payable period	Days	35.73	31.99	29.16

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 Pinskiul Chairman of the Board / Independent director / audit committee / Nomination and Compensation Committee Latest Board member appointment date 27 April 2017	63	<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 <ul style="list-style-type: none"> ▪ 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.
					Other		
					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)
					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)

Name-Surname / Position / Date appointed	Age (yrs.)	Education	1 Share- holding (%)	Family relationship between management	Work experience		
					Period	Position	Company
					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)
					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)
					2015	Director	Radio Concept Co., Ltd. (Media Business)
					2015	Director	Image Publishing 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	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 26 April 2018	64	- 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>Other</u>		
					1979 - 2018	Director and Chief Executive Officer	Pakfood PCL. (Seafood and frozen food business)
					Past – 2017	Director	Okeanos Co., Ltd. (Seafood and frozen food business)
					Past – 2017	Director	Chao Pharya Coldstorage Co., Ltd. (Rental property business)
					Past – 2017	Director	Takzin Samut Co., Ltd (Rental property business)
					Past – 2017	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 26 April 2018	60	- Bachelor of Science, Kasetsart University - IOD Program, Thai Institute of Directors • 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	/1 Share- holding (%)	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	62	<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.
					Other		
					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)
					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

Name-Surname / Position / Date appointed	Age (yrs.)	Education	/ ¹ Share- holding (%)	Family relationship between management	Work experience		
					Period	Position	Company
					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 26 April 2018	45	<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 29.00%	- Nephew of Mr. Wiwat Kanokwatanawan	2010 - Present	Director and Managing Director	After You PCL.
					2015 - Present	Director	Aurum and Aurum Co.,Ltd.
					<u>Others</u>		
					2010 - Present	Director	M & M 2007 Co., Ltd.
					2004 - Present	Director	Prima Publishing (Publishing business)
6.Ms. Gulapat Kanokwatanawan ^{/2} Director and Deputy Managing Director Latest Board member appointment date 28 March 2016	37	<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) 	259,669,759 shares or 31.80%	<ul style="list-style-type: none"> - Daughter of Mr. Wiwat Kanokwatanawan - Older sister of Mr. Mill Kanokwatanawan 	2010 - Present	Director and Deputy Managing Director	After You PCL.
					2015 - Present	Director	Aurum and Aurum Co.,Ltd.
					<u>Others</u>		
					2010 - Present	Director	M & M 2007 Co., Ltd.
					Present	Director	Looklarn Charoen Co.,Ltd. (Food business)
7.Mr.Mill Kanokwatanawan ^{/2} Director and Assistant Managing Director / Company Secretary	32	- Bachelor of Arts in Economics (International Program), Chulalongkorn University	14,982,187 shares or 1.80%	<ul style="list-style-type: none"> - Son of Mr. Wiwat Kanokwatanawan - Younger brother of Ms. Gulapat 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					2012 - 2016	Relationship Manager	Siam Commercial Bank PCL. (Financing business)
8. Mr. Songpon Tasnasathienkij Director of Operations	43	- Bachelor Degree in Accounting, University of Thai Chamber of Commerce	450,087 shares or 0.06 %	-None-	2010 Present	Director of Operations	After You PCL.
9. Ms.Uraiwan Samanwong Director of Manufacturing	40	- 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	40	- Master of Business Administration, California State Polytechnic University Pomona, USA - Bachelor Degree in Accounting (Honors), Chulalongkorn University	320,187 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 28 December 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	: 0 2318 1022
email	: ir@afteryou.co.th
Website/Homepage	: http://www.afteryoudessertcafe.com
Registered capital as at 31/12/2018	: 81,562,500 Baht
Issued and paid-up capital as at 31/12/2018	: 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 9000 , 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	: 0 2264 0777
Fax	: 0 2264 0789-90

<u>Internal auditor</u>	: 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

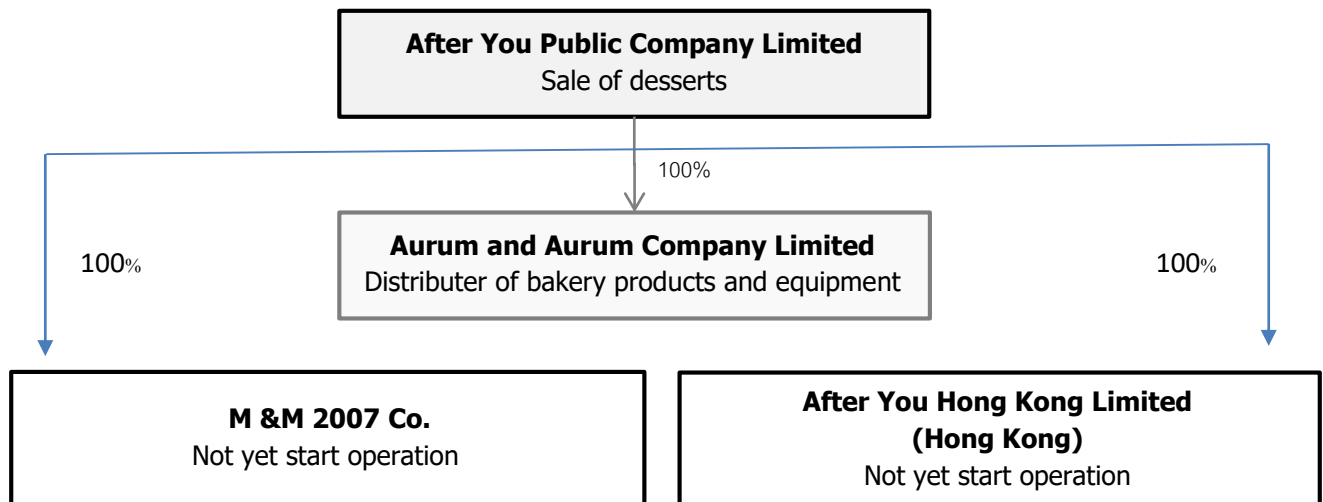
Year	Changes / Progression
2005	- The Company was established as Sea Munch Co., Ltd. by the Kanokwatanawan, T. Suwan, and Kinship family, to operate a restaurant business with the starting capital of Baht 2 million.
2007	- Increased registered capital from Baht 2 million to Baht 5 million in March. - 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 of

Year	Changes / Progression
	<p>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 Bangkok 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. - 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.

Year	Changes / Progression
	<ul style="list-style-type: none"> - 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. - 13 December 2017, After You Pcl. received a certificate of honor as an outstanding factory according to Plant Governance via Community Participation Project in 2017.
2018	<ul style="list-style-type: none"> - Open new 5 branches (net) : Offices at Central World , Central Festival Chiang Mai, Central Plaza Udonthani , Central Plaza Rama 2 and Terminal 21 Pattaya. - Quarter 3, After You Pcl. started collaboration with corporate customers to add another income base and explicit its capacity for new way of marketing service. For instance, launching new menus to promote a leading imported cosmetics brand and a premium lingerie brand. - Start providing desserts to the 2nd domestic airline for sales on flight - Collaborating with delivery operator to hand in freshly made desserts from the nearest branch of destination with specially developed packages suitable for the dishes. It helps increase branches' sales without using the sales space nor the café worker & cleaning staffs. - Quarter 4, After You Pcl launched new products (take home) which is "Kanom Pang Noey Sod" (Butter bun with butter filling) and "Kanom Pang Nom Sod" (Butter bun with milk filling) started from charity sales in September 2018 and later began the commercial sales. The products achieved the highest success in desserts industry with many pre-orders in advance. - The factory received the Halal standard in dessert and beverage products with Registration number I 420/2018 on 2 October 2018.

5.3 Company's Structure and subsidiary

As at 31 December 2018, the Company has three 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	2018		2017		2016	
		Million Baht	%	Million Baht	%	Million Baht	%
Sale revenue							
1. Dessert cafe	Company	838.23	95.17	704.29	95.77	597.83	98.26
2. Catering and OEM	Company	32.86	3.73	19.67	2.67	8.55	1.41
Total sale revenue		871.09	98.91	723.96	98.45	606.38	99.67
Other revenues		9.64	1.09	11.42	1.55	2.01	0.33
Total revenues		880.73	100.00	735.38	100.00	608.39	100.00

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.



Shibuya honey toast



Kiss kiss kakigori



To-Go Drinks



Lavender Lychee soda



Bubble tea



Stove Waffle



Boba Milk Tea



Custard

As at 31 December 2018, After You operated in 31 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 Bangkok	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 Bangkai	Bangkok	Shopping center
15	Future Park Rangsit	Pathum Thani	Shopping center
16	Terminal 21	Bangkok	Shopping center
17	Seacon Square	Bangkok	Shopping center

No.	Branches	Provinces	Type of location of branches
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
27	(To-go) Offices at Central World	Bangkok	Office Building
28	Central Festival Chiang Mai	Chiangmai	Shopping Center
29	Central Plaza Udonthani	Udonthani	Shopping Center
30	Central Plaza Rama 2	Bangkok	Shopping Center
31	Terminal 21 Pattaya	Pattaya	Shopping Center
Total		31 Branch	

1.2) Maygori

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.



Ichigo and Yogurt



Mont Blanc Chestnut



Hojicha



Ume

As at 31 December 2018, 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.



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.

a) 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.

b) 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 topling 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 October 2018, After You Pcl. , with the coporation of delivery operator. , started freshly-made dessert delivery from branches nearby destination with special packaging suitable to keep good condition of desserts. This enhanced branches' sales without using sales space or café' manpower, then reducing expenses.

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.

c) 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.

d) 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.

e) Maintaining and Expansion of Customer Base

The company arranges points accumulation for customers. At present, there are approximately 300,000 members. The rule is member will get 1 point from 100 Baht purchase 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.

f) Social Marketing

The Company focuses on social media marketing through various channels.

- Facebook of the Company (<https://www.Facebook.com/afteryoucafe>)
- Instagram of After You (<https://www.instagram.com/afteryoudessertcafe>)
- Instagram of Ms. Gulapat Kanokwatanawan (<https://www.Instagram.com/mayafteryou>)
- Line@ the Company (@afteryoucafe)

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.

g) 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 2018, the Company has a total (After You and Maygori) of 32 branches located in the leading shopping centers and community malls.

h) Sales Promotion Service for corporate clients

In 2018, After You Pcl. Started marketing services to its non-food clients for sales promotion

- Prepared desserts for premium Japanese cosmetics clients and launched "Ultimune Drinks" which is 1 of the name of its products.

- Use cup Sleeve that show Bra disply on After You's boba tea

- Dine-in customer who paid via Credit card up to specified level will get a apecial dessert.

6.1.2 Distribution channels

The Company has 6 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) and 6) Delivery

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 105 - 155
		Take Home Product 22 - 175
2. Maygori shave ice	Students, teenager, and adolescence, adult who have medium – high income	Price per a menu Baht 125 - 245

6.1.4 Industry conditions and competition

6.1.4.1 Conditions and trends of the Thai economy in 2019

Office of Trade Policy and Strategy Ministry of Commerce reported 4Q / 2018 Thai economy began showed good signals from domestic factors. Moreover, the date of the Election Day was fixed. There are also positive factors from the government's investment in sky trains and the private sector investment especially the EEC which will has an opening for bidding for the projects. The Office of the National Economic and Social Commission Estimated Q1/2019 Gross Domestic Product at 4.1 percent as a result of domestic demand growth and expected that 2019 's will grow at 3.5-4.5 percent.

From the information presented by The Bank of Thailand on 17 January 2019 said that the overall Thai economy is likely continue to grow from domestic demand. Although foreign demand slowed down, which is

Domestic demand	International demand
<p>a) Private consumption continued expansion according to the increase in income outside the agricultural sector which is better and more dispersed</p> <p>- Private consumption is likely to expand well in semi-durable and durable products which has been supported by increasing income from non-agricultural households including employment that is likely to increase continuously in many major economic sectors, together with additional</p>	<p>a) Exports</p> <p>Decelerated, according to the amount of world trade and the trading partners who are affected by trade barriers But good results from orders and productions shifted from China to Thailand. This will support further Economic Growth.</p>

Domestic demand	International demand
government policies such as the state welfare card program.	
b) Private investment expanded due to increasing efficiency and capacity expansion, relocation production bases to Thailand as well as the support of the PPP project in order to stimulate foreign investment, PPP projects, especially projects related to EEC such as High-speed rail connecting 3 airports project	b) Tourism expanded at a slower pace as the number of Chinese tourists declined but there was a sign of improvement – Export services were supported by tourism despite small growth following the slowdown in Chinese tourists. The number of tourists slowed down from Chinese tourists, due to the impact of the ship crashes more severe than expected. As a result, group tour decreased significantly. However, the overall signs of Chinese tourists began to improve after the government accelerated the upgrading of tourism safety standards and promotion to build confidence.
c) Government spending slowed down from the delay in investment of some projects. Employment is likely to improve, especially in the manufacturing and construction sectors.	

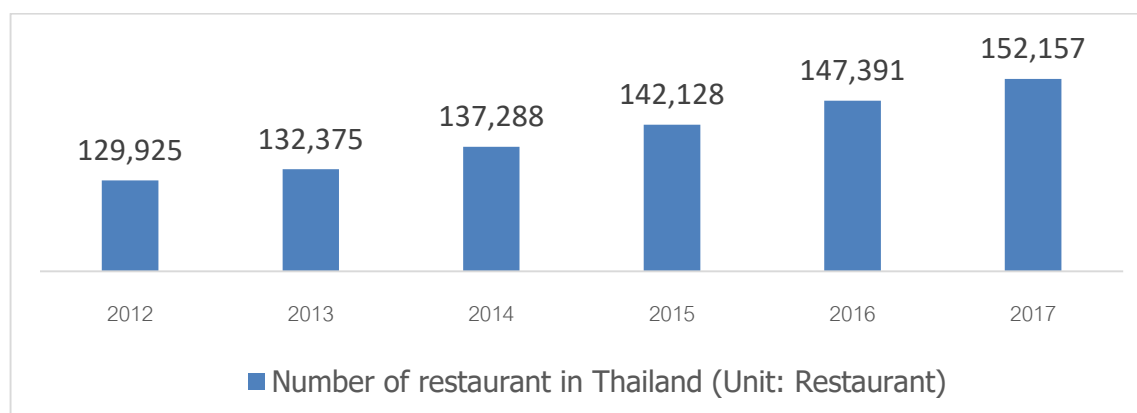
In the Bank of Thailand (BOT) report in December 2018, the BOT has estimated the economy as follows.

1. Private consumption continued to grow as revenue outside the agricultural sector improved and spread out.
2. Private investment is likely to expand due to increasing efficiency and capacity expansion, moving production bases to Thailand including supporting factors from the PPP project.
3. The government spending slowed down from delays in some investment projects.
4. The export expanded at a slower pace in line with the world trade volume and trade partners were affected by trade barriers but good results from moving orders and moving production bases from China to Thailand will be a supporting factor in the next phase.
5. Exports grew at a slower pace as the number of Chinese tourists declined but started to have better signal.

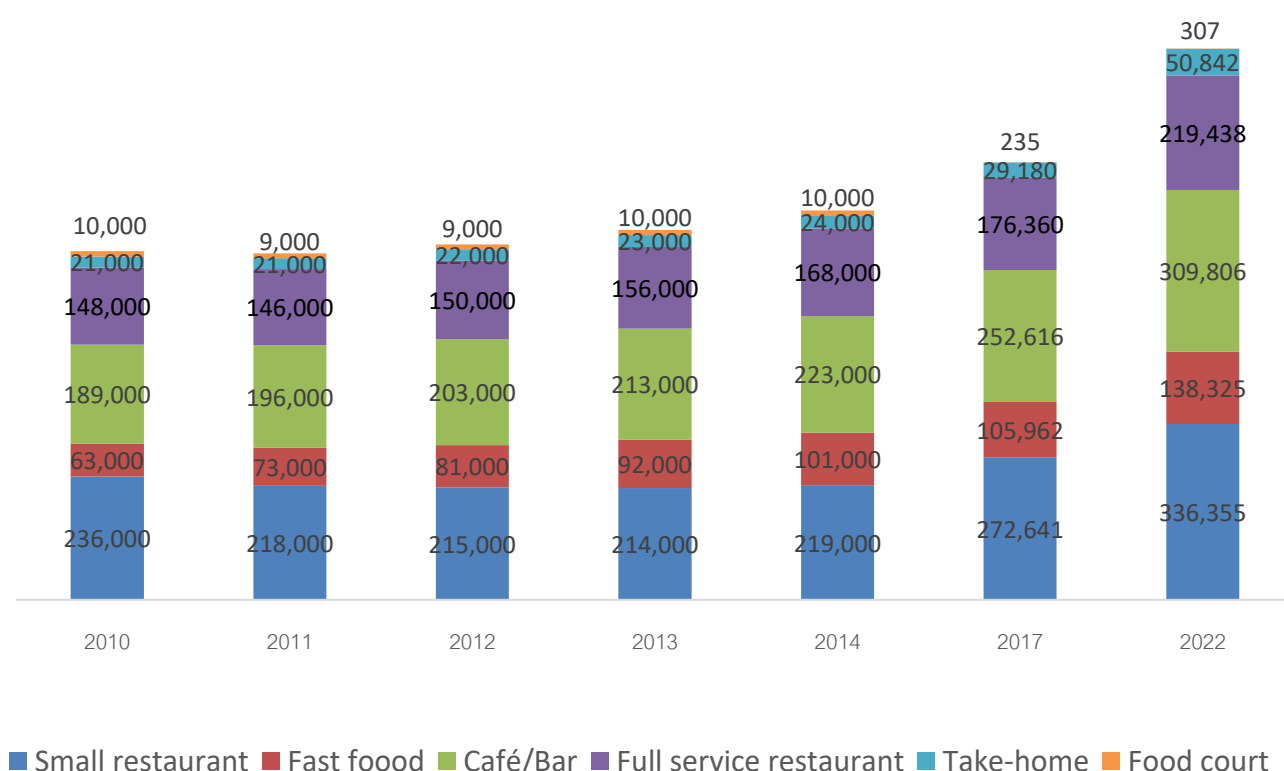
Data source - Bank of Thailand (% YoY) reported on 22 January 2019	2017	2018	2019
Economic growth rate	3.9	4.2	4.0
- Private consumption	3.2	4.7	4.0
- Private investment	1.7	3.6	4.5
- Government consumption	0.5	2.1	2.6
- Government investment	-1.2	4.6	6.6
- Export volume of products and services	5.5	3.7	4.1
- Import volume of products and services	6.8	7.6	3.2
- Current account balance (one thousand million USD.)	50.2	33.1	34.5
- Export value	9.8	7.0	3.8
- Import value	13.2	15.3	3.8
General inflation	0.7	1.1	1.0
Core inflation	0.6	0.7	0.9
Assumption			
- Number of foreign tourists (million people)	35.6	38.0	40.0
- Dubai crude oil price (USD / Barrel)	53.1	69.8	66.0

6.1.4.2 Restaurant industry overview in Thailand (It is expected that the food industry will grow continuously)

Euromonitor International reported that 2017 market value of the restaurant industry in Thailand with a total value of approximately Baht 836,997.6 million, increased by Baht 172,460.2 million from 2012 which the market value of the industry is approximately 664,537.4 million baht or equivalent to an average annual growth rate (CAGR) of about 4.7 percent.



Market value of the restaurant business divided by type (Million baht)



In 2017 Thailand has about 152,157 restaurants which was 22,232 more stores from 129,925 in 2012. The average annual growth rate (CAGR) of about 3.2 percent which can be categorized as follows.

Restaurant Category	2017			
	Market Value		Number of Restaurant	
	Million Baht	Percent	Restaurant	Percent
1. Small Restaurant (Kiosk and Street Stalls)	272,641.4	32.6	102,987	67.7
2. Fast Food	105,962.8	12.7	16,714	11.0
3. Café and Bars	252,616.9	30.2	16,658	10.9
4. Full Service Restaurant	176,360.5	21.1	11,099	7.3
5. Take Home	29,180.8	3.5	4,698	3.1
6. Food Court	235.2	0.0	1.0	0.0
Total	836,997.6	100.0	152,157	100.0

Overall restaurant industry is growing steadily, mainly due to an increase in income of the population, population expansion in large cities, increase of tourists, the changing behavior of consumers who prefer to eat out more and the population can access technology and the internet more.

Market Value

In 2017 Kiosk and Street Stalls have the highest market value, representing 32.6 percent of the market value of the restaurant industry. Followed by Café and Bars, Full Service Restaurant and Fast Food which accounted for 30.2%, 21.1% and 12.7% of the industry's market value.

Number of restaurants

As for the number of restaurants in 2017, Kiosk and Street Stalls has the highest number for 67.7 percent of the total number of restaurants in the industry. Followed by Fast Food Restaurant, Café and Bars and Full Service Restaurant, which has 11.0%, 10.9% and 7.3% percent of the total number of restaurants in the restaurant industry.

Café and Bars

Number of branches of others brand that could compare with After You PCL	January 2019
After You / Maygori	32 / 1
Bake a wish	29
Farm Design	20
Iberry	6
Kyo Roll En	29
Mr. Jones Orphanage	2
Swenzens	212

Resource: From website of each company (only branches in Thailand) January 2019

Cafes and bars have been consistently popular with consumers. Due to the large service providers of restaurants, cafes and bars, the quality and style of service are continually improved in accordance with changes in consumer behavior. Including the expansion of branches at various locations to continue to reach more consumers.

Factors and trends in the growth of the restaurant business in Thailand will depend on the following indexes.

a) Consumption ability of consumers (Expected to be better than the previous year).

Macroeconomic Department Bank of Thailand (BOT), the report shown in previous section, concluded that the overall private consumption is still going on. Private consumption in Thailand expanded in 2018 beyond expectations, partly due to the high car sales because of special deal in Government's First Car Project gradually exhausted. In addition, improved employment and more dispersed in many economic sectors and many income groups grew so raising the purchasing power of non-agricultural sectors. In addition, the government's actions to help low income earners' consumption also attributed to the index.

For 2019, car sales are expected to slow down from the high base last year. The government measures are expected to continue in 2019, while agricultural sector's income shows slow growth.

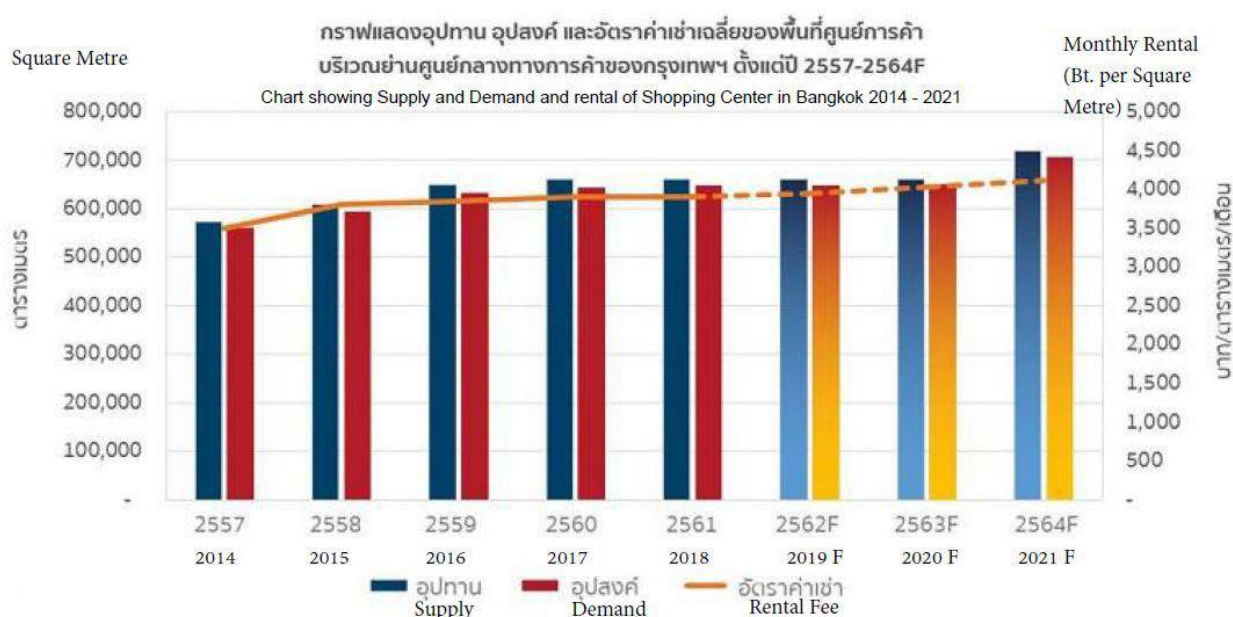
b) Tourists (positive factors due to the increasing number of tourists from previous years)

Estimates tourists Prepare and forecast By the Bank of Thailand (Dec 2018)	2014	2015	2016	2017	2018 (E)	2019 (E)
Number of foreign tourists (million people)	24.8	29.9	32.5	35.6	38.0	40.0
Growth rate (%)	-6.5	20.4	8.9	9.4	6.8	5.3

Thailand's tourism is likely to continue growing after the government's policy to waive fees for from 21 countries, causing tourists from countries such as Malaysia and India to increase significantly in terms of number and income from tourists. Moreover, Chinese tourists began to return after the crisis of incidents with Chinese people in Thailand in mid-2018. Moreover, the government also penetrate Japan and South Korea tourists. It is expected that the number of tourists in 2019 will increase to 40 million people from 38 million people (forecast) in 2018.

c) Store rental area continues to grow in the long term.

From the website <https://cheechongruay.smartsme.co.th/content/23355> shows the report of Nexus Property Consultant Co., Ltd. It summarized trend of the shopping centers. From the survey, it found that the market continues to grow steadily because the shopping center market depends on economic factors, private consumption including tourism.



Nexus survey found that the new shopping center for the 4th quarter of 2018 were Icon Siam and Gateway @ Bang Sue, which was officially launched in November last year and expects that the area of the shopping center for rent in 2019 will reach 240,000 square meters.

Based on the forecast of the overall of the Thai economy and tourism next year is still a positive factor. The Tourism Industry Council estimates that the number of tourists at the end of 2018 will increase from 5.08% last year or a total of 37.2 million.

Nature of Thai people they prefer to buy items at the shop by themselves. Warm weather also causes shopping center very popular for Thai people. However, the current market that is highly competitive. Entrepreneurs need to impose new strategies to increase their own competitiveness so it can attract more customers and boost sales such as lifestyle, design, facilities, safety and platforms will help entrepreneurs to stand in the market.

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 2018, the Company Group placed orders for goods and raw materials from the first 10 major manufacturers and suppliers at 53 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 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, The Factory passed and received the certificate of Good Manufacturing Practice (GMP) and

Hazard Analysis and Critical Control Points (HACCP) in June 2017. In addition, the Company received Halal accreditation on 2 October 2018 from the Office of the Central Islamic Committee of Thailand by certifying that the process has been carried out correctly according to Islamic principles.

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 and Risk Management

Business Risk

1. The Risk of Raising Concerns about Trans Fat in Bakery Industry

Trans fat is a type of fat that is derived from vegetable fat or unsaturated fat, such as vegetable oil. The liquid vegetable fat or unsaturated fat are partially hydrogenated to convert them into saturated fat, which transforms into solid or partially solid form. This process is called hydrogenation.

On the 14 July 2018, the Ministry of Public Health has issued a notification under the provision of Section 5, Paragraph 1 and Section 6 (8) of the Food Act B.E. 2522 (1979) subject: Prescribed foods which are prohibited to be produced, imported or sold. The Minister of Public Health has issued the notification as follows:

Clause 1 Partially hydrogenated oil and food products containing partially hydrogenated oil are prohibited to be produced, imported, or sold.

Clause 2 This Notification shall come into force after 180 days as from the day following date of its publication in the Government Gazette (13 July 2018)

The Ministry's Notification has caused a temporary concern among customers. Many food producers had made announcements that their products are free from trans fat within the 180 days period from 13 July 2018.

Many food producers, including After You Plc., have been notified before actual the issuance of Ministry Notification. We have prepared by having the factory unit tested all ingredients used in production and requesting certificates from all suppliers to ensure that all ingredients are free from trans fat. As a result, After You Plc. can confidently announced to the customers, corporate customers, media, and investors that the Company is prepared for this announcement.

2. Risk of raw material procurement and rising prices

The main raw materials for the desserts and beverages are flour, chocolate, 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.

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

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.

4. Risk in recruiting personnel in each department

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.

In term of recruitment, the Company has send recruitment team to the target universities , communities for applicants' conveniences.

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.

5. 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.

6. 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 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.

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

4 - 5 branches out of 32 branches are the most popular branches with high revenue and customers. If there are unforeseeable events such as political crisis, political demonstrations, or other events that may cause damages to those branches or cause them to close, the Company's performance

and financial status may be affected significantly. In addition, some ingredients stocked at those branches may be expired and must be thrown out. This will also affect the profitability of the Company.

Nevertheless, the Company has expanded its branches to other big cities that has high growth potential and spending power. This will diversify the risk of branch centralization. In 2018, the Company has opened 3 branches in Chaingmai, Pattaya, and Udonthani. In 2019, the Company plans to open 4 more branches outside of Bangkok.

8. Risk of changing in consumer behavior

The Company may face the risk of changing in consumer behavior due to age, economic conditions, and social trends. These trends include the trend of the health-conscious consumer. If a large number of customers change their behaviors towards new trends, the Company's performance may be affected.

To address this risk, the Company has launched new products regularly. In the 4th quarter of 2018, the Company has launched 2 new products in the form of take home/gift, namely "Kanom Pang Neay Sod (Fresh Butter Bread)" and "Kanom Pang Nom Sod (Fresh Milk Bread)," priced at 100 Baht per 6 pieces. The feedback has been phenomenal, with large sales from online channel and store-front such that the customers must pre-ordered the products. This is an indication of success of the Company in creating products that fit customers' preference. The price is not too expensive. These products are very profitable since they do not require a lot of storage space and store staffs. The Company will continue to give importance to Research and Product Development to ensure that we can create new products that will be well received by the customers.

Management Risk

1. Risk of major shareholders exceed 50 percent

As of 28th December 2018, Ms. Gulapat Kanokwatanawan' s group ("Kanokwatanawan Group") and Mr. Maetup T. Suwan's group ("T. Suwan Group") hold 37 % 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 2018, 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.

8.1 Shareholders

The top 10 shareholders showed in book closing at 31 December 2018 were as follows:

	Shareholders	Number of shares	%
1	<u>Ms. Gulapat Kanokwatanawan' s group^{/1}</u>		
	Ms. Gulapat Kanokwatanawan	259,669,759	31.8%
	Mr. Pruit Kanokwatanawan ^{/2}	19,290,937	2.4%
	Mr. Mill Kanokwatanawan ^{/2}	14,982,187	1.8%
	Mr. Wiwat Kanokwatanawan ^{/3}	4,275,000	0.5%
	Mrs.Uraiwan Kanokwatanawan ^{/4}	5,162,437	0.6%
	Total of Ms. Gulapat Kanokwatanawan' s group	303,380,320	37.2%
2	<u>Mr. Maetup T.Suwan' s group^{/1}</u>		
	Mr. Maetup T.Suwan	239,793,750	29.4%
	Ms. Kaniitha-Viriya T.Suwan ^{/5}	18,728,125	2.3%
	Total of Mr. Maetup T.Suwan' s group	258,521,875	31.7%
3	UBS AG SINGAPORE BRANCH	30,798,991	3.8%
4	Thai N V R D	23,586,350	2.9%
5	Mr. Piriyarat Pattarakitkasem	19,100,000	2.3%
6	Mrs. Patcharamon Panjasap	8,000,000	1.0%
7	Ms. Pimpatra Supatcharawong	7,600,000	0.9%
8	Mr. Wirat Tanupran	5,710,000	0.7%
7	Mr. Chukiat Chanarat	3,650,000	0.4%
8	Mr. Chingchai Lohawattanakul	3,521,300	0.4%
9	Mr.Wasun Auurakwongsri	3,340,000	0.4%
10	Mr. Wacharapong Techapaiboon	2,517,100	0.3%
11	Others	145,897,625	17.9%
	Total	815,623,561	100%

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

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

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

^{/4} Mrs.Uraiwan Kanokwatanawan is mother of Ms. Gulapat Kanokwatanawan

^{/5} Ms. Kaniitha-Viriya T.Suwan is older sister of Mr. Maetup T.Suwan

Other Securities issued: -None-

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 2018, on the basis of THB 0.19 per share in total amount not exceeding THB 154,968,477 or 104.9 % of 2018 net profit after tax from the Company's separated financial statement and retained earning. This is in line with the Company's dividend policy (not less than 50% of profit after tax from the Company's separated financial statement) while such payment will still need approval from 2019 Annual General Meeting of Shareholders.

8.2 Management Structure

As at 31 December 2018, the Company had 3 committees; The Board of Directors, Audit Committee, and Nomination and Compensation Committee

8.2.1 The Board of Directors

The Board of Directors of the Company as at 31 December 2018 consists of 7 members as follows:

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

Secretary to Board: Ms. Korbsakao Iamsuri

The Board held meeting the auditor without Management joining the meeting 1 time

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.

8.2.1.1 Audit Committee

The Audit Committee of the Company as at 31 December 2018 consists of 3 members as follows:

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

The Audit Committee held meeting the auditor without Management joining the meeting 1 time

In addition, the company hired DIA International Auditing Co., Ltd as an outsource internal auditor and to report directly to Audit Committee. The Audit Committee assigns Ms. Korbsakao Iamsuri as a secretary.

Mr. Premon Pinskiul 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.

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 resume 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) Fraud or abnormalities or defects in the internal control system.
 - (b) 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.

8.2.1.2 Nomination and Compensation Committee

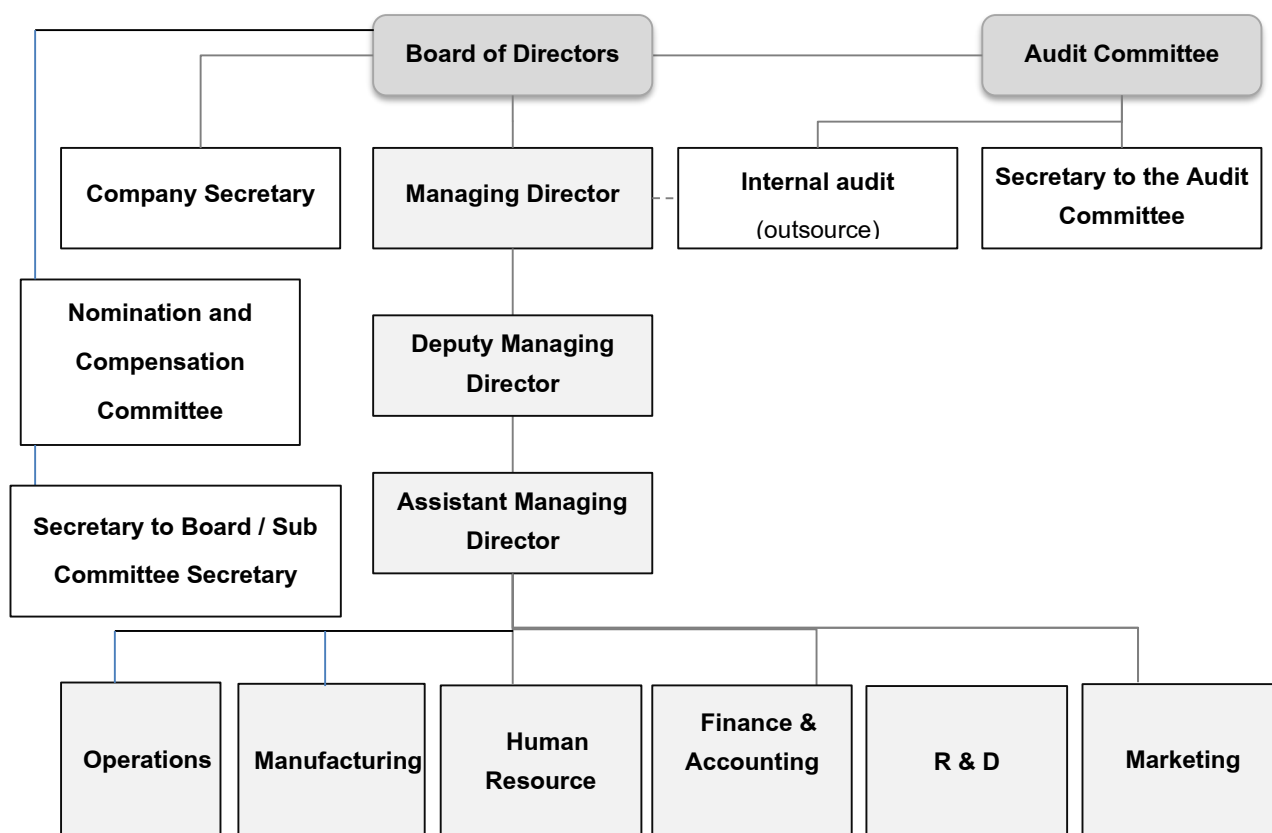
The Nomination and Compensation Committee of the Company as at 31 December 2018 consists of 3 members as follows:

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

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

8.2.2 Executives

The Company had the structure as at 31 December 2018 as follows:



There were 6 Executives 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
6.	Ms. Chamaiporn	Tungkittisuwan	Director of Finance & Accounting

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:

1) Directors' remuneration

1.1 Monetary remuneration

The Company sets out the remuneration rate for directors on a yearly basis and approved by the shareholders meeting. In this matter, the 2018 Annual General Meeting of Shareholders which held on 26

April 2018 has approved the directors' remuneration for the year 2018 in the amount not less than 1,000,000 Baht as following details:

Quarterly Fee

Position	2018	2017
Chairman and Independent Director	THB 45,000 / head / Quarter	THB 45,000 / head / Quarter
Chairman of Audit Committee and Independent Director	THB 35,000 / head / Quarter	THB 35,000 / head / Quarter
Audit Committee	THB 25,000 / head / Quarter	THB 25,000 / head / Quarter
Non-executive Director	THB 10,000 / head / Quarter	THB 10,000 / head / Quarter
Executive Director	none	none

Attendance Fee : each meeting starting from Board Meeting # 6 / 2018.

Position	2018	2017
Independent Director	10,000 per head each time	none

Table of 2018 Directors' remuneration

Name-Surname	Position	Actual Payment (Baht)
1. Mr. Premon Pinskul	Chairman of the Board, Independent Director and Audit Committee Member, and Chairman of Nomination and Compensation Committee	190,000
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	150,000
4. Dr.Thamnoon Ananthothai	Independent Director and Audit Committee Member	110,000
5. Mr. Maetup T.Suwan	Director	-None-
6. Ms. Gulapat Kanokwatanawan	Director	-None-
7. Mr. Mill Kanokwatanawan	Director	-None-
Total (Baht)		490,000

2) Executives' remuneration

In 2018, the Company has paid salaries, bonuses, contributions to the provident fund, retirement or post-exit, and other long-term benefits and compensation, to 6 executives, totaling Baht 15.0 million.

In 2018, there were no other compensation given to Board members and executives beside those above mentioned.

8.2.3 PersonalTotal number of employees

Total numbers of employees in each department as at 31 December 2018 and 2017 were as follows:

Department		Number of employees (person)			
		2018		2017	
		Full-time	Part-time	Full-time	Part-time
1	Operations	550	127	534	102
2	Production	163	-	127	-
3	Warehouse	42	-	40	-
4	Human Resource	18	-	18	-
5	Finance & Accounting	18	-	15	-
6	Purchasing	13	-	9	-
7	Marketing (Graphic)	4	-	5	-
8	Management support	13	-	9	-
9	Maintenance	15	-	13	-
10	Information technology	5	-	4	-
11	Project Development	4	-	3	-
Total		Total	845	127	777

Significant change in number of employees over the past 2 years

As at 31 December 2018 and 2017, the Company had 972 and 879 employees, respectively. Significant change was in department of operations via branch expansion which was in line with the growth of the business. The company opened 5 new branches (net) in 2018.

Major labor disputes over the last 2 years

-None-

Employee Remuneration

The Company and its subsidiaries paid compensation to employees in various ways, the amount of which in 2018 and 2017 were as follows:

Remuneration (Million Baht)	2018	2017
Salaries	176.51	146.6
Bonuses	16.01	14.06
Other compensation ^{/1}	28.22	22.98
Total	220.74	183.64

Remark: ^{/1} Other compensation included duty allowance, travelling allowance, provident fund, social security and other benefits.

Policy and Guidance in developing knowledge and potentiality for the personnel

After You Public Company Limited encourages 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. Personal development

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

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 02-318-4488 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 2018, 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 to 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 2018, the Company has successfully organized the following social activities:

- a) June 2018 – Management and Staffs donated cash and release 10 buffalos / cows.



- b) May and June 2018 – Management and staffs went for plantation in Sirinthorn International Environment Park at Cha-am District, Petchaburi





- c) September 2018 – After You Pcl. Together with Yuvabadhana Foundation sold “ Kanom Pang Neoy Sod and Nom Sod” (Butter and Milk Bun) at Booth #limitededucation Floor 3 Atrium at Central World Education Pavillion. Selling price is Baht 100 / box.

Objective: Income derived was to donate to Yuvabadhana Foundation to support Thailand’s Youth Education



- d) September 2018 – Management and staffs donated 11 giant fans and supplies to The Foundation for the Blind in Thailand under the Royal patronage of H.M. the Queen. Lunches to students were also sponsored by the Company that day.



Objective - To hand in happiness via eating desserts to the blinds, To ensure confidence in the blind’s services who can perform duties close to normal human. To enhance After You’s staffs’ habit to always help the blinds. Lastly, to promote harmony among After You’s staffs



11. 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) Information & Communication

The company shall report any important information to the board, sufficiently for decision-making. There are channels and processes for communicating internal information between executives and employees, such as email, bulletin board, or even informing in person, depending on the suitability of each subject or situation.

(5) 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 2018, the Audit Committee held 4 meetings, one of which is the meeting with the Company's auditor. There was a meeting arranged between Audit Committee and auditor without any management.

At the Board of Directors' Meeting No. 1/2019 held on 26 February 2019, 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

- 1) Control Environment
- 2) Risk Assessment
- 3) Control Activities
- 4) Information & Communication
- 5) Monitoring Activities

The Board viewed that internal control system of After You Pcl. is enough and suitable for the company's size and current situation. The Company arranged sufficient staffs to follow per schedule efficiently. There were also the internal control system for monitoring the operation in subsidiaries in order to protect company and its affiliates' assets from improper use or in unauthorized manner. This also covered the transactions conducted with people in conflicting interest or related parties. The Board also considered and approved internal control evaluation form of the Company.

12. Related Party Transactions

Description of stakeholders who had inter-relationship, as at 31 December 2018:

Relevant parties and business types	Relationship as of 31 December 2018
1. Ms. Gulapat Kanokwatanawan ("Ms. Gulapat")	▪ Directors, executives and major shareholders of the Company
2. Mr. Maetup T. Suwan ("Mr. Maetup")	▪ Directors, executives and major shareholders of the Company
3. MayMing Ordinary Partnership ("MayMing") Operate building lease business	▪ Major Shareholders, Ms. Gulapat, held 31.80 percent of the Company and owned 55 percent of MayMing, whereas Mr. Maetup held 29.40 percent of the Company and 45.00% 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 50.00% 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")	▪ Brother of Mr. Wiwat, a director of the Company
7. Mr. Pruitt Kanokwatanawan ("Mr. Pruitt")	▪ Brother of Ms. Gulapat, a director, an executive and major shareholder of the Company

Detail of related party transactions in 2018 and 2017**Detail of related party transactions in 2018 and 2017 and will continue in the future**

Relevant Party	Description	Value (Million Baht)		Reason and Necessity
		31 December 2018	31 December 2017	
1 MayMing Ordinary Partnership	<u>Rent commercial buildings</u> 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. In June 2017, the Company moved to new Head Quarter. Thus, it rented these commercial building to accommodate café staffs from up-country. - Rental fee	0.78	0.78	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. <u>Comments from the Audit Committee</u> 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.
2 Mr. Paiboon Kanokwatanawan	<u>Rent commercial buildings</u> 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 the office			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 from 125.00 - 156.25

Relevant Party	Description	Value (Million Baht)		Reason and Necessity
		31 December 2018	31 December 2017	
	<p>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>In June 2017, the company moved to new head office and new distribution center to newly built building . The Company then use such commercial building to conduct some production line which is not in plant. In September 2018, the Company transferred some productions to Aurum and Aurum Co. , the subsidiary. Thus, Aurum and Aurum rented such commercial building in place of After You Pcl.</p> <p>- Rental fee</p>	0.80	0.80	<p>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>

Details of related party transactions in 2018 and 2017 and will not happen in the future

Relevant Party	Description	Value (Million Baht)		Reason and Necessity
		31 December 2018	31 December 2017	
1 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. 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 presented a recipe collected and derived from a Tokyo trips and not the secret formula of the Company.</p> <p>For accounting record of consignment sale, the Company recognized income and payable on the date of sale.</p> <p>In May 2018, the Company stop selling all books in café'</p> <ul style="list-style-type: none"> - Commission from consignment - Trade account payable 	<p>(Value from 1/1/2018 – 31/5/2018)</p> <p>0.01 -</p>	<p>(value from 1/1/2017 – 31/12/2017)</p> <p>0.03 0.03</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. , this related party transaction is necessary and reasonable.</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 general, such transactions are necessary and reasonable, and ended in May 2018</p>

Relevant Party	Description	Value (Million Baht)		Reason and Necessity
		31 December 2018	31 December 2017	
2 Pakfood Public Company Limited	<p>The Company paid for some raw materials to make it ready for production.</p> <p>In June 2018, 1 After You Pcl.'s director resigned from Pacfood Pcl. Board. Thus, the transaction between Pacfood Pcl and After You Pcl will not be counted as related party transaction.</p> <p>- Material Purchase</p>	<p>(Value from 1/1/2018 – 30 /6/2018)</p> <p>1.25</p>	<p>(Value from 1/1/2017 – 31/12/ 2017)</p> <p>1.59</p>	<p>The Company buys raw material for production because the price is lower than other vendors in the same quality. Such transactions has same conditions for other vendors. Thus, this related party transaction is necessary and reasonable.</p> <p><u>Comments from the Audit Committee</u></p> <p>Such transaction is reasonable and useful for operation. However, 1 of After You Pcl. Board resigned from PacFood Board in June 2018. Thus, any transaction happens after June 2018 will not be related party transaction.</p>

Relevant Party	Description	Value (Million Baht)		Reason and Necessity
		31 December 2018	31 December 2017	
3 Mr.Pruit Kanokwatanawan	<p><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. In July 2018, an After You Pcl.'s subsidiary has rented another building belong to Mr. Paiboon Kanokwatanawan from After You Pcl due to larger space and more closer to Head Office. Due to this convenience, the Company stop rental from Mr. Pruitt since July 2018.</p> <p>- Rental fee</p>	<p>Value from 1/1/2018 – 31/6/2018)</p> <p>0.06</p>	<p>(Value from 1/1/2017 – 31/12/2017)</p> <p>0.12</p>	<p>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.</p> <p><u>Comments from the Audit Committee</u> Such transaction is reasonable. It is beneficial to the business of the Company's subsidiaries. However, the Company's subsidiary stop renting from Mr. Pruitt since July 2018. This transaction will not happen in the future.</p>

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, 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 consignment 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.

13.1 Overview of Performance and Financial Position in 2018

In 2018, the Company opened 6 After You branches. As at 31 December 2018, the Company had 31 branches of After You and 1 branch of Maygori. (As at 31 December 2017, there were 26 branches of After You and 1 branches of Maygori).

During 2018, the Company developed and invented new products consistently. There were 2 new products launched "Butter Bun and Milk Bun" in September 2018 distributed at Head Office. Later in December, they were available at branches. Tremendous popularity and excessive sales were derived from such products

From the above factors, the Company's 2018 sales was THB 871.09 million, 20.32 % increased from THB 723.96 million in 2017. The net profit for the year 2018 rose 14.38% to THB 147.43 from THB 128.9 million in 2017. The 2018 net profit margin is 16.74% , compared to 17.53% in 2017.

13.2 Performance Analysis

Revenue

Product line / Business type	For the period ended 31 December				% Change
	2018		2017		
	Million Baht	%	Million Baht	%	
<u>Sale revenue</u>					
1. Sale from dessert cafe	838.23	95.17	704.29	95.77	19.02
2. Catering and OEM sale	32.86	3.73	19.67	2.67	67.06
Total sale revenue	871.09	98.91	723.96	98.45	20.32
Other revenues	9.64	1.09	11.42	1.55	(15.59)
Total revenues	880.73	100.00	735.38	100.00	19.77

Number of the Company's branches

	Unit	2018	2017
Number of new open branches	No. of branches	6	8
Closed during the year	No. of branches	1	1
Number of branches at end of period	No. of branches	32	27
Average sales per original branch	Million Baht	29.16	34.21
Same-Store Sales Growth: SSSG	%	-4.44	-2.97
Sales Revenue Growth	%	20.32	19.39

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

For the year ended 31 December 2018, Café sales were THB 838.23 million increased from THB 704.29 million in 2017, accounted for 19.02% growth due to the introduction of 6 new branches compared to last year. Sales from Catering service and OEM increased from THB 19.67 million in 2017 to THB 32.86 million in 2018 because of new take-home products sold at Head Office and OEC volume expansion.

The Group had other revenues of THB 9.64 million in 2018 lower than 11.42 in last year from decreased short-term investment return from reduction in principal.

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 244.33 million in 2017 to THB 288.97 million in 2018 due to higher sales.

Unit : THB mm	2018	2017
Total sales	871.09	723.96
Cost of sales	288.97	244.33
Gross Profit	582.12	479.63
Gross Profit Margin (%)	66.83	66.25

For the year ended 31 December 2018, gross profit of the Group was THB 582.12 million or equivalent to gross profit of 66.83%, accounted for 0.58% increase, compared with 66.25% 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.

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 2018, the company had selling expenses of THB 271.02 million, an increase of THB 43.50 million from 2017 which had expenses at THB 227.52 million or increase 19.12 percent due to the increase number of branches. Causing the need to hire branch staff and rent more places. Proportion of selling expenses to total revenue for the year ended 31 December 2018 and 2017 were 30.77% and 30.94% respectively. The proportion of expenses related to branch employees to total revenue decreased. Due to the company's efforts to increase employee productivity to reduce the number of employees per branch but the ratio of selling expenses to total revenue increased from the increase in depreciation of assets in the branch and expenses relating to premises and equipment.

Administrative Expenses

Administrative expenses consist of staff salary in the head office, repair and maintenance, consulting fees, professional fees, depreciation, amortization, loss from the cancellation of the lease agreement prematurely and other administrative expenses such as rental of office buildings, factories, warehouses, utility, Office expenses, miscellaneous expenses and tax-related expenses.

For 2018, the company had administrative expenses of THB 140.41 million, an increase from THB 106.09 million in 2017, which increased by THB 34.32 million or increased by 32.35 percent, mainly due to the closure of Don Mueang branch in June. Resulting in the amortization of the assets of this branch as expenses in the amount of THB 4.24 million and from hiring more employees in the head office in order to accommodate the increasing amount of work as branch expansion plan and new business. Including rising of property depreciation

Financial Expenses

Financial expenses for the year ended 31 December 2018 and 2017 were THB 0.23 million and THB 0.64 million. The decrease in financial expenses due to the number in 2017 included a fine of THB 0.39 million from the repayment of long term loans from banks as of early January 2017.

Income Tax Expenses

Tax expenses in 2018 and 2017 were THB 32.67 million and THB 27.90 million or equivalent to effective tax rate of 18.14% and 17.79%, respectively.

Net Profit and Net Profit Margin

Net profit of the Group was increased by THB 18.53 million or 14.38% from THB 128.90 million in 2017 to THB 147.43 million in 2018 and net profit margin of 2018 and 2017 were 16.74% and 17.53% respectively, equaling to an decrease of 0.79%, which was mainly due to higher administrative expenses and the closure of Don Mueang branch. Net profit margin for the year ended December 31, 2018, if there is no loss from the write-off of the property of Don Mueang branch will be 17.22%.

13.3 Financial Position Analysis

Assets

As of 31 December 2018 and 31 December 2017, the Company had total assets equal THB 1,097.42 million and THB 1,033.81 million respectively. The Company's main assets consisted of cash and cash equivalents, temporary investments, land, buildings, and equipment.

Cash and cash equivalents

As of 31 December 2018 and 31 December 2017, the Company's cash and cash equivalents were THB 62.55 million and THB 48.64 million respectively. The number increased to THB 13.91 million, mainly from cash received from the sale.

Current investments

As of 31 December 2018, After You Group had temporary investments of THB 402.65 million, which investment in trading securities was THB 301.76 million, changes in fair value of trading securities THB 0.68 million, and held to maturity investment worth THB 100.21 million. Temporary investments as at 31 December 2018 decreased by THB 60.70 million from the amount of THB 463.35 million as of 31 December 2017, mainly from the annual dividend payment.

Trade and other receivables

After You's core business is sales in shops more than 97 - 98% of its income is derived from cash or pay via other payment methods such as money transfer via QR code, credit card payment which is the nature of selling sweets and beverages business. There are only 2 - 3 percent of sales that are catering and OEM which is credited to some customers depending on the trade agreement. The Company therefore has a low ratio of trade receivables compared to its sales volume. As of 31 December 2018 and 31 December 2017, the amount of trade receivables was THB 12.48 million and THB 9.42 million respectively. Average debt collection period is 3-5 days. The increase in trade receivable is mainly due to the increase in revenue from OEM.

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	31 December 2018		31 December 2017	
	Million Baht	%	Million Baht	%
Finished goods	8.79	26.07	6.00	24.50
Work in process	0.50	1.48	0.31	1.26
Raw materials	17.14	50.83	14.01	57.21
Supplies	7.71	22.87	4.87	19.89
Total	34.14	101.25	25.19	102.86
Deduct obsolete products	(0.42)	(1.25)	(0.70)	(2.86)
Net inventories	33.72	100.00	24.49	100.00
Average inventory period (days)	9.21		8.20	

As of 31 December 2018 and 31 December 2017, the Company had net inventories worth THB 33.72 million and THB 24.49 million respectively. Average inventory holding period is 8-9 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 9.23 million or an increase by 37.69% 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 2018, the value of other current assets was THB 9.58 million, increasing by THB 4.42 million from 31 December 2017, where the value was THB 5.16 million. Mainly due to the increase in the purchase tax, such as service and construction costs that the company haven't received the actual tax invoice.

Restricted bank deposits

Restricted bank deposits as of 31 December 2018 was THB 3.28 million which are fixed deposits the Company THB 0.02 million used to guarantee debt payment for purchasing products.

Property, plant and equipment

As of 31 December 2018 and 31 December 2017, the net value of the Company's land, buildings, and equipment was worth THB 504.90 million and THB 436.80 million, equal to 46.01% and

42.25% of total assets respectively. The increase was mainly due to the rise of decoration costs and equipment for 6 branches opened in 2018 and additional construction work for factory extension.

Intangible assets

As of 31 December 2018 and 31 December 2017, the Company's net intangible assets were THB 17.68 million and THB 12.56 million, equal to 1.61% and 1.21% of total assets respectively. The increase was mainly due to computer software required for 6 new branches opened in 2018, and computer software installation in head office and factory.

Advance for acquisition of asset

Advance for the acquisition of asset as of 31 December 2018 was THB 12.57 million. Mostly are advance payments for construction of expanded factories and the purchase of production equipment.

Rental Deposits

As of 31 December 2018 and 31 December 2017, the Company had rental deposits worth THB 32.29 million and THB 28.38 million respectively, equal to 2.94% and 2.75% of 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.

Deferred tax assets

Deferred tax assets as of 31 December, 2018 and December 31, 2017 was THB 4.29 million and THB 2.95 million respectively. The increase in deferred tax assets in line with the increase in the provision for decommissioning, reserve for long-term employee benefits and deferred income – special customer loyalty program.

Liabilities

As of 31 December 2018 and 31 December 2017, the Company's major liabilities consisted of trade and other payables, unpaid revenue tax, other current liabilities, provision for decommissioning and reserve long-term employee benefits. The total amount of liabilities was THB 140.32 million and THB 101.51 million respectively.

Trade and other payables

As of 31 December 2018 and 31 December 2017, the Company had trade and other payables worth THB 82.48 million and THB 59.38 million respectively, increasing by THB 23.10 million (38.90%), mainly due to the increase in construction creditors payable and creditors from purchasing assets.

Income tax payables

As of 31 December 2018 and 31 December 2017, the Company has accrued income tax in the amount of THB 19.44 million and THB 15.14 million respectively, which increased by THB 4.30 million or equivalent to an increase of 28.40% which is in line with the increase in net profit of the company.

Other current liabilities

As of 31 December 2018 and 31 December 2017, the Company's other current liabilities were THB 14.34 million and THB 8.61 million respectively, increasing by THB 5.73 million (66.55%) mainly due to the increase in unearned revenue and deferred revenue from the customer loyalty program.

Provision for decommissioning

As of 31 December 2018 and 31 December 2017, the Company's provision for decommissioning were THB 10.60 million and THB 9.12 million 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 31 December 2018 and 31 December 2017, the Company's provision for long term employee benefits balance was THB 9.31 million and THB 6.35 million respectively. The amount increased THB 2.96 million or 46.61% from the revised reserves increased during 2018 from the calculation of Actuaries.

Other non-current liabilities

As of 31 December 2018 and 31 December 2017, the Company's other non-current liabilities were THB 4.00 million and THB 2.52 million respectively which the amount increased by THB 1.48 million or 58.73%, mainly due to the increase in guaranteed deposit for employee uniforms.

Shareholders' Equity

As of 31 December 2018 and 31 December 2017, After You's equities total THB 957.10 million and THB 932.30 million respectively. The increase of shareholders' portion by THB 24.80 million was due to an increase in net profits in 2018 worth THB 147.43 million, deducted by dividend payment in 2018 worth THB 122.34 million and actuarial losses which was presented as other comprehensive income in shareholders' equity of THB 0.28 million.

13.4 Cash flow analysis

Unit : Million Baht	2018	2017
Net cash flows from Operating Activities	209.47	148.02
Net cash flows used investing activities	(73.01)	(655.61)
Net cash flows used financing activities	(122.55)	(72.17)
Net Increase (decrease) in cash and cash equivalents	13.91	(579.76)
Cash and cash equivalents at the beginning	48.64	628.40
Cash and cash equivalents at year-end	62.55	48.64

Net cash flow from Operation

In 2018 and 2017, the Company had net cash flow from Operation of THB 209.47 million and THB 148.02 million respectively. The THB 61.45 million growth was from sales.

Net cash flow from investments

Net cash flows spent on investing activities in 2018 and 2017 were THB 73.01 million and THB 655.61 million respectively. The cash was added from selling current investment (net) totaling THB 64.20 million. The outflow were construction worth THB 126.67 million and THB 7.60 million software purchase.

Net cash flow from financing activities

Net cash flow used for fund raising in 2018 was THB 122.55 million. The majority of the cash was spent on dividend repayment.

13.5 Liquidity and debt service coverage ratio**Liquidity**

The Company had lower liquidity ratio from 6.63 in 31 December 2017 to 4.49 times on 31 December 2018. The quick liquidity ratio also decreased from 6.25 times in 2017 to 4.10 times in 2018 due to reduction in current investment in order to pay dividend and more payables from constructions and asset purchases

In 2018 and 2017, the Company's cash cycle was in a satisfactory level - 22 days and 20 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 31 December 2018 and 31 December 2017 was 0.15 times and 0.11 times respectively, This is mainly due higher contruction and asset payable.

The Company's debt service coverage ratios in 2018 and 2017 were 0.82 times and 0.55 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 factory extension to support business expansion. It was also a result of the Company's dividend payment to shareholders. The cashflow from operation then was not sufficient.

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

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 2018 are reliable and in accordance with financial reporting standards, including the legal practice and the relevant regulations.



Mr. Premon Pinskul
Chairman of the Board



Mr. Maetup T. Suwan
Managing Director

15. 2018 Report of the Audit Committee

2018 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 2018, 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 2018, 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 2018.

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 2018, 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) Ms. Vilailak Laohasrisakul, Certified Public Accountant Registration No. 6140

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 2018, 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.

A handwritten signature in blue ink, appearing to read 'Pichet Bhimayothin', is centered on the page.

Mr. Pichet Bhimayothin

Chairman of the Audit Committee

16. Independent Auditor's Report

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 subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2018, 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 subsidiaries and of After You Public Company Limited as at 31 December 2018, and 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 recognised 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: 26 February 2019

After You Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2018

		(Unit: Baht)			
		Consolidated financial statements		Separate financial statements	
	Note	2018	2017	2018	2017
Assets					
Current assets					
Cash and cash equivalents	7	62,545,165	48,635,122	55,968,427	44,413,134
Current investments	8	402,645,626	463,346,053	402,645,626	463,346,053
Trade and other receivables	6, 9	13,724,709	11,100,917	18,075,957	15,166,154
Inventories	10	33,721,795	24,486,225	34,367,398	25,066,049
Other current assets	11	9,575,060	5,164,638	9,554,408	5,162,916
Total current assets		522,212,355	552,732,955	520,611,816	553,154,306
Non-current assets					
Restricted bank deposits	12	3,480,620	400,000	3,480,620	400,000
Investments in subsidiaries	13	-	-	1,999,433	999,700
Property, plant and equipment	14	504,903,540	436,796,921	504,822,604	436,761,649
Intangible assets	15	17,675,478	12,555,752	17,675,478	12,555,752
Advances for acquisition of assets		12,565,508	-	12,565,508	-
Rental deposits		32,290,427	28,379,649	32,290,427	28,379,649
Deferred tax assets	24	4,293,107	2,947,198	4,293,107	2,947,198
Total non-current assets		575,208,680	481,079,520	577,127,177	482,043,948
Total assets		1,097,421,035	1,033,812,475	1,097,738,993	1,035,198,254

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

After You Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2018

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2018	2017	2018	2017
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	6, 16	82,480,608	59,381,285	83,607,667	61,807,965
Current portion of liabilities under finance lease agreements	17	154,977	232,704	154,977	232,704
Income tax payable		19,436,076	15,143,298	18,984,431	14,696,772
Other current liabilities	18	14,342,365	8,613,119	14,188,865	8,491,342
Total current liabilities		116,414,026	83,370,406	116,935,940	85,228,783
Non-current liabilities					
Liabilities under finance lease agreements	17	-	154,968	-	154,968
Provision for decommissioning	19	10,595,612	9,119,457	10,595,612	9,119,457
Provision for long-term employee benefits	20	9,309,457	6,346,910	9,309,457	6,346,910
Other non-current liabilities		4,001,778	2,522,737	4,001,178	2,522,437
Total non-current liabilities		23,906,847	18,144,072	23,906,247	18,143,772
Total liabilities		140,320,873	101,514,478	140,842,187	103,372,555
Shareholders' equity					
Share capital	21				
Registered					
815,625,000 ordinary shares of Baht 0.10 each		81,562,500	81,562,500	81,562,500	81,562,500
Issued and paid-up					
815,623,561 ordinary shares of Baht 0.10 each		81,562,356	81,562,356	81,562,356	81,562,356
Premium on ordinary shares		709,575,820	709,575,820	709,575,820	709,575,820
Retained earnings					
Appropriated - Statutory reserve	22	8,156,250	8,156,250	8,156,250	8,156,250
Unappropriated		157,805,736	133,003,571	157,602,380	132,531,273
Total shareholders' equity		957,100,162	932,297,997	956,896,806	931,825,699
Total liabilities and shareholders' equity		1,097,421,035	1,033,812,475	1,097,738,993	1,035,198,254

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

Directors

After You Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2018

		(Unit: Baht)			
		Consolidated financial statements		Separate financial statements	
	Note	2018	2017	2018	2017
Profit or loss:					
Revenues					
Sales		871,088,755	723,963,348	871,088,755	723,963,348
Dividend income		-	-	3,798,860	3,998,800
Other income		9,641,194	11,417,049	9,677,246	11,495,801
Total revenues		880,729,949	735,380,397	884,564,861	739,457,949
Expenses					
Cost of sales		288,971,535	244,334,351	293,965,477	249,294,491
Selling and distribution expenses		271,023,275	227,519,463	271,023,275	227,519,463
Administrative expenses		140,410,216	106,091,531	139,943,230	105,879,341
Total expenses		700,405,026	577,945,345	704,931,982	582,693,295
Profit before finance cost and income tax expenses		180,324,923	157,435,052	179,632,879	156,764,654
Finance cost		(230,787)	(635,986)	(230,787)	(635,986)
Profit before income tax expenses		180,094,136	156,799,066	179,402,092	156,128,668
Income tax expenses	24	(32,668,320)	(27,896,004)	(31,708,474)	(26,949,477)
Profit for the year		147,425,816	128,903,062	147,693,618	129,179,191
Other comprehensive income:					
Other comprehensive income not to be reclassified to profit or loss in subsequent periods					
Actuarial losses, net of income tax		(279,808)	-	(279,808)	-
Total comprehensive income for the year		147,146,008	128,903,062	147,413,810	129,179,191
Earnings per share					
25					
Basic earnings per share					
Profit attributable to equity holders of the Company		0.18	0.16	0.18	0.16
(Unit: Share)					
Weighted average number of ordinary shares		815,623,561	815,623,561	815,623,561	815,623,561

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

After You Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2018

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
(Unit: Baht)				
Cash flows from operating activities				
Profit before tax	180,094,136	156,799,066	179,402,092	156,128,668
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	56,527,511	38,583,156	56,513,976	38,572,778
Allowance for diminution in value of inventories (reversal)	(282,115)	579,973	(282,115)	579,973
Write-off obsolete inventories	416,840	213,501	416,840	213,501
Gain on a bargain purchase of investment in a subsidiary	(84,771)	-	-	-
Unrealised loss (gain) on changes in value of investments in securities held for trading	1,381,745	(2,062,483)	1,381,745	(2,062,483)
Gain on sales of investments in securities held for trading	(4,876,940)	(1,268,570)	(4,876,940)	(1,268,570)
Loss on sale of equipment	1,092,596	91,678	1,092,596	91,678
Write-off equipment	4,451,152	701,842	4,451,152	701,842
Allowance for impairment loss on computer software (reversal)	(780,391)	780,391	(780,391)	780,391
Write-off computer software	777,554	-	777,554	-
Write-off rental deposits	-	252,000	-	252,000
Loss on decommissioning of assets	209,129	-	209,129	-
Provision for long-term employee benefits	3,758,596	2,200,600	3,758,596	2,200,600
Dividend income	-	-	(3,798,860)	(3,998,800)
Interest income	(2,249,515)	(3,841,398)	(2,231,337)	(3,826,651)
Finance costs	230,787	241,396	230,787	241,396
Profit from operating activities before changes in operating assets and liabilities	240,666,314	193,271,152	236,264,824	188,606,323
Operating assets (increase) decrease				
Trade and other receivables	(2,927,297)	(3,282,235)	(3,413,248)	(3,324,488)
Inventories	(9,370,295)	(3,704,015)	(9,436,074)	(3,675,154)
Other current assets	(4,363,054)	2,453,506	(4,344,410)	2,453,506
Rental deposits	(3,910,778)	(6,566,626)	(3,910,778)	(6,566,626)
Other non-current assets	-	699,412	-	699,412
Operating liabilities increase (decrease)				
Trade and other payables	10,876,842	(4,112,579)	9,577,771	(5,455,317)
Other current liabilities	5,729,246	(7,974,889)	5,697,523	(8,024,953)
Other non-current liabilities	1,478,741	(1,395,764)	1,478,741	(1,395,764)
Cash flows from operating activities	238,179,719	169,387,962	231,914,349	163,316,939
Interest received	2,553,020	3,291,043	2,534,842	3,276,297
Interest paid	-	(253,044)	-	(253,044)
Cash paid for decommissioning of assets	(410,500)	(52,051)	(410,500)	(52,051)
Cash paid for long-term employee benefits	(1,145,809)	(515,821)	(1,145,809)	(515,821)
Cash paid for income tax	(29,698,867)	(23,833,902)	(28,743,854)	(22,594,868)
Net cash flows from operating activities	209,477,563	148,024,187	204,149,028	143,177,452

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

After You Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2018

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash flows from investing activities				
Acquisition of investments in securities held for trading and held-to-maturity investments	(656,204,378)	(670,015,000)	(656,204,378)	(670,015,000)
Proceed from sales of investments in securities held for trading and held-to-maturity investments	720,400,000	210,000,000	720,400,000	210,000,000
Increase in restricted bank deposit	(3,080,620)	(200,000)	(3,080,620)	(200,000)
Net cash from (paid for) investments in subsidiaries	85,681	-	(999,733)	-
Acquisition of land, buildings and equipment	(106,237,261)	(151,759,629)	(106,178,062)	(151,759,629)
Acquisition of computer software	(7,600,976)	(4,437,180)	(7,600,976)	(4,437,180)
Advances paid for acquisition of assets	(20,431,617)	(39,336,684)	(20,431,617)	(39,336,684)
Proceed from sale of equipment	55,426	134,327	55,426	134,327
Dividend received	-	-	3,998,800	4,000,000
Net cash flows used in investing activities	(73,013,745)	(655,614,166)	(70,041,160)	(651,614,166)
Cash flows from financing activities				
Decrease in liabilities under finance lease agreements	(246,956)	(425,821)	(246,956)	(425,821)
Repayment of long-term loans from banks	-	(66,312,098)	-	(66,312,098)
Dividend paid	(122,306,819)	(5,435,153)	(122,305,619)	(5,435,153)
Net cash flows used in financing activities	(122,553,775)	(72,173,072)	(122,552,575)	(72,173,072)
Net increase (decrease) in cash and cash equivalents	13,910,043	(579,763,051)	11,555,293	(580,609,786)
Cash and cash equivalents at beginning of year	48,635,122	628,398,173	44,413,134	625,022,920
Cash and cash equivalents at end of year	62,545,165	48,635,122	55,968,427	44,413,134
	-	-	-	-
Supplemental cash flows information				
Non-cash items				
Transfer other current assets to advances for acquisition of assets account	-	(152,500)	-	(152,500)
Transfer advances for acquisition of assets to buildings and equipment accounts	7,866,109	38,205,934	7,866,109	38,205,934
Transfer advances for acquisition of assets to computer software account	-	6,797,250	-	6,797,250
Increase (decrease) in payables for construction and purchase of equipment	12,184,847	(108,122)	12,184,847	(108,122)
Actuarial losses	349,760	-	349,760	-
Dividend receivable from a subsidiary	-	-	3,798,860	3,998,800
Increase in dividend payable	37,024	3,637	37,084	2,437

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

After You Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2018

(Unit: Baht)

Consolidated financial statements					
Note	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Total
			Appropriated - statutory reserve	Unappropriated	
Balance as at 1 January 2017	72,500,000	709,575,820	7,250,000	19,507,905	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	21, 28	9,062,356	-	-	9,062,356
Dividend paid	28	-	-	(14,501,146)	(14,501,146)
Transferred unappropriated retained earnings to statutory reserve	22	-	906,250	(906,250)	-
Balance as at 31 December 2017	<u>81,562,356</u>	<u>709,575,820</u>	<u>8,156,250</u>	<u>133,003,571</u>	<u>932,297,997</u>
Balance as at 1 January 2018	81,562,356	709,575,820	8,156,250	133,003,571	932,297,997
Profit for the year	-	-	-	147,425,816	147,425,816
Other comprehensive income for the year	-	-	-	(279,808)	(279,808)
Total comprehensive income for the year	-	-	-	147,146,008	147,146,008
Dividend paid	28	-	-	(122,343,843)	(122,343,843)
Balance as at 31 December 2018	<u>81,562,356</u>	<u>709,575,820</u>	<u>8,156,250</u>	<u>157,805,736</u>	<u>957,100,162</u>
	-	-	-	-	-
	-	-	-	-	-

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

After You Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2018

(Unit: Baht)

Separate financial statements					
Note	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Total
			Appropriated - statutory reserve	Unappropriated	
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	21, 28	9,062,356	-	-	9,062,356
Dividend paid	28	-	-	(14,499,946)	(14,499,946)
Transferred unappropriated retained earnings to statutory reserve	22	-	906,250	(906,250)	-
Balance as at 31 December 2017	<u>81,562,356</u>	<u>709,575,820</u>	<u>8,156,250</u>	<u>132,531,273</u>	<u>931,825,699</u>
Balance as at 1 January 2018	81,562,356	709,575,820	8,156,250	132,531,273	931,825,699
Profit for the year	-	-	-	147,693,618	147,693,618
Other comprehensive income for the year	-	-	-	(279,808)	(279,808)
Total comprehensive income for the year	-	-	-	147,413,810	147,413,810
Dividend paid	28	-	-	(122,342,703)	(122,342,703)
Balance as at 31 December 2018	<u>81,562,356</u>	<u>709,575,820</u>	<u>8,156,250</u>	<u>157,602,380</u>	<u>956,896,806</u>
	-	-	-	-	-
	-	-	-	-	-

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

After You Public Company Limited and its subsidiaries

Notes to financial statements

For the year ended 31 December 2018

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 2018, the Company has 32 branches (2017: 27 branches) in Bangkok, Samutprakan, Pathumthani, Nonthaburi, Nakhon Ratchasima, Chiang Mai, Udon Thani and Chonburi.

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 subsidiaries (hereinafter called “the Group”) as the following.

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2018	2017
			(%)	(%)
Aurum and Aurum Company Limited	Distribution of bakery products and equipment	Thailand	100	100
M&M 2007 Company Limited	Not yet operated	Thailand	100	-
After You Hong Kong Limited	Not yet operated	Hong kong Special Administrative Region of the People's Republic of China	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 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 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 for fiscal years beginning on or after 1 January 2019

The Federation of Accounting Professions issued a number of revised and new financial reporting standards and interpretations (revised 2018) which are effective for fiscal years beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Group believes that most of the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied. However, the new standard introduces changes to key principles, as summarised below.

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes the following accounting standards together with related Interpretations.

TAS 11 (revised 2017)	Construction contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

The management of the Group believes that this standard will not have any significant impact on the financial statements when it is initially applied.

c) Financial reporting standards related to financial instruments that will become effective for fiscal years beginning on or after 1 January 2020

During the current year, the Federation of Accounting Professions issued a set of TFRSs related to financial instruments, which consists of five accounting standards and interpretations, as follows.

Financial reporting standards

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Group is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

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 and 10 years
Motor vehicles	5 and 8 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 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.

4.8 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.

4.9 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 the straight-line basis over the lease term.

4.10 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.

4.11 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.

4.12 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 defined benefit plans 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.

4.13 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.

4.14 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.

4.15 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.

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		
	2018	2017	2018	2017	
Transactions with subsidiaries					
(Eliminated from the consolidated financial statements)					
Purchase of raw materials	-	-	43,055	41,079	Cost plus margin
Service income	-	-	139	94	Rate stipulated in agreement
Dividend income	-	-	3,799	3,999	As declared
Transactions with related parties					
Purchase of raw materials	1,254	1,590	1,254	1,590	Cost plus margin
Other income	12	30	12	30	Agreed upon basis
Transactions with related persons					
Rental expense	1,635	1,695	1,310	1,575	Rate stipulated in agreement

As at 31 December 2018 and 2017, the balances of the accounts between the Group and those related parties are as follows.

(Unit: Thousand Baht)				
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Trade and other receivables (Note 9)				
<u>Other receivables - related parties</u>				
Advances to subsidiaries	-	-	451	66
Other receivable - a subsidiary	-	-	3,900	3,999
Total	-	-	4,351	4,065

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Trade and other payables (Note 16)				
<u>Trade payables - related parties</u>				
A subsidiary	-	-	5,868	5,951
A related company	-	27	-	27
Total	-	27	5,868	5,978

Directors and management's benefits

During the years ended 31 December 2018 and 2017, the Group had employee benefit expenses payable to its directors and management as below.

	(Unit: Thousand Baht)	
	Consolidated/Separate	
	financial statements	
	2018	2017
Short-term employee benefits	15,094	13,504
Post-employment benefits	370	341
Other long-term benefits	34	53
Total	15,498	13,898

7. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Cash	4,321	3,971	4,321	3,971
Bank deposits	58,224	44,664	51,647	40,442
Total	62,545	48,635	55,968	44,413

As at 31 December 2018 and 2017, bank deposits in savings accounts carried interest at rates between 0.10% and 0.40% per annum.

8. Current investments

	(Unit: Thousand Baht)	
	Consolidated/Separate	
	financial statements	
	2018	2017
Investments in securities held for trading		
Unit trusts - fixed income fund	301,760	261,284
Add: Change in fair value	681	2,062
Total investments in securities held for trading	302,441	263,346
Held-to-maturity investments		
6-month fixed deposits	204	-
12-month fixed deposits	100,000	-
Short-term derivative debentures	-	200,000
Total held-to-maturity investments	100,204	200,000
Total	402,645	463,346

9. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Past due				
Up to 3 months	12,482	9,417	12,482	9,417
Total trade receivables - unrelated parties	12,482	9,417	12,482	9,417
<u>Other receivables</u>				
Advances to a subsidiary	-	-	451	66
Other receivable - a subsidiary	-	-	3,900	3,999
Other receivables - unrelated parties	1,243	1,684	1,243	1,684
Total other receivables	1,243	1,684	5,594	5,749
Total	13,725	11,101	18,076	15,166

10. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to		Inventories - net	
			net realisable value			
	2018	2017	2018	2017	2018	2017
Finished goods	8,790	5,997	-	-	8,790	5,997
Work in process	498	314	-	-	498	314
Raw materials	17,140	14,011	(138)	(33)	17,002	13,978
Supplies	7,711	4,863	(279)	(666)	7,432	4,197
Total	34,139	25,185	(417)	(699)	33,722	24,486

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to		Inventories - net	
			net realisable value			
	2018	2017	2018	2017	2018	2017
Finished goods	8,790	5,997	-	-	8,790	5,997
Work in process	498	314	-	-	498	314
Raw materials	17,785	14,591	(138)	(33)	17,647	14,558
Supplies	7,711	4,863	(279)	(666)	7,432	4,197
Total	34,784	25,765	(417)	(699)	34,367	25,066

During the year 2018, the Group reduced cost of inventories by Baht 0.4 million (2017: Baht 1.0 million) (the Company only: Baht 0.4 million and 2017: Baht 1.0 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 0.7 million (2017: Baht 0.4 million) (the Company only: Baht 0.7 million and 2017: Baht 0.4 million), 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	
	2018	2017	2018	2017
Prepaid expenses	3,548	3,769	3,544	3,769
Undue input tax	3,401	805	3,385	804
Others	2,626	591	2,625	590
Total	9,575	5,165	9,554	5,163

12. Restricted bank deposit

The balance as at 31 December 2018 represents cash pledged with a bank as collateral to secure branch rental (2017: as collateral to secure credit facilities).

13. Investments in subsidiaries

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

Company's name	Paid-up capital		Shareholding percentage		Cost		Dividend income	
	2018	2017	2018	2017	2018	2017	2018	2017
	(Thousand Baht)	(Thousand Baht)	(%)	(%)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)
Aurum and Aurum Company Limited	1,000	1,000	100	100	1,000	1,000	3,799	3,999
M&M 2007 Company Limited	1,000	-	100	-	1,000	-	-	-
After You Hong Kong Limited	USD 1	-	100	-	Baht 32.50	-	-	-

On 17 May 2018, the Company acquired the ordinary shares of M&M 2007 Company Limited. from existing shareholders who are the shareholders of the Company. This company was incorporated in Thailand with a registered capital of Baht 1,000 thousand. The Company holds 100% interest in this company.

The financial statements of M&M 2007 Company Limited have been included in the consolidated financial statements since the Company gained controlling authority on 17 May 2018 ("acquisition date"). The acquisition cost of investment was Baht 1,000 thousand. The Company assessed the fair value of identifiable assets acquired and liabilities assumed at the acquisition date. The assessment was completed in the current year. Fair value of the identifiable assets acquired as at the acquisition date was cash and cash equivalents of Baht 1,085 thousand and the fair value of net assets was Baht 1,085 thousand. The Company recognised gain from bargain purchase of Baht 85 thousand in the consolidated profit or loss for the current year.

On 1 October 2018, the Board of Directors' meeting of the Company approved the establishment of After You Hong Kong Limited. This company was registered in Hong Kong Special Administrative Region of the People's Republic of China on 15 October 2018 with a registered capital of USD 10,000 and paid-up capital of USD 1. The Company holds 100% interest in this company.

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
Cost							Total
1 January 2017	75,599	92,132	26,972	34,072	83,795	10,025	354,992
Additions	27,144	4,000	1,247	15,344	18,375	3,899	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	543,019
Additions	-	704	1,501	16,095	12,338	2,405	126,288
Cost of assets decommissioning	-	-	-	-	1,461	-	1,461
Disposals / write-off	-	-	(1,028)	(2,118)	(13,810)	-	(16,956)
Transfer in (out)	1,000	7,281	8,066	2,085	24,379	-	(42,811)
31 December 2018	103,743	187,997	58,775	78,211	155,737	16,329	653,812
Accumulated depreciation							
1 January 2017	-	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
Depreciation for the year	-	8,163	7,561	10,434	26,004	1,881	54,043
Depreciation on disposals / write-off	-	-	(130)	(1,721)	(9,506)	-	(11,357)
Transfer in (out)	-	-	-	(862)	862	-	-
31 December 2018	-	17,656	22,706	30,317	71,784	6,445	148,908
Net book value							
31 December 2017	102,743	170,519	34,961	39,683	76,945	9,360	436,797
31 December 2018	103,743	170,341	36,069	47,894	83,953	9,884	504,904
Depreciation for the years							
2017 (Baht 11.0 million included in manufacturing cost, and the balance in selling, distribution and administrative expenses)							37,379
2018 (Baht 16.7 million included in manufacturing cost, and the balance in selling, distribution and administrative expenses)							54,043

(Unit: Thousand Baht)

	Separate 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 2017	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
Additions	-	704	1,501	16,036	12,338	2,405	93,245	126,229
Cost of assets decommissioning	-	-	-	-	1,461	-	-	1,461
Disposals / write-off	-	-	(1,028)	(2,118)	(13,810)	-	-	(16,956)
Transfer in (out)	1,000	7,281	8,066	2,085	24,379	-	(42,811)	-
31 December 2018	103,743	187,997	58,775	78,100	155,737	16,329	53,020	653,701
Accumulated depreciation								
1 January 2017	-	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
Depreciation for the year	-	8,163	7,561	10,421	26,004	1,881	-	54,030
Depreciation on disposals / write-off	-	-	(130)	(1,721)	(9,506)	-	-	(11,357)
Transfer in (out)	-	-	-	(862)	862	-	-	-
31 December 2018	-	17,656	22,706	30,287	71,784	6,445	-	148,878
Net book value								
31 December 2017	102,743	170,519	34,961	39,648	76,945	9,360	2,586	436,762
31 December 2018	103,743	170,341	36,069	47,813	83,953	9,884	53,020	504,823
Depreciation for the years								
2017 (Baht 11.0 million included in manufacturing cost, and the balance in selling, distribution and administrative expenses)								37,368
2018 (Baht 16.7 million included in manufacturing cost, and the balance in selling, distribution and administrative expenses)								54,030

As at 31 December 2018, the Company had equipment with net book value of Baht 0.5 million (2017: Baht 1.0 million) which were acquired under finance lease agreements.

As at 31 December 2018, 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 33.6 million (2017: Baht 34.7 million).

15. Intangible assets

The net book value of intangible assets as at 31 December 2018 and 2017 is presented below.

	(Unit: Thousand Baht)		
	Consolidated/Separate financial statements		
	Computer software	Computer software under installation	Total
As at 31 December 2018			
Cost	21,504	-	21,504
Less: Accumulated amortisation	(3,829)	-	(3,829)
Net book value	17,675	-	17,675
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	5,759	6,797	12,556

A reconciliation of the net book value of intangible assets for the years 2018 and 2017 is presented below.

	(Unit: Thousand Baht)	
	Consolidated/Separate financial statements	
	2018	2017
Net book value at beginning of year	12,556	3,306
Acquisition	7,601	11,234
Amortisation	(2,484)	(1,204)
Write-off	(778)	-
Decrease (increase) in allowance for impairment loss	780	(780)
Net book value at end of year	17,675	12,556

16. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separated	
	financial statements		financial statements	
	2018	2017	2018	2017
Trade payables - related parties	-	27	5,868	5,978
Trade payables - unrelated parties	33,610	23,566	29,150	20,201
Other payables - unrelated parties	11,000	11,959	10,987	11,959
Other payables for construction and purchase of equipment	19,389	7,205	19,389	7,205
Accrued expenses	18,482	16,624	18,214	16,465
Total	82,481	59,381	83,608	61,808

17. Liabilities under finance lease agreements

	(Unit: Thousand Baht)	
	Consolidated/Separate	
	financial statements	
	2018	2017
Liabilities under finance lease agreements	158	406
Less: Deferred interest expense	(3)	(18)
Total	155	388
Less: Portion due within one year	(155)	(233)
Portion due more than one year	-	155

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 2018		
	Less than		
	1 year	1 - 4 years	Total
Future minimum lease payments	158	-	158
Deferred interest expense	(3)	-	(3)
Present value of future minimum lease payments	155	-	155

	(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

18. Other current liabilities

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Unearned revenue - Customer loyalty program	5,000	3,000	5,000	3,000
Unearned revenue - Cash voucher	1,910	1,082	1,910	1,082
Withholding income tax payable	1,058	1,021	1,055	1,009
Value added tax payable	2,668	2,142	2,526	2,033
Social security fund payable	1,148	1,056	1,142	1,055
Others	2,558	312	2,556	312
Total	14,342	8,613	14,189	8,491

19. Provision for decommissioning

	(Unit: Thousand Baht)	
	Consolidated/Separate	
	financial statements	
	2018	2017
Balance at beginning of year	9,119	6,771
Increase during year	1,461	2,252
Finance cost	217	148
Decrease from actual payment	(201)	(52)
Balance at end of year	10,596	9,119

20. Provision for long-term employee benefits

Provision for long-term employee benefits was as follows.

(Unit: Thousand Baht)

	Consolidated/Separate financial statements		
	Provision for	Provision for other	Total
	post-employment benefits	long-term employee benefits	
Provision for long-term employee benefits			
as at 1 January 2017	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
Included in profit or loss:			
Current service cost	430	2,099	2,529
Interest cost	26	110	136
Past service costs and gains or losses on settlement	-	(2,232)	(2,232)
Actuarial (gain) loss arising from			
Demographic assumptions changes	-	(316)	(316)
Financial assumptions changes	-	(508)	(508)
Experience adjustments	-	4,149	4,149
Included in other comprehensive income:			
Actuarial (gain) loss arising from			
Demographic assumptions changes	(54)	-	(54)
Financial assumptions changes	392	-	392
Experience adjustments	12	-	12
Benefit paid during the year	-	(1,146)	(1,146)
Provision for long-term employee benefits			
as at 31 December 2018	1,687	7,622	9,309

The Company expects to pay Baht 2.2 million (2017: Baht 0.9 million) of long-term employee benefits during the next year.

As at 31 December 2018, the weighted average duration of the liabilities for long-term employee benefits is 13 years (2017: 10 years).

Significant actuarial assumptions are summarised below.

	(Unit: % per annum)	
	Consolidated/Separate financial statements	
	2018	2017
Discount rate	1.76 - 4.38	3.01
Salary increase rate	6.00 - 9.00	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 2018 and 2017 are summarised below.

	(Unit: Thousand Baht)			
	Consolidated/Separate financial statements			
	Increase 1%		Decrease 1%	
	2018	2017	2018	2017
Discount rate	(461)	(295)	536	342
Salary increase rate	308	181	(259)	(149)
	Increase 20%		Decrease 20%	
	2018	2017	2018	2017
Employee turnover rate	(1,791)	(1,647)	2,639	2,614

On 13 December 2018, The National Legislative Assembly passed a resolution approving the draft of a new Labour Protection Act, which is in the process being published in the Royal Gazette. The new Labour Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive not less than 400 days, compensation at the latest wage rate. This change is considered a post-employment benefits plan amendment and the Group has additional liabilities for long-term employee benefits of Baht 0.4 million (The Company only: Baht 0.4 million). The Group will reflect the effect of the change by recognising past services costs as expenses in the profit or loss of the period in which the law is effective.

21. Share capital

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 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 described in Note 28 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.

22. 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 (2018: Nil) to the statutory reserve. As at 31 December 2018, the statutory reserve has fully been set aside.

23. Expenses by nature

Significant expenses classified by nature are as follows.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Salaries, wages and other employee benefits	244,420	203,821	243,820	203,596
Depreciation	54,043	37,379	54,030	37,368
Amortisation	2,484	1,204	2,484	1,204
Rental expenses from operating lease agreements	80,797	68,480	80,472	68,360
Raw materials and consumables used	229,965	206,237	236,005	211,030
Change in inventories of finished goods and work in process	(2,977)	(886)	(2,977)	(886)

24. Income tax

Income tax expenses for the years ended 31 December 2018 and 2017 are made up as follows.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Current income tax:				
Income tax charge for the year	33,936	28,673	32,984	27,726
Adjustment in respect of income tax of previous year	8	-	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(1,276)	(777)	(1,276)	(777)
Income tax expenses reported in the statement of comprehensive income	32,668	27,896	31,708	26,949

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2018 and 2017 are as follows.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Deferred tax on actuarial losses	(69,952)	-	(69,952)	-

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Accounting profit before tax	180,094	156,799	179,402	156,129
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	36,019	31,360	35,880	31,226
Adjustment in respect of income tax of previous year	8	-	-	-
Tax losses for the year which was unrecognised to deferred tax assets	1	-	-	-
Reversal of previously recognised deferred tax assets	103	-	103	-
Effects of elimination	792	794	-	-
Effects of:				
Non-deductible expenses	494	625	474	606
Additional expense deductions allowed	(3,989)	(4,083)	(3,989)	(4,083)
Exempted revenue	(760)	(800)	(760)	(800)
Income tax expenses reported in the statement of comprehensive income	32,668	27,896	31,708	26,949

The components of deferred tax assets and deferred tax liability as at 31 December 2018 and 2017 are as follows.

(Unit: Thousand Baht)

	Consolidated/Separate financial statements	
	2018	2017
Deferred tax assets		
Provision for decommissioning	1,315	986
Provision for long-term employee benefits	1,862	1,269
Unearned revenue - Customer loyalty program	1,000	600
Adjustment of accrued rental expenses under straight-line method	169	105
Allowance for diminution in value of inventories	83	140
Allowance for impairment of computer software	-	156
Others	-	103
Total	4,429	3,359
Deferred tax liability		
Unrealised gain on changes in value of investments in securities held for trading	(136)	(412)
Total	(136)	(412)
Deferred tax assets - net	4,293	2,947

25. 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 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.

26. 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 2018 and 2017, the Group has no major customer with revenue of 10% or more of the entity's revenues.

27. 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 2018 amounting to Baht 1.5 million (2017: Baht 1.3 million) were recognised as expenses.

28. Dividends

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.

On 26 April 2018, the Annual General Meeting of the Company's shareholders for the year 2018 approved the dividend payment from the Company's operating results for the fiscal year ended 31 December 2017 at the rate of Baht 0.15 per share in the total amount of Baht 122.3 million. The dividends were paid in May 2018.

29. Commitments and contingent liabilities

29.1 Capital commitments

As at 31 December 2018, the Group had capital commitments of Baht 85.5 million relating to construction of a new factory, construction of factory expansion, acquisition of equipment and improvement of new branch outlets (2017: Baht 9.0 million, relating to implementation of computer software, acquisition of equipment and improvement of new branch outlets).

29.2 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 2018 and 2017, future minimum payments required under the above contracts are as follows.

Payable	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
In up to 1 year	75.3	62.7	74.8	62.7
In over 1 year and up to 3 years	65.5	60.6	65.5	60.6

29.3 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.

29.4 Guarantees

As at 31 December 2018, there were outstanding bank guarantees issued by banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business. These included letters of guarantee amounting to Baht 1.6 million (2017: Baht 0.2 million) to guarantee payments due to creditors.

30. Fair value hierarchy

The Group had the following assets those were measured or disclosed at fair value as level 2 (The fair values were measured or disclosed using other observable inputs for such assets, whether directly or indirectly).

(Unit: Thousand Baht)		
Consolidated/separate financial statements		
	31 December 2018	31 December 2017
Assets measured at fair value		
Investments in securities held for trading		
Unit trusts - fixed income fund	302,441	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

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

31. Financial instruments

31.1 Financial risk management

The Group's financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, current investments, trade and other receivables, and trade and other payables. 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 and investments in debt securities. 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 2018						
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	-	-	57.8	4.8	62.6	0.10 - 0.40
Current investments	100.2	-	-	302.4	402.6	1.05 - 1.70
Trade and other receivables	-	-	-	13.7	13.7	-
Restricted bank deposit	-	-	3.5	-	3.5	0.37
	100.2	-	61.3	320.9	482.4	
Financial liabilities						
Trade and other payables	-	-	-	82.5	82.5	-
Liabilities under finance lease agreements	0.2	-	-	-	0.2	5.30 - 5.70
	0.2	-	-	82.5	82.7	

(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)

Separate financial statements						
As at 31 December 2018						
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	-	-	51.3	4.7	56.0	0.10 - 0.40
Current investments	100.2	-	-	302.4	402.6	1.05 - 1.70
Trade and other receivables	-	-	-	18.1	18.1	-
Restricted bank deposit	-	-	3.5	-	3.5	0.37
	100.2	-	54.8	325.2	480.2	
Financial liabilities						
Trade and other payables	-	-	-	83.6	83.6	-
Liabilities under finance lease agreements	0.2	-	-	-	0.2	5.30 - 5.70
	0.2	-	-	83.6	83.8	

(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
	<u>200.4</u>	<u>-</u>	<u>40.6</u>	<u>282.3</u>	<u>523.3</u>	
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
	<u>0.2</u>	<u>0.2</u>	<u>-</u>	<u>61.8</u>	<u>62.2</u>	

31.2 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 values are not expected to be materially different from the amounts presented in the statement of financial position.

32. 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 2018, the Group's debt-to-equity ratio was 0.1:1 (2017: 0.1:1) and the Company's was 0.1:1 (2017: 0.1:1).

33. Events after the reporting period

On 26 February 2019, 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 2019 adopt a resolution to pay a dividend of Baht 0.19 per share, or a total of Baht 155 million, to the shareholders in respect of the 2018 profit. The dividend will be paid and recorded after it is approved by the Annual General Meeting of the Company's shareholders.

34. Approval of financial statements

These financial statements were authorised for issue by the Company's authorised directors on 26 February 2019.