

รายงานประจำปี 2560
บริษัท มัดแมน จำกัด (มหาชน)

ANNUAL REPORT 2017
MUDMAN PUBLIC COMPANY LIMITED

mudman

GREYHOUND
ORIGINAL

GREYHOUND
CAFÉ

au bon pain.
the bakery café

DUNKIN'
DONUTS
ENJOY YOUR MOMENT



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Vision and Mission

Vision:

“To be great, enduring company, with appealing food & lifestyle brands, proving a healthy and quality work environment”

Mission:

Company conducts business and activities to support development of Thai community in creating sustainable social and environmental development

- To be a strong and respected company in the eyes of our staff, consumers, community, suppliers and stakeholders
- To operate successful brands in term of brand awareness, brand regards and penetration
- To value and support our people and stakeholders
- To win the market place in terms of quality, growth of stakeholders, and brand equity

Messages from the Chairman

To: The Shareholders of Mudman Public Company Limited

On behalf of the Board of Directors of the Company, it is a great honor and privilege for me to have the opportunity to extend a very warm welcome to all of you to the 2018 Annual General Meeting of your Company for the first year since the Company has been listed on the Stock Exchange of Thailand in 2017.

The message will include the key points of the performance of the Company for the year 2017, dividend recommendation for 2017 performance, and the business outlook and strategies of the Company in the future.

1. The Performance of the Company for the year 2017

In 2017, the Thai economy registered a growth of 3.9%, due primarily to accelerating private consumption from the recovering total revenues in the economic system, stimulus policy on government spending, and increasing consumers' confidence. However, the Company continues to face tough challenges from the persistent weak purchasing power of consumer of consumers and economic slowdown, Therefore, the Company continued not only to focus on productivity improvement and cost saving, but also to constantly strengthened and developed the Company's competitive advantages by offering new innovative products to best match the needs of consumers, executing effective advertising and promotional campaigns to reach the target consumers, using technology as a tool to enhance the consumers' experiences on our services, and operating business with integrity, accountability, and transparency to ensure that we are delivering quality products and services to all customers. With above implementations, the 2017 financial performance was broadly satisfactory with total revenues of THB 2,970 mm (similar to 2016 total revenues of THB 2,992 mm) or flat growth of (0.7%). The net profit improved from THB (168) mm in 2016 to THB (50) mm in 2017.

2. Dividend Recommendation for the 2017 Performance

With 2017 performance and confidence in the future prospect of the Company, the Board of Director of the Company resolved to recommend to pay an annual dividend of THB 0.045 per share, subject to the shareholder approval at 2018 Annual General Meeting. The dividend will be paid on May 22, 2018 to the eligible shareholders who hold a right to receive the dividend.

3. The Business Outlook and Strategies of the Company in the Future

In 2018, despite the Office of the National Economic Development Board (NEDB) forecast that the Thai economy will continue to grow at 3.6% - 4.6% in 2018 (2016: 3.9%) mainly driven by growth of global economy supporting Thai export sector, growth of local industrial production, accelerating government spending and public investment, recovering investment of private sector, and growth of tourist, agriculture, manufacturing, and export and import industries, the Company remains cautious about the future outlook in 2018. The Company has key strategies to create sustainable growth as followed

- **Continuing Innovation & Creativity:** The experienced team has been developing and innovating products and services to meet the rapid changes of consumers' behavior and needs. For example, strengthen "Value for Money" concepts, product innovation (i.e. festive menus, trendy menu such as durian donuts, ice-cream cake in various formats, and special menu for Mother's Day).

- **Store Expansion in Strategic Locations:** Since store expansion is a key factor to create sustainable growth, the Company has determined to continuously develop and expand stores of both owned- and franchised-brand in strategic locations to create sustainable growth and meet consumers' needs. In addition, the Company has the experienced team who understands the market situation and competition. Moreover, the Company has been strengthening good relationships with the existing landlords and at the same time developing new relationship with potential landlords.
- **International Growth:** The Company has determined and realized the opportunities in presenting unique Thai cuisine to the global market. Therefore, the Company has been aggressively expanded "Greyhound Café" to not only Asian market in which there are exceptional success, but also the first flagship store in Europe (London, England) in 4Q/17 to build the brand awareness of Greyhound Café in Europe. In addition, the Company has been granted the territory expansion of Au Bon Pain into CLMV countries (Cambodia, Laos, Myanmar, and Vietnam). The Company is on the study and partner selection process.
- **Competitive Advantages of Costs and Expenses:** The Company is aiming not only to establish sustainable revenue growth, but also to create competitive advantage of costs and expenses. The Company has been developing centralized unit in order to support each brand (owned and franchised brands) in the areas of accounting and finance, information technology, supply chain management, human resource, and etc. With the centralized support unit, each brand is able to concentrate on consumer and to efficiently control costs and expenses i.e. big order for all brands.
- **Inorganic Growth:** The Company not only focuses on the organic growth of the existing business, but also eyes on the optimal new business opportunities to create inorganic growth. In 4Q/17, MM acquired the ordinary shares of SLVH which operates food and beverage business under the trademark of Le Grand Vefour, a historic restaurant (since 1784) with more than 230 years of operation. SLVH has only one restaurant located in the area of The Palais Royal's Gardens in Paris, France with two Michelin stars.

On the behalf of the Board of Directors of the Company, I would like to thank our customers, shareholders, and stakeholders who have reposed great trust and repeated support in our products and services. In addition, I take this opportunity to thank all our employees for their tremendous efforts and dedication in delivering results in intensely competitive environment and tough economic situation.

Yours Sincerely,



(Mr. Sompoch Intranukul)

Chairman of Board of Director

Report of Audit Committee

To: The Shareholders of Mudman Public Company Limited

The Audit Committee appointed by the Company's Board of Directors consists of three independent directors. Chaired by Lt. Col. Taweessin Rukkatanyu, the Committee has Miss Tippawan Pinvanichkul and Mr. Pisit Jeungpraditphan as two audit members with Miss Praphaiwan Kimsomboon serving as the Committee's secretary. The qualifications of all Audit Committee's members have passed the criteria laid down by the Office of the Securities and Exchange Commission (SEC). The Audit Committee has carried out its work within the scope of duties and responsibilities specified in the Audit Committee Charter.

In 2017, the Audit Committee convened four meetings with the Company's executives, internal auditors, and the auditors. In addition, the Audit Committee met with the auditors to discuss 2017 financial statements without the presence of the Company's Management. The work of the Audit Committee during 2016 can be summarized as follows:

4. Review of quarterly financial statements and full year financial statement

The Audit Committee reviewed the quarterly financial statements and full year financial statement including the connected transactions and transaction that may have a conflict of interest with executives, internal audit department and auditors. The Audit Committee inquired and received explanations from executives of the Company's finance and accounting units as well as the auditors concerning the accuracy of the Company's financial statements and consolidated financial statements, and also the adequacy of information disclosure and notes to the financial statements. After the review, the Audit Committee agreed with the auditors that fairly the financial statements were accurate in all material aspects and were reliable in accordance with the generally accepted accounting standard. The financial statements were also presented to the Company's Board of Directors for approval.

5. Review of internal-control operations and system

The Audit Committee reviewed the internal control based on the report from the internal audit department together with executives every quarter to consider the business operation, use of resources, asset management, fraud, the reliability of financial reports, and compliance with laws and regulations. The Audit Committee did not find any material defect. The Audit Committee also reviewed the auditor's report which also indicated that there was no any material defect, all branches and all units have efficient processes. The internal audit department works independently to assess all major systems of the Company based on the approved audit plan and report directly to the Audit Committee.

6. Review of compliance with laws and regulations

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

7. Review of connected transactions or transactions that may cause conflict of interest

The Audit Committee reviewed the appropriateness of connected transactions or transactions that may cause conflict of interest. The review showed that the connected transactions by the Company in 2017 were done based on normal business practice, reasonable, and in the best interest of the Company's business. These connected transactions were transparent, with related information disclosed fully and accurately.

8. Promotion of Good Corporate Governance

The Audit Committee reviewed the Company's compliance with the Securities and Exchange Act, the regulations of the SEC and SET, and other relevant laws related to the Company's business. The Audit Committee concluded that the Company fully complied with the aforementioned regulatory requirements in all material aspects. In addition, the Audit Committee encouraged executives and employees of the Company to follow the policy as good corporate governance shall boost the Company's efficiency.

9. Consider the appointment of the auditor

The Audit Committee reviewed the performance of auditor during the past year on the basis of his/her/their reliability, independence, competency and abilities to provide services, counseling on accounting standards, auditing, and certifying financial statements in a timely manner. Based on the review, the Audit Committee recommended to the Board of Directors that Deloitte Touche Tohmatsu Jaiyod Audit Co.,Ltd. be appointed as the Company's auditor for the year 2018. The appointment will be subjected to the approval from the 2018 Annual General Meeting of Shareholders.

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

Yours Sincerely,



(Lt. Col. Taweessin Rukkatanyu)
Chairman of Audit Committee

The Board of Directors

The Board of Directors:



Mr. Sompoch Intranukul

Chairman of Board of Director

Independent Director

Risk Management Director



Mr. Supasith Sukhanindr

Vice Chairman of Board of Director

Chairman of Executive Committee



Mr. Pilunchai Pradubphong

Director

Executive Director

Mr. Nadim Xavier Salhani

Director

Vice Chairman of Executive Committee

Risk Management Director



Mr. Bhanu Inkawat

Director

Executive Director





Mr. Chalush Chinthammit

Director

Executive Director

Miss Kamornwan Chinthammit

Director



Pol.Gen. Ruangsak Jritake

Independent Director



Lt.Col. Taweessin Rukkatanyu

Independent Director

Chairman of Audit Committee

Chairman of Risk Management Committee

Asst. Prof. Tippawan Pinvanichkul

Independent Director

Audit Committee



Mr. Pisit Jeungpraditphan

Independent Director

Audit Committee

Management Team:

Mudman PCL

Golden Donuts (Thailand)
Co.,Ltd.ABP Café (Thailand)
Co.,Ltd.

Golden Scoop Co.,Ltd.



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1	Mr. Nadim Xavier Salhani	Chief Executive Officer VP - Human Resource (Acting)
2	Miss Hansa Sermisri	Chief Financial Officer
3	Miss Wimonrat Asawachavisit	VP - Supply Chain Management
4	Miss Lapaporn Tiasakul	VP - Business Development
5	Miss Nobklao Trakoolpan	VP - Operation

**GREYHOUND
CAFÉ**

Greyhound Café Co.,Ltd.

**GREYHOUND
ORIGINAL**

Greyhound Co.,Ltd.



1	Mr. Bhanu Inkawat	Executive Creative Director
2	Mrs. Pornsiri Rojmeta	Managing Director Marketing & International Director (Acting) Corporate Office Development Director (Acting)
3	Mr. Torsit Sarisdiwongse	Operation Director
4	Miss Pornthip Lapdamrongkij	Accounting & Finance Director
5	Mr. Kritinart Isarangkura (Greyhound Co.,Ltd.)	General Manager Accounting & Finance Director (Acting) Marketing Director (Acting) Human Development Director (Acting)

General Information

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Mudman Public Company Limited

Initial	MM
Registered Number	0107559000141
Type of Business	MM is operating through its subsidiaries (Holding Company)
Registered Capital	1,054,903,750 Baht
Par Value	1.00 Baht per share
Head Office	33/4 The Nine Tower Grand Rama9 Building, Tower A, 18 th Fl. Rama9 Rd, Huai Khwang, Bangkok, 10310 Tel: 02-079-9765 Fax: 02-079-9755
Website	www.mudman.co.th

**Golden Donuts Company Limited (Thailand)**

Registered Number	0105548146423
Registered Capital	300,000,000 Baht
Par Value	10.00 Baht per share
Head Office	33/4 The Nine Tower Grand Rama9 Building, Tower A, 18th Fl. Rama9 Rd, Huai Khwang, Bangkok, 10310 Tel: 02-079-9765 Fax: 02-079-9755
Website	www.dunkindonuts.co.th




ABP Café Company Limited (Thailand)

Registered Number	0105548146776
Registered Capital	40,000,000 Bat
Par Value	10.00 Bat per share
Head Office	33/4 The Nine Tower Grand Rama9 Building, Tower A, 18th Fl. Rama9 Rd, Huai Khwang, Bangkok, 10310 Tel: 02-079-9765 Fax: 02-079-9755
Website	www.aubonpainthailand.com


Golden Scoop Company Limited

Registered Number	0105555079990
Registered Capital	125,000,000 Baht
Par Value	10.00 Baht per share
Head Office	33/4 The Nine Tower Grand Rama9 Building, Tower A, 18th Fl. Rama9 Rd, Huai Khwang, Bangkok, 10310 Tel: 02-079-9765 Fax: 02-079-9755
Website	www.facebook.com/BaskinRobbinsThailand



**GREYHOUND
CAFÉ****Greyhound Café Company Limited**

Registered Number 0105539130528
Registered Capital 10,784,300 Baht
Par Value 100.00 Baht per share
Head Office 27 Soi Sukhumvit 53, Sukhumvit Rd, Klong Toey, Watthana, Bangkok,
10110
Tel: 02-260-7178
Fax: 02-260-7149
Website www.greyhoundcafe.co.th

GHC Café (UK) Limited

Registered Number 10049145
Registered Capital 200,000 Pound sterling (Approximate 9.09 million Baht^{/1})
Par Value 1.00 Pound sterling per share (Approximate 45.45 Baht^{/1})
Head Office Sutherland House, 1759 London Road, Leigh On Sea, Essex,
United Kingdom, SS9 2RZ
Website www.greyhoundcafe.uk

Note /1 At the exchange rate of 45.4531 Baht per Pound sterling publicized by Bank of Thailand on Friday December 29, 2017



GREYHOUND ORIGINAL

Greyhound Company Limited

Registered Number	0105523019789
Registered Capital	96,990,000 Baht
Par Value	100.00 Baht per share
Head Office	27/1 Soi Sukhumvit 53, Sukhumvit Rd, Klong Toey, Watthana, Bangkok, 10110 Tel: 02-260-7121 Fax: 02-260-7122
Website	www.greyhound.co.th



Mudman International Limited

Registered Number	152010
Registered Capital	30,000 USD (Approximate 985,416 Baht ^{/1})
Par Value	1.00 USD per share(Approximate 32.85 Baht ^{/1})
Head Office	Intercontinental Trust Limited, Level 3, Alexander House, 35 Cybercity, Ebene, Mauritius

Note /1 At the exchange rate of 32.8472 Baht per US Dollar publicized by Bank of Thailand on Friday December 29, 2017

**Societe Langonnaise des Vins et Hotelleries SAS**

Registered Number	592066047
Registered Capital	452,768 Euro (Approximate 17.84 mm Baht ^{/1})
Par Value	16.00 Euro per share (Approximate 630.30 Baht ^{/1})
Head Office	17 rue de Beaujolais in Paris 75001, France
Website	www.grand-vefour.com

Note /1 At the exchange rate of 39.3938 Baht per Euro publicized by Bank of Thailand on Friday December 29, 2017



References**Share Registrar**

Thailand Securities Depository Company Limited
93, Ratchadaphisek Road, Dindaeng,
Bangkok 10400 Thailand
Tel: 02-009-9999
Fax: 02-009-9991

Auditor

Miss Supanee Triyanantakul CPA. No.4498 (or)
Miss Sirirat Sricharoensup CPA. No.5419 (or)
Mr. Supachai Phanyawattano CPA. No.3930 (or)
Miss Siraporn Ouaanunkun CPA. No.3844

EY Office Limited
33rd Floor, Lake Rajada Office Complex, 193/136-137
Ratchadapisek Road, Klong Toey, Bangkok 10110 Thailand
Tel: 02-264-0777
Fax: 02-264-0789

Financial Highlights

		2015	2016	2017
Income Statement (THB mm)	Revenues from Sales and Services	2,797	2,889	2,832
	Total Revenues	2,889	2,992	2,970
	Gross Profit	1,682	1,714	1,679
	EBIT	32	(132)	(11)
	EBITDA	253	256	238
	Net Profit	(43)	(168)	(50)
	Total Assets	4,057	3,815	4,311
	Total Liabilities	1,913	1,999	1,466
	Total Equities	2,144	1,815	2,845
Profitability Ratio (%)	Gross Profit Margin	60.1	59.3	59.3
	EBITDA Margin	8.7	8.6	8.0
	Net Profit Margin	(1.5)	(5.6)	(1.7)
	Return on Assets (ROA)	(1.1)	(4.4)	(1.2)
	Return on Equity (ROE)	(2.0)	(8.5)	(2.2)
Liquidity Ratio	Liquidity Ratio (x)	0.7	0.4	0.5
	Days Sales Outstanding (Day)	7.2	7.7	9.6
	Days Inventory Outstanding (Day)	71.8	65.6	62.1
	Days Payable Outstanding (Day)	116.9	120.2	131.4
	Cash Conversion Cycle (Day)	(37.9)	(47.0)	(59.7)
Debt-to-Equity Ratio (x)	Debt to Equity Ratio	0.9	1.1	0.5
	Interest Bearing Debt / Equity Ratio	0.6	0.6	0.3
	Long-Term Debt / Equity Ratio	0.6	0.6	0.2
Per Share Data (Million shares)	Par Value (THB per share)	100	1	1
	Registered Shares	844	1,055	1,055
	Paid-up Shares	844	844	1,055

Nature of Business Operation

Business Overview

MM is operating through its subsidiaries (Holding Company) with core business of Food and Beverage business and other businesses of lifestyle business and Investment in other companies business (Holding Company) with following details:

Core Business

1) Food & Beverage Business under *Franchised Brands*

- Golden Donuts (Thailand) Company Limited
- ABP Café (Thailand) Company Limited
- Golden Scoop Company Limited

2) Food & Beverage Business under *Owned Brands*

- Greyhound Café Company Limited
- GHC Café (UK) Company Limited
- Societe Langonnaise des Vins et Hotelleries SAS

Other business

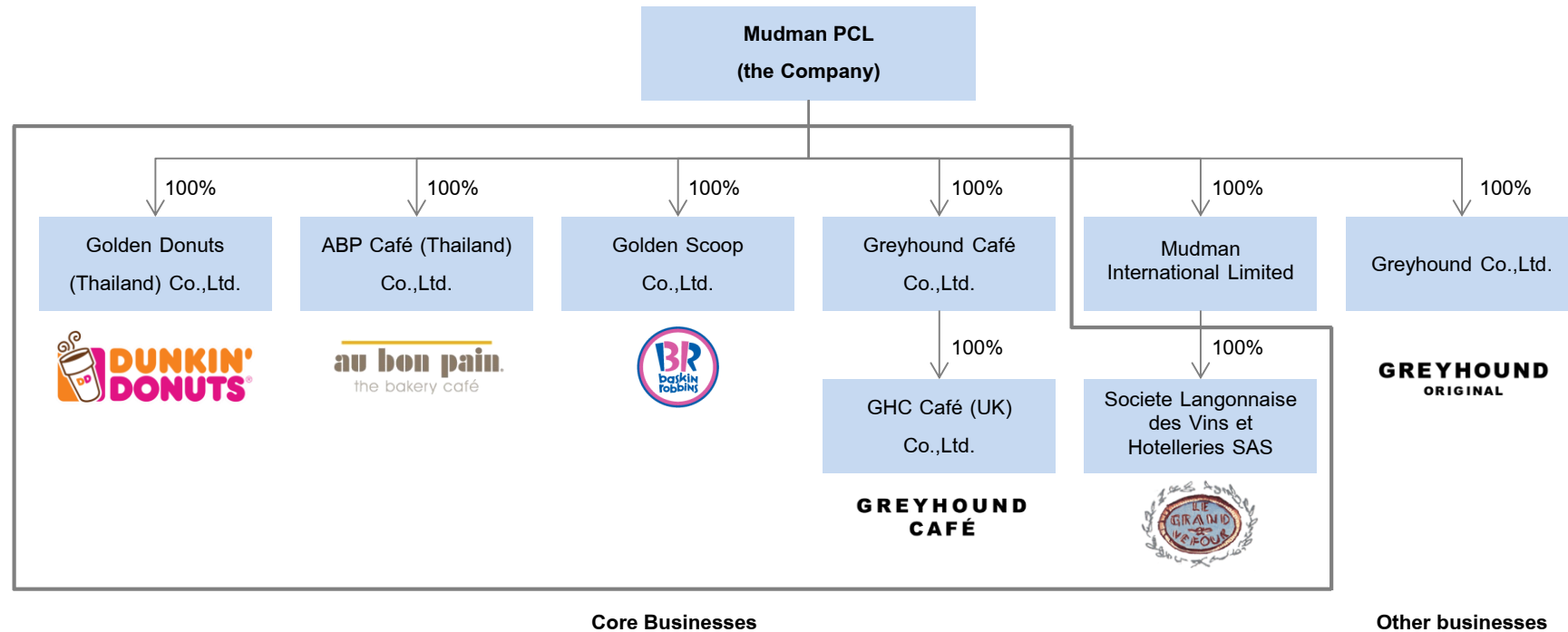
3) Lifestyle Business

- Greyhound Company Limited

4) Holding Company Business

- Mudman International Limited

Group Structure of MM as of December 31, 2017



Brand	Initial	% of Share	Nature of Business Operation
Core Business			
1) Food & Beverage Business under <i>Franchised Brands</i>			
Golden Donuts (Thailand) Co.,Ltd. 	DD	100.0	Produce and distribute donuts and beverage under “Dunkin’ Donuts” brand
ABP Café (Thailand) Co.,Ltd. 	ABP	100.0	Produce and distribute bakery under “Au Bon Pain” brand
Golden Scoop Co.,Ltd. 	BR	100.0	Import and distribute premium ice-cream under “Baskin Robbins” brand
2) Food & Beverage Business under <i>Owned Brands</i>			
Greyhound Café Co.,Ltd 	GHC	100.0	Operating full-service restaurant under the following key brands: - Greyhound Café - Another Hound Café
GHC Café (UK) Co.,Ltd. 	GHC (UK)	100.0 (Indirect holding thru GHC)	Operating full-service restaurant with GHC concept of “Basic with a Creative Twist” in international markets
Societe Langonnaise des Vins et Hotelleries SAS 	SLVH	100.0 (Indirect holding thru MM Inter)	Operating premium gastronomical restaurant under “Le Grand Vefour” brand with two Michelin Stars
Other Business			
3) Lifestyle Business			
Greyhound Co.,Ltd. 	GH	100.0	- Produce and distribute fashions and accessories under the following key brands: - Greyhound Original - Smileyhound - Everything-Hound - Design lifestyle & fashionable products
4) Holding Company Business			
Mudman International Limited	MM Inter	100.0	Investment in other companies (holding company)

Revenue Structure

In 2015 – 2017, MM and its subsidiaries earned total revenue of THB 2,889 mm, THB 2,992 mm, and THB 2,970 mm, respectively, equaling to annual revenue growth of 3.5% in 2016 and (0.7%) in 2017. Revenue structure by business is as bellowed:

Business	Operated by	2015 ^{/1}		2016 ^{/1}		2017 ^{/1}	
		THB mm	%	THB mm	%	THB mm	%
1. Food & Beverage Business under <i>Franchised Brands</i>	GDT, ABP, GS	1,969	68.2	2,020	67.5	1,886	63.5
2. Food & Beverage Business under <i>Owned Brands</i>	MM, GHC, SLVH ^{/2}	679	23.5	790	26.4	936	31.5
3. Lifestyle Business	GHF	241	8.3	182	6.1	148	5.0
รวมรายได้		2,889	100.0	2,992	100.0	2,970	100.0

/1 Revenue structure base on consolidated financial statement

/2 The performance of SLVH will be included from January 1, 2018 onward

Type of Business and Nature of Operation

1. Food & Beverage Business under *Franchised Brands*



1.1. Golden Donuts (Thailand) Company Limited

Golden Donuts (Thailand) Company Limited (“GDT” or “Franchisee”) is a subsidiary of MM with 100% shareholding. GDT is the exclusive authorized operator of “Dunkin’ Donuts” under Master Franchise Agreement of Dunkin’ Donuts Franchised Restaurants LLC (USA) (“Franchisor”) to produce and distributed donuts, beverage, and other DD products under “Dunkin’ Donuts” brand in Thailand.

The first Dunkin’ Donuts store in Thailand was opened in 1981 which is very popular international brand in the country. The shape of donuts and tastes in Thailand are similar to the original one in the US including the quality, the variety of products, store management system, and store atmosphere. With large repeated-consumer base and increasing new comers, GDT continuously grows in term of number of stores and revenues every year. As of December 31, 2017, there are 293 stores over the country, most of which are Kiosk format. There are two DD store formats: (1) Kiosk – small size (10-30 sq.m) with limited seats and mainly located in shopping malls and hypermarkets and (2) Stand-alone – larger size (50-150 sq.m.) with average seating of 20-40 per store and mainly located in department stores and community malls.



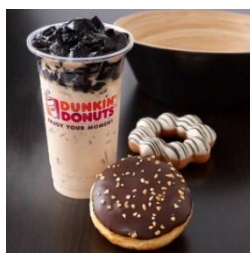
In addition, Dunkin' Donut also offers “Catering” services under professional unit to deliver not only foods and beverages, but also decoration per customers' activities and concepts such as business seminar, meeting, party, and etc. Also, DD provides a snack box as an option for customers per their requires



Target Customer of Dunkin' Donuts is middle income level and above, regardless of ages and occupations. DD's customers are e.g. teenagers, university students, employees, managers, housewives, and tourists, those who seek for premium & quality donuts and beverages.



The main products of Dunkin' Donuts are donuts, bakery, and beverages. There are more than 50 menus of donuts in each store such as original donuts, Mochi ring, and Munchkin to meet consumers' needs. With continuing product innovation, DD always offers new products to the markets creating competitive advantages over competitors. The new products are not only the donut, icing and topping, but also donut-paired beverages such as coffee, coco, and smoothies.





1.2. ABP Café (Thailand) Company Limited

ABP Café (Thailand) Company Limited (“ABP” or “Franchisee”) is a subsidiary of MM with 100% shareholding. ABP is the exclusive authorized operator of “Au Bon Pain” under Master Franchise Agreement of ABP Corporation (USA) (“Franchisor”) to produce and distribute bakery, beverage, and other products under “Au Bon Pain” brand in Thailand.

The first ABP store in Thailand was opened in 1997 in American bakery style offering quality and nutritious bakeries, sandwiches, salads, soup, premium coffee and other beverages. ABP continuing create new innovative products to create awareness from target consumers; however, ABP still primarily focus on premium & nutritious quality bread and bakery shop. In addition, the concept of ABP store is to provide not only welcome feeling and warm seating, but also convenient and quick services in rushed hours. As of December 31, 2017, there are 74 branches stores in Thailand, most of which are located in Bangkok and greater Bangkok. All stores are stand-alone format which is 50-200 sq.m. with average seating of 30 per store and located in prime locations of hospitals, shopping malls, and office buildings.



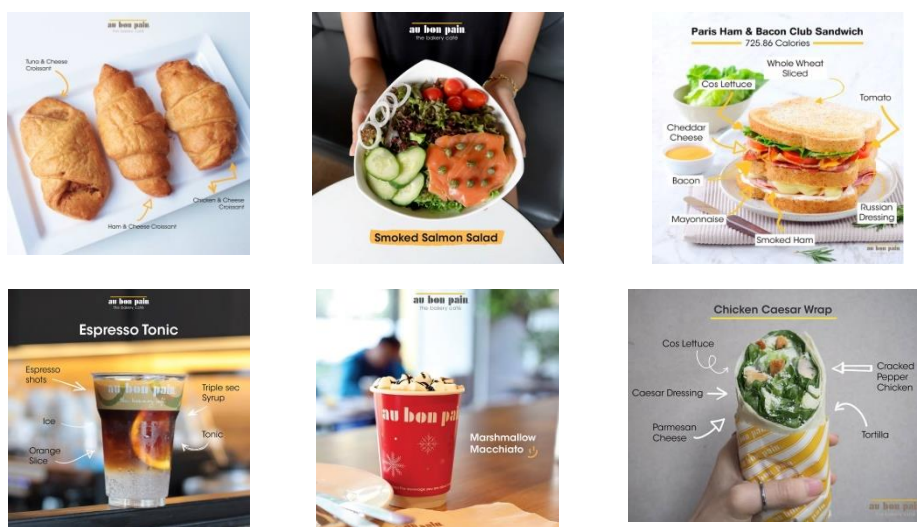
Additionally, ABP also provides “Catering” services for various groups of customers such as university students, employees, managers, housewives, and tourists. There are three types of catering services: (1) Food station, (2) Snack box, and (3) Lunch box.



The target customer is middle income and above, including students, families, tourists and foreign visitors who love tasty nutritious bakery with quick & quality services. ABP store decorates in relax and welcome concept with lifestyle facilities i.e. Wi-Fi, big tables for meeting or party, and private room.



The main ABP products are foods, bakeries, and beverages. The unique & famous recipe of ABP is Pastry with “Zero Gram Trans Fat”. It baked twice per day for keeping fresh. There are numerous menus of food and bakery such as cookies, sandwiches, muffins, soups and bagels. It also offers hot or cold drinks, tea, and smoothies.



1.3. Golden Scoop Company Limited

Golden Scoop Company Limited (“GS” or “Franchisee”) is a subsidiary of MM with 100% shareholding. GS is the exclusive authorized operator of “Baskin Robbins” under Master Franchise Agreement of Baskin Robbins Franchising LLC (USA) (“Franchisor”), the same franchisor of DD, to import and distribute ice cream and other products (i.e. topping and whipped cream) under “Baskin Robbins” brand in Thailand. As of December 31, 2017, GS had 36 stores in Thailand, covering Bangkok and other provinces. Most of stores are Kiosks, 20-30 sq.m. with average seating of 8-15 per store. Another store format is Stand-Alone with size of 45-80 sq.m. and average seating of 30-50 per store.



Target Customer of Baskin Robbins is middle income level and above. Most of customers are family, housewives, kids, teenagers, and tourists who appreciate premium ice cream of Baskin Robbins. With expansion in Bangkok and greater Bangkok with store refreshment and new marketing strategies, BR will attract expand its target customer base to businessman, mid manager, student, and expatriate.



The main products of Baskin Robbins are ice-creams, ice-cream cakes, and beverages. BR has more than 20 favors premium imported ice-cream as base ingredient to create numerous menus.



2. Food & Beverage Business under Owned Brands

GREYHOUND CAFÉ

2.1. Under the trademark “Greyhound Café / Another-Hound Cafe”

Greyhound Café / Another-Hound Cafe is a full service restaurant with fashion café concept, operated by Greyhound Café Company Limited (“GHC”). Greyhound Café / Another-Hound Cafe has been creating its unique concepts in not only stylish menu and outstanding decoration, but also impressed services and premium food & beverage quality in every single stores.

As of December 31, 2017, GHC had 34 stores in Thailand and oversea: 17 branches in Thailand under Greyhound Café and Another-Hound Cafe and 17 branches oversea (Republic of China, Hong Kong, Malaysia, Singapore, and Indonesia) under Greyhound Café brand.

There are two concepts of GHC which are separated by target customer, food concept, and pricing with following details:

2.1.1. Greyhound Café

GREYHOUND CAFÉ

As of December 31, 2017, there are 14 branches under *Greyhound Café* brand in Thailand with store size of 270 – 350 sq.m. and average seating of 120 per store. The core concept of Greyhound Café is “*Simple with Creative Twist*” which is interpreted not only in modern, creative, unique store decoration, but also exceptional food concept and fashionable serving menus.



Target Customer of Greyhound Café is middle income level and above including university students and office workers, businessman, and tourists who appreciate quality food with unique experiences of Greyhound Café.



Greyhound Café serves food with a twist concept of Thai and international cuisines that offers more than 195 menus including Thai twist with international food, vegetarian food, dessert, and beverage. There are many signature dishes such as Caesar Salad with country Style Dressing, Homemade Pate' with Cognac and Fresh Green Peppercorns, Greyhound Famous Fried Chicken Wings, and etc.



Complicated Noodle



Greyhound Famous Fried Chicken
Wings



Hot and Spicy Beef or Pork Balls with
Crispy Celery



Salmon Sashimi in Spicy Hot Sauce

Homemade Pate' with Cognac and
Fresh Green Peppercorns

Fried Tons of Crab Meat with Rice



Beef Salad Noodle

Caesar Salad with country Style
Dressing

Tub Tim Krob Greyhound Style

2.1.2. Another-Hound Cafe



As of December 31, 2017, there are 3 branches under *Another-Hound Café* brand in Thailand with store size of 300 – 350 sq.m. and average seating of 120 per store. The core concept of Another-Hound Café is “*Accessible Stylish Casual Italian with Asian Twist*” which is interpreted not only in modern, creative, unique store decoration, but also exceptional food concept and luxury serving menus.



Another-Hound Cafe serves food with a twist concept of Thai spicy and Italian cuisines that offers more than 100 menus including Avocado Salad, Light Tom Yum Soup, Cold Japanese Salad, DIY Crab Sandwich, Fusilli Pad Thai, Spaghetti Cha Cha Cha, Fried Diced Lamb with Garlic and Black Pepper, Minced Pork and Smoked Bacon Balls, Crab Bomb with Rice, and Bean Medley with Longan Granite.



Avocado Salad



Light Tom Yum Soup



Fusilli Pad Thai



Spaghetti Cha Cha Cha



Fried Diced Lamb with Garlic and Black Pepper



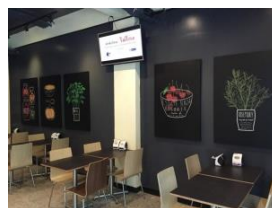
Minced Pork and Smoked Bacon Balls

2.2. Under the trademark “M-Kitchen”



MM has recognized market opportunity in full service restaurant under *Owned Brand* with different target customers of Greyhound Café. Therefore, MM operates cafeteria business in a hospital under “M-Kitchen” brand, comprising of two business divisions including cafeteria business and in-patient department (IPD) food services. The operation is under MM. As of 31 December 2017, M-Kitchen had 1 store at Ramkamhaeng Hospital. However, the Company has a plan to expand this business to other places not only in a hospital such as a private school, international school, and etc. The important reasons to make a decision are trend of the market, ability to invest, volume of customers, payback period, and return on investment (ROI).

M-Kitchen is a mid-size restaurant that is provided welcome feeling and cleanness. The target customers are out-patient department (OPD) patients and their relatives, as well as hospital’s staff. They prefer quick services with affordable value for money menus. For IPD food services, the target group is only in-patient with nutritious control and conditions from the hospital.



2.3. Under the trademark “Le Grand Vefour”



The board of directors No. 4/2017 at October 12, 2017 resolved to approve Mudman International Limited (“MM Inter”), a subsidiary of the Company (in which the Company holds 100 percent of the total issued shares), to acquire 100 percent of the total shares of Societe Langonnaise des Vins et Hotelleries (“SLVH”). The objectives of the acquisition are to enhance the opportunities and abilities to strengthen the food and beverage business in international markets. SLVH currently operates food and beverage business under the trademark of “Le Gand Vefour”

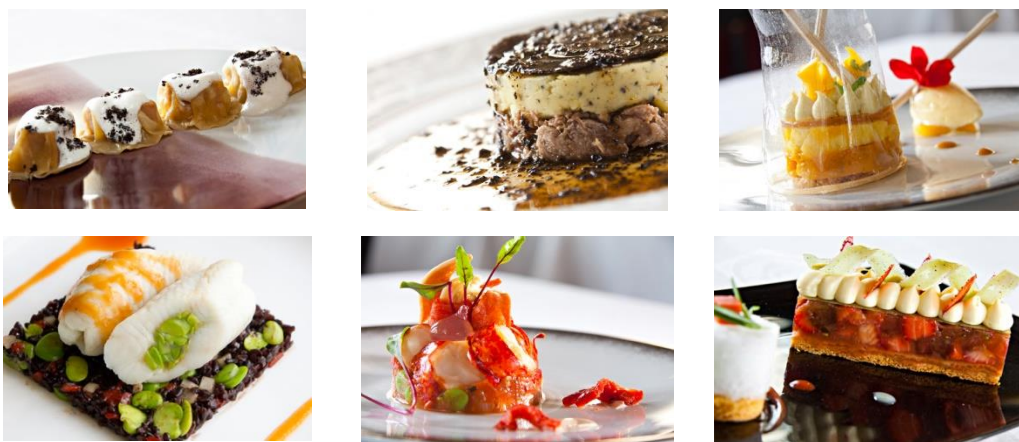
which is a historic restaurant (since 1784) with more than 230 years of operation. SLVH has only one restaurant located in the area of The Palais Royal's Gardens in Paris, France with two Michelin stars. The transaction has been completed on December 21, 2017.

The operating performance of SLVH has not been included in the MM performance in 2017. The operating result of SLVH shall be incorporated into MM from January 1, 2018 onward.



The target customer of Le Grand Vefour is businessmen, top executives, politicians, and tourists with high income level who are fascinated in French gastronomy. In addition, Le Grand Vefour carefully selects premium raw materials and professionally serves quality cuisine to represent customers' personality and preference to ensure customers' satisfaction.

Le Grand Vefour offers splendid French gastronomy presenting French luxury in 18th century and modern & vibrant fashion in various menus.

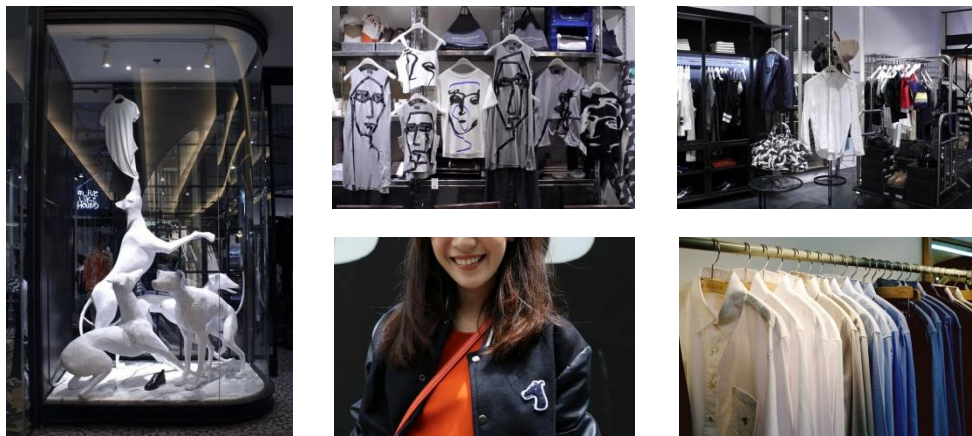


3. Lifestyle Business

GREYHOUND ORIGINAL

Greyhound Company Limited (“GHF”) engages in lifestyle business under “Greyhound” brand. GHF is a subsidiary of MM with 100% shareholding.

GHF established in 1980. GHF has been a prominent manufacturer and distributor of fashion garments for both men and women, with over 20 years of well-accumulated experiences. The brand is very popular among university students and businessmen at ages of 18-35 year old. With innovative and unique concepts, GHF is a leading fashion brand with extension to cover “Lifestyle” products such as shirts, T-shirts, pants, suits, skirts, shoes, bags, and accessories. With strong brand awareness and leading fashion brand, GHF successfully forms collaboration with other companies in several projects under Greyhound concept. “Project 1.1”, a collaborate between GHF and The Mall Group Co.,Ltd. is a sample of leveraging “Greyhound” brand not only in fashion business, but also in other lifestyle businesses.



As of December 31, 2017, there were 11 GHF stores in Bangkok and greater Bangkok. There are sub-brands of GHF targeting different customer groups to create business opportunities to capture different preferences, style, and pricing of each target customers. The key sub-brands of GHF are as followed:

Brand	Information
GREYHOUND ORIGINAL	“Greyhound Original” is the first lifestyle brand of Greyhound focusing on distributing apparel and accessories with minimal concept ...“Basic with a twist”. The main products are shirts, T-shirts, pants, suits, skirts, shoes, and bags at seasonal collections. The price range is 2,000 – 5,000 Baht per piece.
 SMILEYHOUND GREYHOUND	“Smileyhound” is a brand for Casual Wear that is designed with concept of “Basic Casualwear with Smileyhound Icon for Everyone”. The main products are T-shirts, pants, shoes, and bags. The price range is 1,200 – 2,500 Baht per piece.
EVERYTHINGHOUND GREYHOUND	“Everthinghound” is a brand for everyday-used products such as clothes, bags, shoes, plates, glasses, towel, mat, food box, and etc. It also offers other lifestyle products such as home furniture, aromatic, and signature menus from GHC (i.e. spaghetti sauce, bread, and salad dressing), homemade ice-cream that has more than 13 favors which available only at Everythinghound.

Brand	Information
	The first flagship store Everythinghound concept in Thailand was opened in April 2015 at EmQuartier. The store offers products that represent Greyhound identity at lifestyle corner including not only clothes and accessories, but also daily-used products. This is a challenging step of Greyhound to become leading lifestyle player and to create related business opportunities in the future.



Strategy for Competition:

1. Food & Beverage Business

MM and subsidiaries has been developing strategies to ensure competitive advantages with key strategies as followed:

- *Product Strategy*

The Company continually supports “Product Innovation” The product development department, collaboration among kitchen, marketing, and purchasing department, is to study consumers’ behavior to develop a product that meet consumers’ demand.

- *Quality Control Strategy*

The standard of product and service is the important factor to ensure consumers’ satisfaction. The Company focuses on all processes from raw material selection, production, quality control, storage, and distribution process to store services standard to guarantee the fresh, clean, and quality products.

- *Cost Management Strategy*

With more than 430 stores of Quick Services Restaurants (QSR) nationwide under three subsidiaries, there is a redundant and inefficient cost if each subsidiary has its owned operations such as procurement, management, and business development. Therefore, the Company develops a *central support function* for QSR subsidiaries. The central support functions including procurement, management, and business development in order to create negotiation power and reduce the overlapped functions and expenses (cost sharing expenses). Moreover, the Company also builds *central kitchen* and *central distribution center* to produce and distribute the products instead of production at store level. The central support functions and

central kitchen not only lower overlapping operating costs, but also lower production wastes. In addition, the Company and Franchisors have been jointly developing strategies to create efficient process at minimum costs. For example, the Franchisors allow the Franchisees to purchase raw material from approved local suppliers to lower raw material costs, transportation cost and others costs instead of importing all raw material directly from the Franchisors.

- *Brand Equity & Brand Awareness Strategy*

Since brand equity & brand awareness are an important factor for a company using brand as Flagship to develop products and services, the Company primarily focuses on strengthen brand equity with enhancing brand awareness, guaranteed quality of products and services, strong brand positioning, and brand loyalty. With strong brand equity, the consumers are confident in reliable quality of products and services of the Company. The key strategy is to present the assured quality of the products including raw material selection, impressive services, and value-for-money pricing. Additionally, another strategy is brand advertisement via collaboration with alliances to create the new product, promotion, and expand branches continually in domestic and international markets.

- *Store Expansion Strategy*

The Company has targeted the new-opening stores each year incorporating overall economy, consumer behavior, and purchasing power. The business development department is responsible for detail study and analysis of each potential location. The important factors are the economy, location, population density, and purchasing power in that area. The proposed location must be captured the target consumers of each brand. Moreover, The Company considers not only quantity studies, but also quality factors. The quality study includes feasibility study, source of funding, payback period, minimum return on investment (ROI), and comparison of nearby existing stores. On the other hands, the quality factors are workforce, transportation, production facility, and others to support the operation. The study also covers the impact of new stores to the nearby existing stores to make sure that there is no market cannibalization, but the new store will capture and expand its consumer base. After the opening, the Company closely monitors the performance to understand the consumer behavior and unexpected problems which will be mitigated for the next coming stores.

- *People Development Strategy*

With well-established experiences of management team, the Company has been overcoming in economy recession, economic crisis, and political turmoil. Competent people are a core asset of the Company to drive the strategies and create sustainable growth. Therefore, the Company has developed the training and development programs every year per the yearly strategic plans. The training and development includes not only classroom training, but also on-the-job training to experience the company culture and live situations.

2. Lifestyle Business

With strong brand identity of “Greyhound”, the Company has developed “Greyhound Lifestyle Shop” as a solid footprint for brand extension and brand leverage in the future. Currently, GHF has been leveraging Greyhound brand to healthy product, “Live Juice” offering fresh, easy drink, and nutritious juice. In addition, GHF has stepped into “Lifestyle Designing Concept” business rendering concept design for customers including clubhouse design, soft drink can, toiletry bag, home furniture, and tailor-made apparel.



Procurement of Product or Services

1. Food & Beverage Business

There are two types of procurement source which are central kitchen and store level. The central kitchen is responsible for raw material preparation and distribution of products to stores. At store level, the Company has a policy to control the food quality. Therefore, the perishable goods, semi-cooked goods, and finished goods will be delivered directly from the suppliers to the stores everyday based on purchase order (1-day advanced). At the end of the day, all finished goods will be destroyed and returned to the central kitchen for counting check and disposal.

2. Lifestyle Business

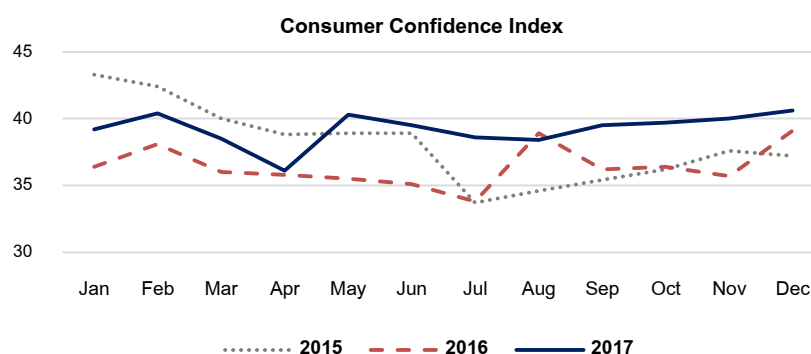
The company has a production plan for the seasonal collection in advance. Each collection is new and unique from other collections. With advance collection plan, GHF is carefully sourcing necessary raw materials such as fabric, button, zipper, and etc. After the sourcing, GHF will outsource the third party for the production. The third party is required to prepare a sample completed products for GHF approval prior to the production to ensure the pattern and sewing is at Greyhound standard and quality. In addition, GHF always double checks on the quality and amount before the delivery and distribute to the stores.

Industry Trends & Market Competition:**1. Food & Beverage Business**

Food & Beverage and Lifestyle Businesses are the part of Retail Business. The important factor that drives this business is a household spending. The Consumer Confidence Index determines consumers' opinions toward the economy and spending on household and consumer products.

The average Consumer Confidence Index during 2015 - 2017 is 38.1, 36.1, and 39.2 respectively. The increasing index shows the higher consumer confidence on economy and spending on household and consumer products.

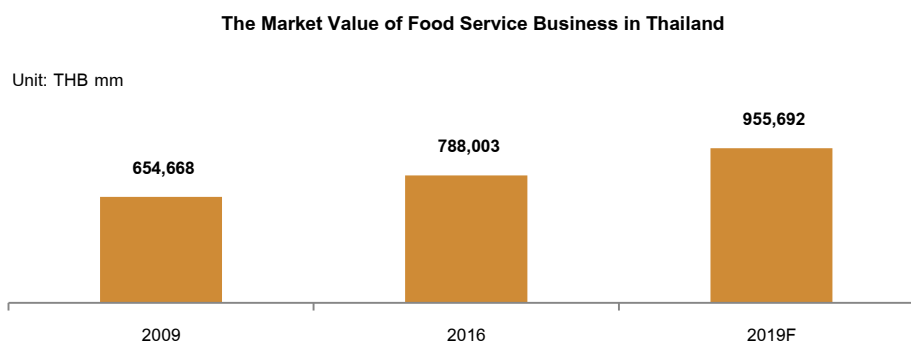
In addition, the Company believes that the improving index will be continuously increasing in 2018 due to government spending programs. The government spending is a key catalyst to boost overall economy and consumer confidence.



Source: Trade Policy and Strategy Office (Ministry of Commerce)

With low barrier to entry of general food and beverage business, many new players are easy to come into the business which leads to intense competition. Due to the fierce competition, some players are pushed to liquidate their businesses. Therefore, the key survivor kits are established industry experiences and effective management skill to understand rapid changes of consumers' behavior, to maintain and expand the market share, and to enhance brand equity.

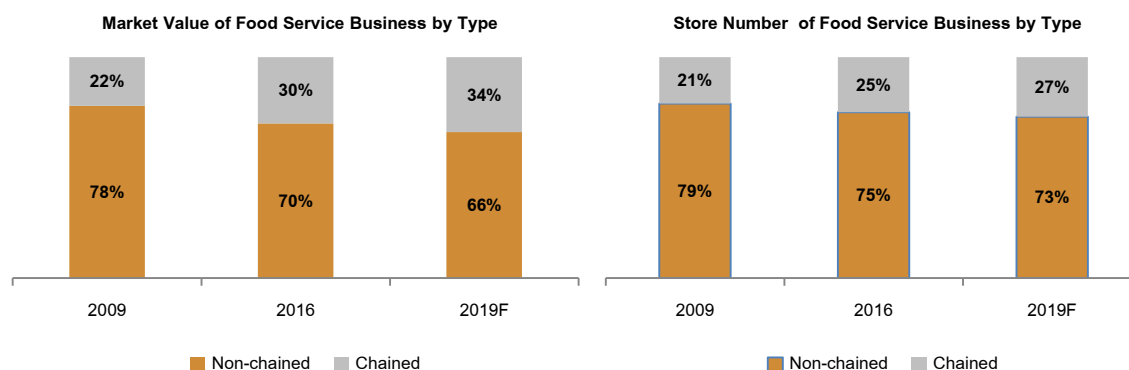
In 2016, the market value of food service business in Thailand was THB 788,000 mm with expected continuing growth to THB 995,692 mm in 2019F or at compound annual growth rate (CAGR) of 6.0%.



Source: EIC and Euromonitor

According to the market value of food services business by type (chained vs non-chained), the proportion of non-chained format to the market value is higher than the proportion of chained format. However, such proportion has

been decreasing from 78% in 2009 to 70% in 2016 with forecast to be 66% in 2019F due primarily to intense competition, store expansion capacity, management, and working capital. On the other hand, the proportion of chained format to the market value is expected to increase from 22% in 2009 to 34% in 2019F.



Source: EIC and Euromonitor

In addition, the important growth drivers in food service industry in Thailand are the increasing consumer behaviors that prefer restaurant dining to home dining, the higher household income of target customer, urbanization, and the higher number of tourists in Bangkok and other key provinces.

2. Lifestyle Business

Lifestyle business is a retail business offering various types of product such as clothes, accessories, sunglasses, household appliances, and home furniture. In addition to the various types, there are different target customers i.e. age, sex, and demography. With intense competition from low barrier to entry, the Company has realized the intense competition and tried to enhance brand equities among various target customers. Also, the increasing trend of consumer confidence index will boost consumer spending on household and consumer products in 2018.

Risk Factors

1. Risk from discontinuation of franchise agreement or termination of franchise agreement due to breach of terms and conditions

Under franchise business, the franchisor will authorize a franchisee to have a right to operate a restaurant under the franchisor's trademark in assigned territory, exclusivity period, and management system. Part of MM's business is operated under franchise agreement from international franchisor, under the terms and conditions as indicated in franchise agreement. The key terms and conditions are summarized as followed:

Brand	Period of Contract
DUNKIN' DONUTS	On December 15, 2021, each branch has the right to operate Dunkin' Donuts for 20 years, and has the right to renew the contract for another 20 years
Au Bon Pain	April 1, 2034 or ending / termination date of the last contract of the opened store, where the contract period of each store is nine years, whichever is earlier
Baskin-Robbins	On December 15, 2022, each branch has the right to operate Baskin Robbins for 10 years, and has the right to renew the contract for another 10 years

With limited period of contract, the franchise agreements are susceptible to possible changes in terms and conditions as indicated in the franchise agreements. For example, the company stops operation more than one week, excepting for the force majeure, war, chaos, government announcement, or misuse of the authorized trademark.

Coupled with MM's growth in food and beverage business under franchise agreement, MM diversifies its business portfolio to food and beverage business under own brand to boundlessly thrive its business. Not only securing food and beverage business under franchisee agreement and own brand, MM aims to expand its portfolio to other businesses in the future as well.

2. Risk from intense competition

Under ever-rising competition, both in food and beverage business and lifestyle business, from local as well as foreign entrants, MM's performance can be adversely affected.

Nevertheless, MM is considered as a strong player with well-recognized brands and good relationship with the franchisors. The well-cultivated expertise has empowered the Company to optimize its business portfolio, as well as location to cover its target customers. Moreover, its management team has developed strong experience in the businesses for over 10 years. The team has immense industry knowledge and customer insight, leading to the Company's effective risk management. The Company also encompassed the comprehensive set of growth plan in Thailand and oversea, securing the sustainable growth in food and beverage business. This can be evidenced by consistent organic growth of total revenue of food and beverage business under franchise agreement, and significant in-organic growth from acquisition of businesses under own brands (GHC and GHF) in 2014 which is a key driver to boost growth in domestic and international markets.

3. Risk from procurement of rental areas

Location selection is important to business growth of operations in food and beverage business, as well as in lifestyle business. Majority of rental contracts are in short-term, at 1-3 years on average. Moreover, the high competition in food and beverage, and lifestyle industries, coupled with ever-rising number of new entrants, have intensified the competition to secure key locations and lifted the rental cost significantly both in Bangkok and other

provinces. Hence, MM and its subsidiaries can be adversely affected by the risk of obtaining reasonable terms and conditions in current and new rental contracts.

Nevertheless, MM and its subsidiaries are experienced players with well-recognized brands and strong brand awareness in local and foreign markets. They own popular products which contributed significantly in attracting customers for repeating services. They also have good rental payment record, whilst strictly conforming to the terms and conditions in the rental contracts over the past. Moreover, MM and its subsidiaries ally with several landlords, and own an experienced business development team that assists on securing new locations. These factors have facilitated MM and its subsidiaries in renewing existing rental contracts and securing new rental contracts.

4. Risk from discontinuation or change in terms and conditions of rental agreement

Majority of MM and its subsidiaries' branches, e.g. Dunkin' Donuts Au Bon Pain Baskin Robbins Greyhound Café and Greyhound Fashion, are located in department stores, community malls, and/or hypermarkets. The branches are under rental contracts with rental period of no more than 3 years and renewal right after maturity of contracts. Therefore, MM may encounter risk of discontinuation of rental contracts, as well as change in terms and conditions of the rental contracts e.g. increase in rental and service payment. The aforementioned risk may adversely affect the financial and operational performance of the Company.

However, MM forms strong business alliance with several department stores, community malls, and shopping centers. The Company also maintains good relationship with the landlords over the past, and has strictly and consistently complies with the rental contract. The franchise businesses of MM are considered as magnet stores, with the popular products that draw customers to visit the department stores, community malls, and shopping centers where they are located. Moreover, similar to rental contracts of other tenants, the rental contracts between MM and its landlords assign rental cost on market price, and are formed on Arm's Length Basis. Hence, MM and its subsidiaries are confident that under adverse situation, they will ably secure new locations with market terms and conditions.

5. Risk from increase in personnel cost

Since January 1, 2013, the government has effectively imposed the regulation to increases wage to THB 300 per day, applicable nationwide (Based on Committee Announcement of Minimum Wage No. 7 dated 17 October 2011). The lift of minimum wage has considerably affected companies those heavily rely on human resource, buoying companies' personnel cost related to branch employees, waiters/waitresses, employees in central kitchen, and employees in branches' kitchens. Therefore, the business performance of MM and its subsidiaries can be adversely affected by this regulatory change.

Nevertheless, MM has increased wage of its employees to be competitive to the market rate and competitors' rates in order to effectively cope with the regulatory change and maintain its competitiveness in the labor market. The average minimum wage of MM's employees is higher than minimum wage by law. Supported by effective wage management scheme, the Company is determined to increase the proportion of full-time employees to part-time employees. This is due to 2 reasons. Firstly, the cost of full-time employees is more consistent and predictable. Secondly, the Company has better control on personnel cost of full-time employees, than that of part-time employees. Although the rise in proportion of full-time employees has financial implication on MM's personnel cost, MM deems the rise in proportion of full-time employees necessary for its growth. The Company firmly believes that the retention of its personnel, through increasing proportion of full-time employees, shall enhance the

potentiality of its employees while reducing employees' overall turnover rate. To diminish the financial implication of this plan and maintain profitability, the Company focuses on controlling its personnel cost in the best manner.

6. Risk from fluctuations of costs of agricultural raw materials

Raw materials in food and beverage business are mainly agricultural products, such as meat, vegetable, and fruit etc., accounting for 95% of total raw materials. The costs of the raw materials fluctuate by seasonal effect, climate variability, natural disaster, and market demand at a particular point of time. The fluctuation of raw material costs is uncontrollable. This risk can adversely affect food and beverage businesses, inevitably affecting MM's operation.

Nevertheless, the Company concentrates on controlling and managing its costs effectively, and attempts to reduce the effect from fluctuation of raw material costs by closely monitoring the market situation, conducting risk assessment on 33 shortage of raw materials and possible increase in raw material costs, and managing risk from fluctuation of raw material costs by adjusting production process to respond to higher raw material costs. Moreover, the Company may consider increasing prices of its products. However, the prices will be reflected by market price and competitors' prices in order to minimize the downside to sales and overall customer base of the Company.

7. Risk from the economic, political, natural disaster events

Economic slowdown and economy fluctuation, politic situation, and natural disaster events are the factors that directly affect to the spending power because the consumers are uncertain on their income. In additional, the uncertainty will lower the future spending and increase the current saving amount. Therefore, there is a risk from such events which will affect the Company's performance, financial position, and business opportunities.

However, with well-established experiences of management team, the Company truly understands the industry movement and consumer behavior and carefully crates strategic plan including risk assessments and business strategies, cost management, brand equity enhancement, and business continuity plan in order to ensure business operation in such events.

8. Risk from exchange rate

The Company has foreign-currency transactions in three parts: (1) Franchise fee of DD and ABP, (2) Imported ice-cream from the USA of BR, and (3) Royalty fee of GHC. Therefore, there is an exchange rate risk which adversely affects the Company's performance if they do not implement proper management.

However, since foreign income and expense are in US dollar, the Company has implemented some natural hedge mechanism without forward contract. In addition, the Company is studying the optimal mechanism to carefully manage the exchange rate risk at minimum cost.

9. Risk from employment

ASEAN Economic Community (AEC) consists of 10 countries including Thailand, Malaysia, Singapore, Philippine, Indonesia, Brunei, Vietnam, Laos, Burma, and Cambodia with objective to integrate ASEAN as single market and production. ASEAN will be characterized by free movement of goods, services, and investments as well as freer flow of capital and skills. Therefore, there are many improvements in such countries. For example, economic reform in Burma, the increase of minimum wage for alien labor in Laos, Vietnam, and Cambodia to attract them to move and work in such countries. In addition, the increased wage in other countries might affect the labor in Thailand to move and work in such countries. Moreover, labor is a key factor to operate food and beverage business in many functions such as central kitchen and store level. The Company always provides professional

training to create skilled labor to support the future growth. Hence, there is an employment risk that the skilled labor might move to work in other places.

However, the Company always continuously supports people management and development to ensure the smooth business expansion in long term. Also, the Company carefully provides optimal staff benefits and remuneration with open-door policy to welcome comments to create sustainable growth platform.

10. Risk from the Company's major shareholders holding more than 50% of the Company's total issued share capital

At April 7, 2017, the major shareholder of the Company is Sub Sri Thai PCL ("SST" or "Sub Sri Thai") with 677,939,000 shares or 64.3% of the total issued share capital. As a result, SST is able to control the vote on almost every resolutions at the meeting of shareholders. Thus, other shareholders of the Company may face the risk of being unable to gather enough votes in order to examine and to balance the power of major shareholders in respect of the matters presented by the major shareholders to the shareholders' meeting for consideration.

However, the Company always supports check-and-balance policy and good corporate governance through transparent company structure. The structure consists of audit committee, executive committee, and risk management committee with written power and responsibility of each committee. In addition, the Company has set related-party transaction policy with connected parties (i.e. director, shareholders, and connected person). For example, the connected person cannot vote in the agenda that related to such connected person with approval and consideration of independent directors. Such structure and policies are to ensure the shareholder that the Company is well-established check-and-balance, transparent, and effective management.

Shareholder and Management Structure

As of December 31, 2017, the Company was registered and fully paid-up with THB 1,054,903,750 capital divided into 1,054,903,750 ordinary shares at par value of THB 1.0 per share.

1. Major Shareholders

Top ten shareholders as the close of share register on April 7, 2017 are as followed:

Shareholder	No. of shares	%Shareholding
1. Sub Sri Thai PCL ^{/1}	677,939,000	64.3
2. Khon Kaen Sugar Industry PCL ^{/2}	78,718,600	7.7
3. Mr. Bhanu Inkawat	23,534,800	2.2
4. Maybank Kim Eng Securities PTE	19,950,000	1.9
5. Honour Key Corporation Limited ^{/3}	14,083,500	1.3
6. Mr. Sompong Chonkadeedumrongkul	11,162,600	1.1
7. Mr. Supasith Sukhanindr	8,133,937	0.8
8. Mr. Nares Ngamapichon	7,500,000	0.7
9. Miss Duangkae Chinthammit	6,815,373	0.7
10. Mrs. Kamalee Pachimsawat	6,775,582	0.6
Others	200,290,358	19.0
Total	1,054,903,750	100.0

Note:

/1 Top ten shareholders of Sub Sri Thai PCL as of August 29, 2017 are as followed:

Shareholders	No. of Shares	%Shareholding
1. Mr. Supasith Sukhanindr	89,491,562	19.6
2. Mr. Supachai Sukhanindr	47,928,147	10.5
3. Mrs. Intira Sukhanindr	47,289,982	10.4
4. Miss Duangkae Chinthammit	25,508,267	5.6
5. Miss Duangdao Chinthammit	24,988,393	5.5
6. Mr. Taweecat Chulangkul	24,300,000	5.3
7. Mr. Chamroon Chinthammit	22,183,332	4.9
8. Mr. Somchai Chinthammit	16,644,546	3.7
9. Mrs. Kamalee Pachimsawat	14,031,410	3.1
10. Miss Kamolrudee Pachimsawat	13,143,572	2.9
Others	130,298,612	28.6
Total	455,807,823	100.0

/2 Top ten shareholders of Khon Kaen Sugar Industry PCL as of January 26, 2018 are as followed:

Shareholders	No. of Shares	%Shareholding
1. KSL Sugar Holding Co.,Ltd.	1,466,016,928	33.2
2. Thai NVDR Co.,Ltd.	137,026,302	3.1
3. Mr. Chanachai Chutimavorapand	113,355,499	2.6
4. Miss Duangkae Chinthammit	99,683,643	2.3

Shareholders	No. of Shares	%Shareholding
5. Mr. Kamondanai Chinthammit	99,632,448	2.3
6. Miss Duangdao Chinthammit	99,599,954	2.3
7. CREDIT SUISSE AG, SINGAPORE BRANCH	98,230,536	2.2
8. Mr. Somchai Chinthammit	96,225,726	2.2
9. Mr. Chamroon Chinthammit	95,033,231	2.2
10. Mr. Piripon Chinthammit	92,647,024	2.1
Others	2,012,781,328	45.6
Total	4,410,232,619	100.0

/3 A company incorporated under Hong Kong law with no transactions with the Company

Shareholding Structure of Core-Business Subsidiaries

Golden Donuts Company (Thailand) Co.,Ltd.

As of December 31, 2017, GDT had registered and paid-up capital of THB 300 mm divided in 30 million shares at par value of THB 10 per share. The shareholders are as followed:

Shareholders	No. of Shares	%Shareholding
1. Mudman PCL	29,999,998	100.0
2. Mr. Supasith Sukhanindr	1	0.0
3. Mr. Pilunchai Pradubphong	1	0.0
Total	30,000,000	100.0

ABP Café (Thailand) Co.,Ltd.

As of December 31, 2017, ABP had registered and paid-up capital of THB 40 mm divided in 4 million shares at par value of THB 10 per share. The shareholders are as followed:

Shareholders	No. of Shares	%Shareholding
1. Mudman PCL	3,999,998	100.0
2. Mr. Supasith Sukhanindr	1	0.0
3. Mr. Pilunchai Pradubphong	1	0.0
Total	4,000,000	100.0

Golden Scoop Co.,Ltd.

As of December 31, 2017, GS had registered and paid-up capital of THB 125 mm divided in 12.5 million shares at par value of THB 10 per share. The shareholders are as followed:

Shareholders	No. of Shares	%Shareholding
1. Mudman PCL	12,499,998	100.0
2. Mr. Supasith Sukhanindr	1	0.0
3. Mr. Pilunchai Pradubphong	1	0.0
Total	12,500,000	100.0

Greyhound Café Company Limited

As of December 31, 2017, GHC had registered and paid-up capital of THB 10,784,300 divided in 107,843 million shares (common share of 55,000 shares and preferred share of 52,843 shares) at par value of THB 100 per share. The shareholders are as followed:

Shareholders	No. of Shares	%Shareholding
1. Mudman PCL	52,843 (P/S) 54,998 (C/S)	100.0
2. Mr. Supasith Sukhanindr	1	0.0
3. Mr. Nadim Xavier Salhani	1	0.0
Total	107,843	100.0

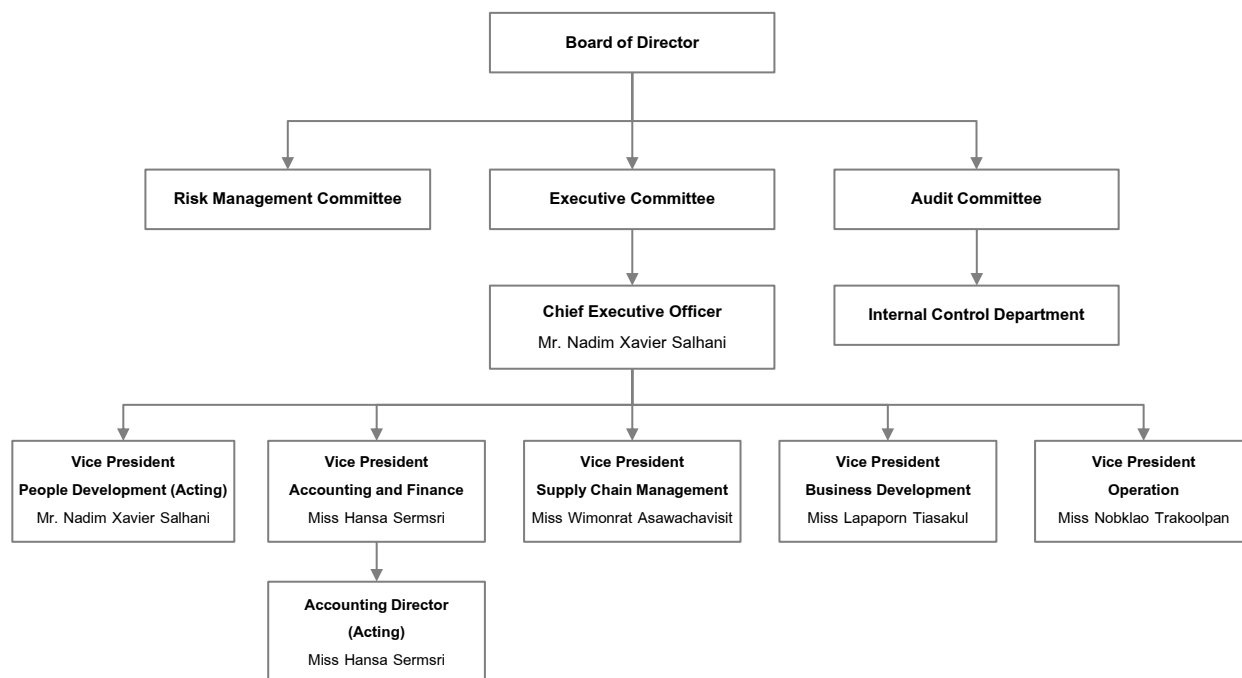
Rights of the preferred share (GHC) are as followed:

- a. Dividend preference of 70% of the total declared dividend
- b. Voting rights of one preferred share is one vote
- c. Liquidation preference over common shares

2. Management

2.1 Management Structure

Management Structure of the Company consists of the Board of Directors and three sub-committees which are the Audit Committee, the Risk Management Committee, and the Executive Committee with details as followed:



(1) Board of Directors of the Company

As of December 31, 2017, the Board of Directors consisted of 11 directors as followed:

Name	Position
1. Mr. Sompoch Intranukul	Chairman of Board of Directors Independent Director Risk Management Committee
2. Mr. Supasith Sukhanindr	Vice Chairman of Board of Directors Chairman of Executive Committee
3. Mr. Pilunchai Pradubphong	Board of Director Executive Director
4. Mr. Nadim Xavier Salhani	Board of Director Vice Chairman of Executive Committee Risk Management Committee
5. Mr. Bhanu Inkawat	Board of Director Executive Committee
6. Mr. Chalush Chinthammit	Board of Director Executive Committee
7. Miss Kamornwan Chinthammit	Board of Director
8. Pol.Gen. Ruangsak Jritake	Independent Director
9. Pol. Lt. Col. Thaweesin Rakkatanyu	Independent Director Chairman of Audit Committee Chairman of Risk Management Committee

Name	Position
10. Asst. Dr. Tippawan Pinvanichkul	Independent Director Audit Committee
11. Mr. Pisit Jeungpraditphan	Independent Director Audit Committee

The Secretary Company: Mr. Pilunchai Pradubphong

(2) Authorized Directors

The authorized directors are *Mr. Supasith Sukhanindr, Mr. Nadim Xavier Salhani, Mr. Bhanu Inkawat, Mr. Chalush Chinthammit, and Mr. Pilunchai Pradubphong* any Two of Five of given directors are to co-sign and affix with the company seal.

(3) Scope of Authority and Responsibilities of the Board of Directors

Scope of Authority and Responsibilities of the Board of Directors including MM's subsidiaries and affiliates

1. To manage the Company in accordance with the laws, the Company's objectives, its Articles of Association and resolutions of the Shareholders' Meeting with integrity, care, and fiduciary duty;
2. To consider and approve key business matters such as vision and mission of the Company, strategy, financial targets, major plans of action and budget of the company and its subsidiaries;
3. To inspect and manage an operating result of the chief executive officer, management team, and any assigned person on the duty of the company and its subsidiaries according to the Company's policy;
4. To regularly monitor the operating results of the Company, subsidiaries, and affiliates per the Company's plan and budget;
5. To ensure the effective and efficient accounting system, prudent internal control system, and proper internal audit system;
6. To prepare and sign the Company's balance sheet and income statement at the year-ended calendar period to propose to the annual general meeting for approval;
7. To consider, select, and nominate the auditor of the Company and subsidiaries and remuneration per the suggestion of the audit committee prior to nominate to the annual general meeting for approval;
8. To conduct the written corporate governance policy of the Company and subsidiaries and to ensure the fair implementation to the stakeholders;
9. To appoint management of the Company and subsidiaries per the given qualifications of the relevant laws and regulations;
10. To appoint sub committees (i.e. audit committee, and other sub committees), to set scope of authorities and responsibilities of the sub committees, to monitor implementation of the sub committees to ensure the compliance of the Company's charter. To review the governance and management policies on yearly basis;
11. To appoint and amend the authorized directors;
12. To appoint the management of the Company and subsidiaries (the management of the Company is based on the definition of Management per SEC/SET), company secretary, and their remuneration;

13. To set remuneration policy including based salary, salary adjustment, bonus, benefits, and etc. To assign the CEO to set remuneration policy for non-management level per the Delegation of Authority Manual;
14. To delegate approval policy with yearly review basis;
15. To seek outside professional opinions (if necessary);
16. To encourage and support the directors and the managements of the Company and subsidiaries to attend seminars or training courses of the Thai Institute of Director Association (IOD) in relation to duty and responsibility of director and management;
17. To ensure the good corporate governance of the subsidiaries / affiliates as a part of the Company, the following transactions or actions are required to be approved by the Company's Board of Directors or the Shareholders (as the case may be):
 - 17.1. Any transaction or action of the subsidiaries in the following cases must be approved by the Company's board of directors or shareholders meeting (as the case may be)
 - (1) Appoint or nominate a person to be director and management team in subsidiaries / affiliates, at least at pro rata basis in such subsidiaries / affiliates, otherwise indicated by the board of director;
 - (2) Capital increase by issuance of the subsidiaries' newly issued shares and allocation of shares, including reduction of the subsidiaries' registered capital which is not pro rata to the existing shareholding of the shareholders, resulting in more than ten percent (10%) decrease in the proportion of the Company's voting rights, direct and/or indirect, in any tier, of the total votes in the subsidiaries' shareholders meeting;
 - (3) Payment of the subsidiaries' annual dividend and interim dividend (if any);
 - (4) Amendment to the Company's articles of association, except for amendment to articles of association with significant matters in accordance with 17.2 (5);
 - (5) The Company's annual budget of the Company and in subsidiaries / affiliates except in case that is determined in Delegation of Authority; and
 - (6) Appoint an auditor of the subsidiaries in only case that such auditor is not a full member of the Company's auditor that the subsidiaries' auditor must be a full member of the Company's auditor.

Items in (7) to (10) are deemed significant transactions, and if entered into, it will significantly affect the Company's financial position and operating results, and therefore approval from the Parent Company's board of directors is required. This is however provided that the size of a transaction entered into by the Company, when compared to the size of the Parent Company (the criteria prescribed in the Notifications of the Capital Market Supervisory Board and of the Stock Exchange of Thailand Commission relating to Acquisition or Disposition of Assets and/or relating to Connected Transactions and/or amended notifications being enforced at the time (as the case may be) shall be applied mutatis mutandis, meets the threshold for consideration and approval from the Parent Company's board of directors. The transactions are as follows:

- (7) If the Company agrees to enter into a transaction with its connected party, or a transaction relating to acquisition or disposition of its assets as follows:

- a. Transfer or waiver of rights and privileges, including waiver of claims against the person causing damage to the Company
 - b. Sale or transfer of the Company's business, in whole or in material part, to another party
 - c. Purchase or acceptance of the transfer of another company's business to the Company
 - d. Entering into, amendment to or termination of an agreement relating to lease of the Company's business, in whole or in material part; assignment of another party to manage the Company's business; or merger of the Company's business with another party's
 - e. Lease or letting on hire-purchase of the Company's business or assets, in whole or in material part
- (8) Borrowing money, lending money, giving credits, giving guarantee, taking a juristic act to bind the Company to take on additional financial obligations, or providing any other financial assistance to another party which is not its normal business. Dissolution of the Company's business.
- (9) Shut down of the subsidiary businesses
- (10) Any other transaction that is not a normal business transaction and significantly affects the Company

17.2. Any transaction or action of the subsidiaries in the following cases must be approved by the shareholders meeting while holding shares with voting rights more than 75 (seventy five) percent of the voting rights from the shareholders who attend in that meeting.

- (1) if the Company agrees to enter into a transaction with its connected party, or a transaction relating to acquisition or disposition of its assets, provided that the size of a transaction entered into by the Company, when compared to the size of the Parent Company (the criteria of transaction calculation as prescribed in applicable notifications of the Capital Market Supervisory Board and the Stock Exchange of Thailand Commission shall be applied mutatis mutandis), meets the threshold for consideration and approval from the Parent Company's shareholders meeting.
- (2) Capital increase by issuance of the Company's newly issued shares and allocation of shares, including reduction of the Company's registered capital which is not pro rata to the existing shareholding of the shareholders, resulting in more than ten percent (10%) decrease in the proportion of the Parent Company's voting rights, direct and/or indirect, in any tier, of the total votes in the Company's shareholders meeting; or resulting in decrease in the proportion of the Parent Company's voting rights, direct and/or indirect, in any tier, to be lower than fifty percent (50%) of the total votes in the Company's shareholders meeting.
- (3) Dissolution of the Company's business, provided that the size of a transaction entered into by the Company, when compared to the size of the Parent Company (the criteria of transaction calculation as prescribed in applicable notifications of the Capital Market Supervisory Board and the Stock Exchange of Thailand Commission relating to Acquisition or Disposition of Assets and/or amended notifications being enforced at the time shall be applied mutatis mutandis), meets the threshold for consideration and approval from the Parent Company's shareholders meeting.

- (4) Any other transaction that is not a normal business transaction of the Company and will significantly affect the Company, provided that the size of a transaction entered into by the Company, when compared to the size of the Parent Company (the criteria prescribed in the Notifications of the Capital Market Supervisory Board and of the Stock Exchange of Thailand Commission Re: Acquisition or Disposition of Assets and/or Re: Connected Transactions (as the case may be) shall be applied mutatis mutandis), meets the threshold for consideration and approval from the Parent Company's shareholders meeting.
- (5) Amendment to the Company's articles of association with respect to matters that might significantly affect its financial position and operating results, including but not limited to amendment to, for example, the Company's articles of association which might affect the Parent Company's voting rights in the Company's board of directors meeting and/or shareholders meeting, or its dividend payment.
18. The Company's directors and executives shall completely and correctly disclose to the Parent Company the data on the Company's financial position and operating results, and connected transactions, and/or acquisition or disposition of assets and/or significant transactions within an appropriate period of time determined by the Parent Company.
19. The Company's directors and executives shall ensure that the Company maintains internal control system, risk management system and anti-corruption system which are appropriate, efficient and circumspect enough to assure that the Company's operations will be truly in accordance with the Parent Company's policies laws on public limited company and securities and exchange, notifications regarding good corporate governance of a listed company, and relevant notifications, regulations and rules of the Capital Market Supervisory Board, the Office of Securities and Exchange Commission, and the Stock Exchange of Thailand. The Company's directors and executives shall provide a clear work system to show that the Company is sufficiently organized to continually and reliably disclose information on significant transactions per the prescribed rules, and shall provide a channel for the Parent Company's directors and executives to acknowledge the Company's information in order to efficiently follow up on the operating results and financial position, transactions between the Company and its directors and executives, and significant transactions of the Company. In addition, the Company's directors and executives shall provide a review mechanism for such work system in the Company by allowing the Parent Company's internal audit team and independent directors to have direct access to data, and report on result of the work system review to the Parent Company's directors and executives to ensure that the Company consistently performs in accordance with the provided system.

Directors, executives or related parties of the Company shall make a transaction with the Company only when such transaction has been approved by the board of directors of the Company and/or Parent Company, and/or the shareholders meeting of the Company and/or Parent Company (as the case may be) based on the transaction size calculated (the criteria of transaction calculation as prescribed in the notifications of the Capital Market Supervisory Board, and the Notification of the Stock Exchange of Thailand Commission relating to Connected Transactions and/or amended notifications being enforced at the time shall be applied mutatis mutandis), unless the transaction is a commercial agreement that a reasonable person would enter into with any contract party in general under the same

situation, by the exercise of commercial bargaining power without influence from the position of director, executive or related person, as the case may be, and being approved by the Parent Company's board of directors, or in accordance with the principles approved by the Parent Company's board of directors.

(4) Directors' attendance at the meeting

Year 2017	Board of director	Audit Committee	Nomination and Remuneration Committee
1. Mr. Sompoch Intranukul	5/5	-	1/1
2. Mr. Supasith Sukhanindr	5/5	-	-
3. Mr. Pilunchai Pradubphong	5/5	-	-
4. Mr. Nadim Xavier Salhani	5/5	-	1/1
5. Mr. Bhanu Inkawat	3/5	-	-
6. Mr. Chalush Chinthammit	4/5	-	-
7. Miss Kamornwan Chinthammit	4/5	-	-
8. Pol.Gen. Ruangsak Jritake	3/5	-	-
9. Pol. Lt. Col. Thaweesin Rakkatanyu	5/5	4/4	1/1
10. Asst. Prof. Tippawan Pinvanichkul	5/5	4/4	-
11. Mr. Pisit Jeungpraditphan	5/5	4/4	-

(5) Management Team

As of December 31, 2017, the executive officers consisted of 5 officers as follows:

Name	Position
1. Mr. Nadim Xavier Salhani	Chief Executive Officer Vice President - People Development (Acting)
2. Miss Hansa Semsri	Vice President - Accounting & Finance Accounting Director (Acting)
3. Miss Wimonrat Asawachavisit	Vice President - Supply Chain Management
4. Miss Lapaporn Tiasakul	Vice President - Business Development
5. Miss Nobklao Trakoolpan	Vice President - Operation

(6) Corporate Secretary

The Board of Directors No. 1/2016 on March 15, 2016 resolved to appoint Mr. Pilunchai Pradubphong to be a Company Secretary. To comply with the relevant law and regulation, Mr. Pilunchai Pradubphong is qualified (Appendix 1) with following roles and responsibilities:

1) To prepare and keep the following documents:

(a) Registration of Directors

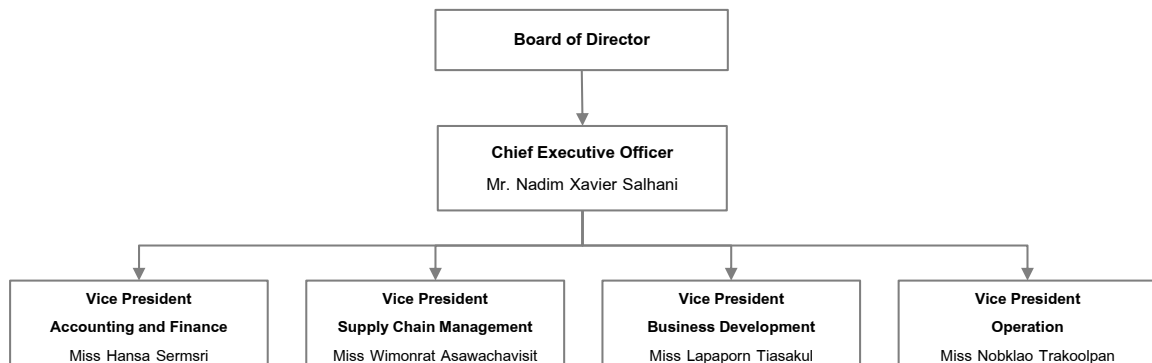
(b) Invitation letter to attend the Board of Directors 'meeting, minutes of the Board of Directors' meeting and the Company's annual report

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

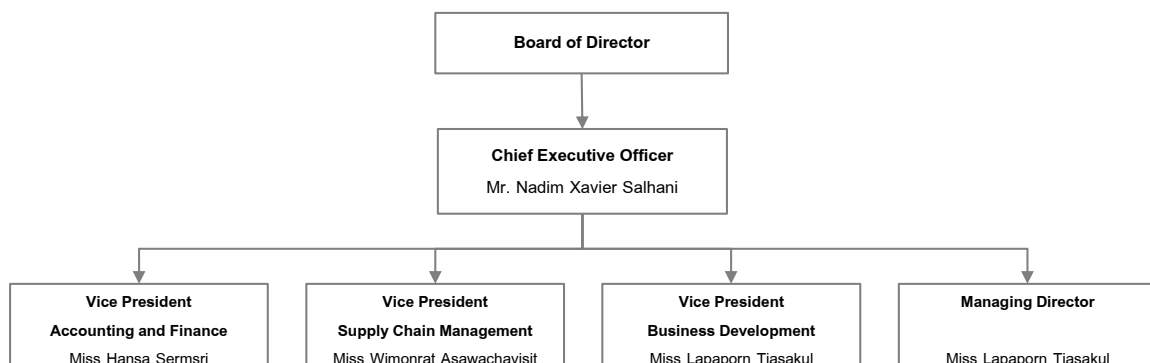
- 2) To keep and maintain a report of interest as filed by directors and executives.
- 3) To provide a copy of report of interest to the chairman of the board of director and the chairman of audit committee within seven working days after the receiving date. To provide proper document storage system of any material documents or information at least 10 years after such document or information has been created
- 4) To follow other activities per the relevant authorities' guidance

(7) Management Structure of MM's subsidiaries

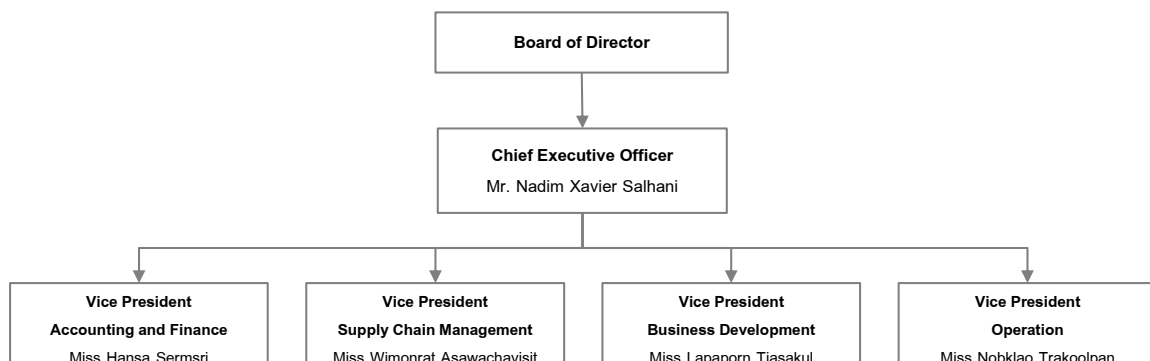
1. GDT

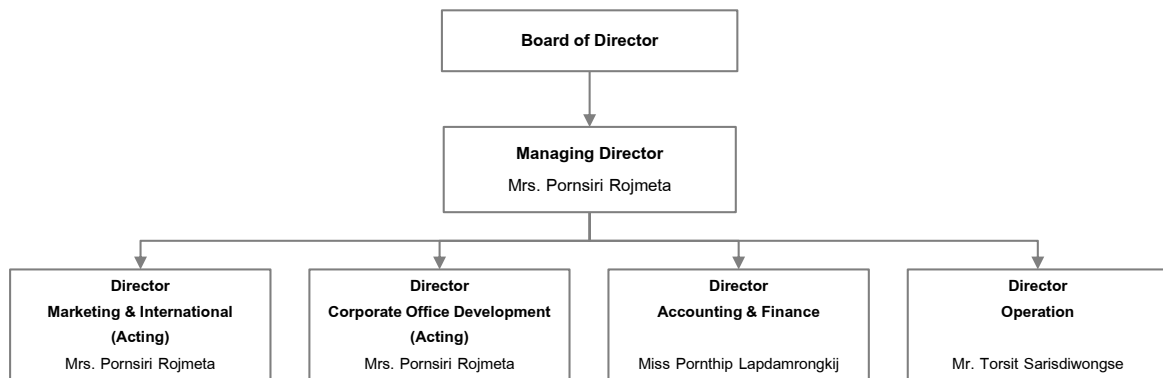
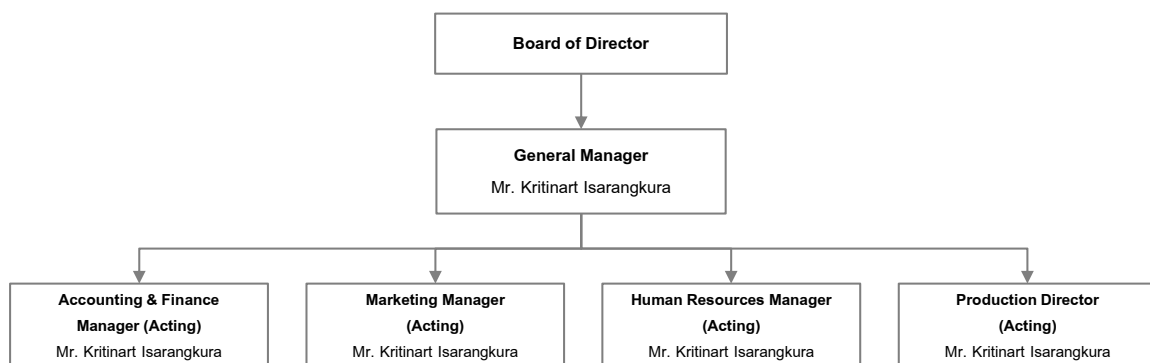


2. ABP



3. GS



4. GHC**5. GH****6. GHC UK**

The company has not appointed the management positions due to no material activities yet

7. MM Inter

The company has not appointed the Management position since it has no any major activities. The Company shall appoint the management positions once there are more major activities.

8. SLVH

The Company is on selecting and hiring process.

(8) The Board of Directors for MM's subsidiaries**1. GDT**

As of December 31, 2017, the Board of Directors of GDT consisted of 3 directors as follows:

Name	Position
1. Mr. Supasith Sukhanindr	Chairman of the Board of Directors
2. Mr. Nadim Xavier Salhani	Director
3. Mr. Pilunchai Pradubphong	Director

The authorized directors: Mr. Supasith Sukhanindr, Mr. Nadim Xavier Salhani, and Mr. Pilunchai Pradubphong; Any Two of those directors are co-sign with company seal.

2. ABP

As of December 31, 2017, the Board of Directors of ABP consisted of 3 directors as follows:

Name	Position
1. Mr. Supasith Sukhanindr	Chairman of the Board of Directors
2. Mr. Nadim Xavier Salhani	Director
3. Mr. Pilunchai Pradubphong	Director

The authorized directors: Mr. Supasith Sukhanindr, Mr. Nadim Xavier Salhani, and Mr. Pilunchai Pradubphong;
Any Two of those directors are co-sign with company seal.

3. GS

As of December 31, 2017, the Board of Directors of GS consisted of 3 directors as follows:

Name	Position
1. Mr. Supasith Sukhanindr	Director
2. Mr. Nadim Xavier Salhani	Director
3. Mr. Pilunchai Pradubphong	Director

The authorized directors: Mr. Supasith Sukhanindr, Mr. Nadim Xavier Salhani, and Mr. Pilunchai Pradubphong;
Any Two of those directors are co-sign with company seal.

4. GHC

As of December 31, 2017, the Board of Directors of GHC consisted of 3 directors as follows:

Name	Position
1. Mr. Supasith Sukhanindr	Director
2. Mr. Nadim Xavier Salhani	Director
3. Mr. Bhanu Inkawat	Director

The authorized directors: Mr. Supasith Sukhanindr, Mr. Nadim Xavier Salhani, and Mr. Bhanu Inkawat; Any Two of those directors are co-sign with company seal.

5. GH

As of December 31, 2017, the Board of Directors of GH consisted of 3 directors as follows:

Name	Position
1. Mr. Supasith Sukhanindr	Director
2. Mr. Nadim Xavier Salhani	Director
3. Mr. Bhanu Inkawat	Director

The authorized directors: Mr. Supasith Sukhanindr, Mr. Nadim Xavier Salhani, and Mr. Bhanu Inkawat; Any Two of those directors are co-sign with company seal.

6. GHC UK

As of December 31, 2017, the Board of Directors of GHC UK consisted of 4 directors as follows:

Name	Position
1. Mr. Supasith Sukhanindr	Director
2. Mr. Nadim Xavier Salhani	Director

Name	Position
3. Mr. Bhanu Inkawat	Director
4. Mr. Supachai Sukhanindr	Director

The authorized directors: Mr. Supasith Sukhanindr, Mr. Nadim Xavier Salhani, Mr. Bhanu Inkawat, and Mr. Supachai Sukhanindr; Any One of those directors signs.

7. MM Inter

As of December 31, 2017, the Board of Directors of MM Inter consisted of 3 directors as follows:

Name	Position
1. Mr. Supasith Sukhanindr	Director
2. Mr. Nadim Xavier Salhani	Director
3. Mr. Pilunchai Pradubphong	Director
4. Ms. Beatrice Lan Kung Wa	Director
5. Mr. Ashive Kanoosingh	Director

The authorized directors: Mr. Supasith Sukhanindr, Mr. Nadim Xavier Salhani, and Mr. Pilunchai Pradubphong, Ms. Beatrice Lan Kung Wa, and Mr. Ashive Kanoosingh; Any Two of those directors are co-sign with company seal.

8. SLVH

As of December 31, 2017, the Company is on process to amend the authorized directors.

(9) Executive Directors of Subsidiaries

The Executive Directors of 7 subsidiaries consisted of 10 directors as follows:

Name	Position	Company where they work				
		GDT	ABP	GS	GHC	GHF
1. Mr. Nadim Xavier Salhani	Chief Executive Officer	✓	✓	✓		
2. Miss Hansa Semsri	Vice President - Accounting and Finance	✓	✓	✓		
3. Miss Wimonrat Asawachavisit	Vice President - Supply Chain Management	✓	✓	✓		
4. Miss Lapaporn Tiasakul	Vice President - Business Development	✓	✓	✓		
	Managing Director		✓			
5. Miss Nobklao Trakoolpan	Vice President - Operation	✓		✓		
6. Mrs. Pornsiri Rojmeta	Managing Director				✓	
	Marketing & International Director (Acting)				✓	
	Corporate Office Development Director (Acting)				✓	
7. Miss Pornthip Lapdamrongkij	Accounting & Finance Director				✓	
8. Mr. Torsit Sarisdiwongse	Operation Director				✓	
9. Mr. Kritinart Isarangkura	General Manager					✓

Name	Position	Company where they work				
		GDT	ABP	GS	GHC	GHF
	Accounting & Finance Director (Acting)					✓
	Marketing Director (Acting)					✓
	Human Development Director (Acting)					✓
	Production Director (Acting)					✓

Note: 1 The Company has not appointed the Management position since it has no any major activities. The

Company shall appoint the management positions once there are more major activities.

2 The Company is on selecting and hiring process.

2.2 Sub - Committees

Sub - committees of the Company consists of (1) the Audit Committee, (2) the Risk Management Committee, and (3) the Executive Committee with details as followed:

(1) Audit Committee

As of December 31, 2017, the Audit Committee consisted of three committees as follows:

Name	Position
1. Lt.Col. Taweesin Rukkatanyu	Chairman of Audit Committee
2. Asst. Prof. Tippawan Pinvanichkul	Audit Committee
3. Mr. Pisit Jeungpraditphan	Audit Committee

The secretary of the Audit committee is Miss Praphaiwan Kimsomboon. In addition, Asst. Prof. Tippawan Pinvanichkul and Mr. Pisit Jeungpraditphan is the audit committee who has financial experience in reviewing the Company's financial statements.

Scope of Authority and Responsibilities of the Audit Committee

1. Review the company's financial statement to ensure its accuracy and adequate disclosure with coordinating with the external auditor and management who is responsible for preparing the quarterly and yearly financial statements;
2. Review the internal control system to ensure its appropriate and efficient procedure. The audit committee shall report the observations or suggest the optimal solutions to ensure the appropriate and efficient internal control system to the board of directors;
3. Review to ensure the company is compliance with SEC/SET regulations, and other relevant laws and regulations;
4. Consider, select, and nominate the external auditor, including the remuneration, to the board of director;
5. Review the internal system of the Company with acceptable procedure and standard basis;

6. Consider the disclosure of the transaction in relation to connected transactions or the transactions that may cause conflicts of interests, making them in line with the laws and SET's regulations. This is to ensure such transactions are reasonable and for the highest benefit of the company;
7. To support and monitor to ensure that the Company acquires the efficient risk management system;
8. Report the audited results to the Board of Directors at least four times a year;
9. To appointment, transfer, and terminate the head of internal audit department;
10. Reserve a right to invite the executives, the management, or employees to clarify, commentate, attend the meeting or submit any relevant documents, including be able to reach into any classified information of the Company;
11. To appoint an external advisor (if necessary) per the Company's policy and the BOD's approval;
12. Prepare an audit committee's report and disclose it in the Company's annual report. The report shall be signed by the chairman of audit committee;
13. The audit committee shall report the problems or obstacles (if any) to the board of directors every year;
14. To review, improve and amend the Audit Committee Charter every year; and
15. Other operations as assigned by the board of directors under the scope of roles and responsibilities of the audit committee.

(2) Risk Management Committee

As of December 31, 2017, the Risk Management Committee of the company consisted of 3 committees as follows:

Name	Position
1. Lt.Col. Taweesin Rukkatanyu	Chairman of Risk Management Committee
2. Mr. Sompoch Intranukul	Risk Management Committee
3. Mr. Nadim Xavier Salhani	Risk Management Committee

Scope of Authority and Responsibilities of the Risk Management Committee

1. To establish a policy in relation to risk management to cover all business risks of the Company;
2. To set strategy to be in lined with risk levels with scheduled monitoring system to ensure that the risks are in controllable and acceptable level.
3. To support and encourage collaboration of each department in the Company to develop efficient risk management policy with periodic monitoring and reviewing system;
4. To develop risk assessment and risk analysis systems to ensure the smooth business operation in normal situations and crisis;
5. To support and develop risk management as one of the operational process and related to the International standards;

6. Report a problem to the Board of Director for consideration and improvement; and
7. Other operations assigned by the Board of Directors.

(3) Executive Committee

As of December 31, 2017, the Executive Committee of the company consisted of five committees as follows:

Name	Position
1. Mr. Supasith Sukhanindr	Chairman of Executive Committee
2. Mr. Nadim Xavier Salhani	Vice Chairman of Executive Committee
3. Mr. Pilunchai Pradubphong	Executive Committee
4. Mr. Bhanu Inkawat	Executive Committee
5. Mr. Chalush Chinthammit	Executive Committee

Scope of Authority and Responsibilities of the Executive Committee

1. To supervise the operation of the Company per the approved policies by the Board of Director and to report the operating outcomes to the Board of Director. The quorum is half of the executive committee with majority voting basis in any agendas;
2. To consider and assign delegation of authority to ensure that the transaction with connected person and related parties will be at arm's length basis with no conflict of interest. The procedure shall be approved by the board of director;
3. To consider annual budget, to seek an approval of the board of director, and to monitor such the approved annual budget;
4. To assess and monitor the business plan with proper amendment per the situations;
5. To approve investment and investment budget per the Delegation of Authorization manual;
6. To approve any agreements or contracts per the Delegation of Authorization manual;
7. To provide sufficient information to the board of director and shareholder for their approval process, including;
8. To consider profit/loss of the Company and propose dividend payment to the Board of directors;
9. To consider new business investments and discontinue any existing business and to propose to the board of director;
10. To establish a procedure to immediately report any material frauds to the board of director; and
11. Any operations to support per the board of director approval.

Any approval matters in the executive committee shall be informed to the board of director in the next meeting.

2.3 The selection and appointment of the Directors and Management

(1) Independent Directors

The Independent Directors who is appointed shall have full qualifications under the rules of The Capital Market Supervisory Board. The company has revised the definition of independent directors to be stricter than the definition imposed by The Securities and Exchange Commission (SEC), as follows:

1. The person must hold no more than 1% of shares with voting rights of the Company, the parent Company, the associates, the affiliates, the major shareholders or the entities with the authority to control the Company; inclusive of shareholding by individuals related to such independent directors.
2. The person must not be serving, or have served, as a director who is involved with the management, or a staff member, an employee or a consultant with a monthly wage. The person also must not be or be an individual with the authority to control the Company, the parent Company, the associates, the affiliates, the associates of the same level, the major shareholders or of the entities with the authority to control the Company, with the exception of the case where he or she has retired from such a position for at least two years prior to the day on which he or she is appointed as an independent director. The ineligibility however does not include the case where an independent director has previously served as a public servant or a consultant of a government agency which is a major shareholder of, or an entity with the authority to control the Company.
3. The person must not be related by blood or law as father, mother, spouse, sibling or child, spouse of son or daughter of executives, major shareholders, individuals with the authority to control the Company or candidates for the position of an executive or an individual with the authority to control the Company or an associate.
4. The person must not have, or have had, a business relationship with the Company, the parent Company, the associates, the affiliates, the major shareholders or the entities with the authority to control the Company, in such a manner that may interfere with one's independent discretion. The person also must have not been or has been a shareholder, individuals with the authority to control the Company, of the person who has business relationship with the Company, the parent Company, the associates, the affiliates, the major shareholder or the entities with the authority to control the Company. There is an exception in the case where he or she has retired from such a position for at least two years prior to the day on which he or she is appointed as an independent director. The business relationship as described in the above paragraph is inclusive of normal trading transactions for the conduct of business; lease or letting of immovable; transactions relating to assets or service; provision or acceptance of financial assistance through acceptance or provision of loans and guarantees, the use of assets as collateral and other such practices which result in the Company or the party to the agreement being under the obligation to repay the other party for an amount from 3% of net tangible assets of the Company or from Twenty Million Baht whichever is lower. The calculation of such obligation to debt is to be in accordance with the related transaction value calculation method as per the Announcement of the Capital Market Supervisory Board on the Related Transaction Criteria with exceptions. The said obligation to debt includes that which has materialized during the period of one year prior to the day of business relationship with the same individual.

5. The person must not be, or has been, an auditor of the Company, the parent Company, the associates, the affiliates, the major shareholders or the entities with the authority to control the Company. The person also must not be a significant shareholder, an individual with the authority to control or a partner of the audit office with which the auditor the Company, the parent Company, the associates, the affiliates, the major shareholders or the entities with the authority to control the Company is associated. There is an exception in such case where he or she has retired from such a position for at least two years prior to the day on which he or she is appointed as an independent director.
6. The person must not be, or has been, a provider of a professional service including the service as a legal consultant or a financial consultant for which greater than Two Million Baht of fee is paid per year by the Company, the parent Company, the associates, the affiliates, the major shareholders or the entities with the authority to control the Company. The person also must not be a significant shareholder or an individual with the authority to control or a partner of such provider of professional service. There is an exception in such case where he or she has retired from such a position for at least two years prior to the day on which he or she is appointed as an independent director.
7. The person must not be a director appointed to represent a director of the Company, a major shareholder or a shareholder who is related to a major shareholder.
8. The person must not be in a business of the same nature as, and of significant competition to, that of the Company or an associate. The person also must not be a significant partner in a partnership; a director who is involved with the management; a staff member; an employee; a consultant with a monthly wage; as well as, a shareholder who holds more than 1% of shares with voting rights of another Company which is engaged in a business of the same nature as and of significant competition to that of the Company or an associate.
9. The person must not have any other characteristic which is an obstacle to the giving of free opinion on the operation of the Company.
10. Not being a director appointed for representation of company directors, major shareholders or shareholder related with the major shareholder of the company and
11. The person must not be a director of the Company, the parent Company, the associates, the affiliates, or the entities with the authority to control the Company.

(2) Directors and Management

Since there is no the Nomination and Remuneration Committee who has been assigned to select qualified persons having appropriate qualifications to be nominated as Company directors and CEO, the shareholder, professional, director, independent director, and management team to nominate a qualified candidate per the following procedure and criteria:

The selection of the Directors

1. Director is a person with relevant industry knowledges and experiences, integrity, accountability, ethic, and dedication;
2. Directors must be qualified under the stated qualification under the SET/SEC regulations, and relevant laws and regulations;

3. In case of the appointment of independent directors, the Nomination Committee shall consider the independence of persons to be nominated as independent directors pursuant to the criteria of the Securities and Exchange Commission (SEC) and the Company. In the case that the existing independent director shall take the directorship for another term, the duration of the directorship from the first date of appointment as an independent director should not be more than nine (9) years in a row;
4. A director must not, whether on his own account or on account of a third person, undertake any business of the same nature as and competing with that of the company, become a partner in an ordinary partnership or a partner with unlimited liability in a limited partnership or any other company undertaking any business of the same nature as and competing with that of the company, unless such fact has been notified to the meeting of shareholders prior to the resolution electing such director; and
5. In case of existing directors who shall take the directorship for another term, the Nomination Committee may consider the dedication and performance of such directors while taking the directorship, as well as the number of listed companies in which such directors take the directorship that the total number should not be more than five (5) listed companies.

Criteria and Procedures for Selecting and Withdraw the Directors as follows:

1. A company must, for the operation of its business, have a board of directors consisting of at least five directors, provided that not less than one half of the total number of directors must have a residence in the Kingdom.
2. The shareholders' meeting was authorized to appoint Company directors according to the criteria and method as follows:
 - (1) One shareholder shall have one vote per one share
 - (2) Each shareholder must exercise all of the votes he or she has under the first paragraph to elect one or several persons to be a director or directors and must not allot his or her votes to any person in any number
 - (3) The persons receiving the highest number of votes, followed by those with descending highest number of votes shall be elected as the directors fulfilling the number of directorship required to be elected by the shareholder's meeting. In case the number of votes for the candidates in descending order are equal and exceed the number of directors to be elected at said meeting, the Chairman shall cast the deciding vote
3. At every annual ordinary meeting of shareholders, there shall be an election of the board of directors en masse on the same occasion, provided that the original board of directors may remain in office to serve as the acting board of directors in furtherance of the operation of the business of the company for the time being and to the extent necessary until the new board of directors takes office, in which case one-third of the number of directors shall vacate office. If the number of directors is not a multiple of three, then the number nearest to one-third shall vacate office. The directors to vacate office in the first and second years following the registration of the company shall, unless otherwise provided in the articles of association, be drawn by lots. In every subsequent year, the directors who have been longest in office shall vacate office. The director who vacates office under this section may be re-elected

4. Any director intending to resign shall submit a resignation letter to the company. The resignation takes effect as from the date on which the resignation letter reaches the company
5. In the case where the office of a director becomes vacant by any reason other than the expiration of the term, the board of directors shall elect a person possessing the qualifications and being under no prohibitions under section 68 as a replacing director at the next meeting of the board of directors, unless the remaining term of office of such director is less than two months. The resolution of the board of directors under paragraph one must be supported by votes of not less than three-fourths of the number of the remaining directors

A meeting of shareholders may pass a resolution removing any director from office prior to the expiration of the term, with the votes of not less than three fourths of the number of shareholders present at the meeting and entitled to vote and also with the aggregate number of shares of not less than one half of the number of shares held by the shareholders present at the meeting and entitled to vote.

The Selection of the Management

Since there is no the Nomination and Remuneration Committee who has been assigned to select qualified persons having appropriate qualifications to be nominated as Management, the Company shall select the Management per the following procedure:

The selection of the Chief Executive Officer

The shareholder, professional, director, and management to nominate a qualified candidate as Chief Executive Officer. The board of director shall consider and approve the candidate to be Chief Executive Officer.

The selection of management positions below Chief Executive Officer

In addition to the definition of Management per SEC/SET regulations, the CEO or head of department is authorized to select and appoint a qualified candidate to be a position below Management level per the definition of SEC/SET regulations. However, the head of internal audit or internal control shall be approved by the Audit Committee.

2.4 Remuneration for Directors and Managers

(1) Remuneration for directors

Paid in cash

The remuneration for directors, which was approved by the Annual General Shareholders' Meeting No. 1 /2017 on March 24, 2017, is as followed:

Name	Board	EXCOM	AC	Others	Total
1. Mr. Sompoch Intranukul	600,000	-	-	-	600,000
2. Mr. Supasith Sukhanindr	300,000	180,000	-	-	480,000
3. Mr. Pilunchai Pradubphong	300,000	180,000	-	-	480,000
4. Mr. Nadim Xavier Salhani	300,000	60,000	-	-	360,000
5. Mr. Bhanu Inkawat	300,000	-	-	-	300,000
6. Mr. Chalush Chinthammit	300,000	-	-	-	300,000
7. Miss Kamornwan Chinthammit	300,000	-	-	-	300,000
8. Pol.Gen. Ruangsak Jritake	300,000	-	-	-	300,000
9. Pol. Lt. Col. Thaweesin Rakkatanyu	300,000	-	180,000	-	480,000

Name	Board	EXCOM	AC	Others	Total
10. Asst. Dr. Tippawan Pinvanichkul	300,000	-	60,000	-	360,000
11. Mr. Pisit Jeungpraditphan	300,000	-	60,000	-	360,000
Total	3,600,000	420,000	300,000	-	4,320,000

Note:

Board: Board of Director Remuneration

EXCOM: Board of Executive Directors Remuneration

AC: Audit Committee Remuneration

Others: Other Remunerations

Paid in non-cash

-None-

(2) Remuneration for Management**Paid in cash**

The remuneration including with salary, allowance, bonus, provident fund, social security, and others of Management Team (9 members) of The Company and its subsidiaries is totally THB 50,130,256 in 2017.

Type of Remuneration	No. of Management	Value (THB)
Salary, allowance, and bonus	9	47,609,583
Provident fund, social security, and others	9	2,520,673
Total	9	50,130,256

Paid in non-cash

-None-

2.5 Corporate Governance**Corporate Governance Policies**

The board of director of the Company has been putting the corporate governance as priority factor with written Corporate Government Manual per the SEC/SEC guidance including international practices. The director, management team, and all staff shall follow the manual with three following topics:

1. Rights and equality of shareholders
2. Code of Conduct for directors
3. Code of Conduct for management and staff

With the written manual to be followed by director, management, and staff, the board of director regularly reviews and amends the manual to be in current situations

In 2017, the Company disclosed the Corporate Government Manual through the Company website to guide for all staff to be acknowledged and to follow the manual. In addition, the disclosure is for shareholders, stakeholders, investors, and others to ensure the good corporate governance of the Company. Moreover, the employees have to sign the acknowledgement of the manual in the orientation. Also, the Company will periodically monitor the compliance through the internal control process.

2.6 The Use of Internal Information

Since the board of director has been placed good corporate governance as priority to ensure the transparency and to prevent conflict of interest from the misuse of internal information before public disclosure, the board of director sets the use of internal information policy as followed:

1. Educating directors, executives, and Executive Director of Accounting & Financial field about the duty to report their securities holding and the holding of their spouse and minor children to SEC pursuant to Section 59 and penalty provisions under section 275 of the Securities and Exchange Act B.E.1996 (include the amendment).
2. Ensuring the directors, executive officers, and Executive Director of Accounting & Financial field of the Company including their spouse and minor children report the holding of securities and report through the secretary of the company within 30 days since the appointment or trading securities within 3 days since sale, purchase, and transfer its.
3. The Directors, executive officers, Executive Director of Accounting & Financial field and employees of the Company and subsidiaries that received inside information which may affect the stock price needs to be careful when trading securities of the Company in the last month before the financial statements or internal information is disclosed to the public. And during 24 hours after the information of the Company has disclosed to the public those related to inside information must not disclose it to anyone unless they have indicated that data to the stock market.

The penalties for the violation are regarded as a disciplinary offense under the regulations of the Company and the Company will consider sanctions as appropriate such as verbal warning, written warning, probation and expelling, dismissal or removal depending on the case of violation.

2.7 Auditor Fee

In 2017, the Company appointed EY Office Company Limited as the auditor of the Company and its subsidiaries. The auditor fee of the Company was THB 1.41 mm without others fee.

2.8 Internal Control

1. Director's comment

The good corporate governance is a guidance to ensure the transparency, check-and-balance system, integrity, and accountability of the Company leading to maximize shareholders' wealth, stakeholders, business partners, communities, and all relevant parties. Therefore, the BOD no. 1/2016 on March 15, 2016 appointed the Audit Committee consisting of three audit committee to review the internal control process and the compliance to the SEC/SET regulations and other laws/regulations.

According to the Board of director's meeting no. 1/2018 on March 6, 2018, all audit committees attended the meeting and the board of directors discussed with the management team with reference of the Internal Control Assessment report by Miss Praphaiwan Kimsomboon, Internal Audit department of the Company. The board of director commented that the Company has appropriate internal control system per the SEC/SET regulations. The topics of the report are as followed:

1. Control Environment
2. Risk Management
3. Control Activities
4. Information & Communication
5. Monitoring Activities

2. Internal audit's comment

The Audit Committee appointed by the Company's Board of Directors consists of three independent directors. Chaired by Lt.Col. Taweessin Rukkatanyu, the Committee has Miss Tippawan Pinvanichkul and Mr. Pisit Jeungpraditphan as two audit members with Miss Praphaiwan Kimsomboon serving as the Committee's secretary. The qualifications of all Audit Committee's members have passed the criteria laid down by the Office of the Securities and Exchange Commission (SEC). The Audit Committee has carried out its work within the scope of duties and responsibilities specified in the Audit Committee Charter.

In 2017, the Audit Committee convened four meetings with the Company's executives, internal auditors, and the auditors. In addition, the Audit Committee met with the auditors to discuss 2017 financial statements without the presence of the Company's Management. The work of the Audit Committee during 2016 can be summarized as follows:

10. Review of quarterly financial statements and full year financial statement

The Audit Committee reviewed the quarterly financial statements and full year financial statement including the connected transactions and transaction that may have a conflict of interest with executives, internal audit department and auditors. The Audit Committee inquired and received explanations from executives of the Company's finance and accounting units as well as the auditors concerning the accuracy of the Company's financial statements and consolidated financial statements, and also the adequacy of information disclosure and notes to the financial statements. After the review, the Audit Committee agreed with the auditors that fairly the financial statements were accurate in all material aspects and were reliable in accordance with the generally accepted accounting standard. The financial statements were also presented to the Company's Board of Directors for approval.

11. Review of internal-control operations and system

The Audit Committee reviewed the internal control based on the report from the internal audit department together with executives every quarter to consider the business operation, use of resources, asset management, fraud, the reliability of financial reports, and compliance with laws and regulations. The Audit Committee did not find any material defect. The Audit Committee also reviewed the auditor's report which also indicated that there was no any material defect, all branches and all units have efficient processes. The internal audit department works independently to assess all major systems of the Company based on the approved audit plan and report directly to the Audit Committee.

12. Review of compliance with laws and regulations

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

13. Review of connected transactions or transactions that may cause conflict of interest

The Audit Committee reviewed the appropriateness of connected transactions or transactions that may cause conflict of interest. The review showed that the connected transactions by the Company in 2017 were done

based on normal business practice, reasonable, and in the best interest of the Company's business. These connected transactions were transparent, with related information disclosed fully and accurately.

14. Promotion of Good Corporate Governance

The Audit Committee reviewed the Company's compliance with the Securities and Exchange Act, the regulations of the SEC and SET, and other relevant laws related to the Company's business. The Audit Committee concluded that the Company fully complied with the aforementioned regulatory requirements in all material aspects. In addition, the Audit Committee encouraged executives and employees of the Company to follow the policy as good corporate governance shall boost the Company's efficiency.

15. Consider the appointment of the auditor

The Audit Committee reviewed the performance of auditor during the past year on the basis of his/her/their reliability, independence, competency and abilities to provide services, counseling on accounting standards, auditing, and certifying financial statements in a timely manner. Based on the review, the Audit Committee recommended to the Board of Directors that Deloitte Touche Tohmatsu Jaiyod Audit Co.,Ltd. be appointed as the Company's auditor for the year 2018. The appointment will be subjected to the approval from the 2018 Annual General Meeting of Shareholders.

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

2.9 Dividend Policy

1. Dividend Policy of the Company

The Company has dividend policy to make dividend payment of not less than 50% of net profit based on the Company's separate financial statement after deduction of tax expenses and legal reserve (if any). Dividend payout will be considered by the board of directors/shareholders of the Company for the purpose of maximizing benefit to the shareholders. Factors determining dividend payout of the Company are such as reserve for loan repayment, investment plan for expansion, and liquidity support for the Company's subsidiaries under unstable market circumstances etc. The dividend payout shall not exceed retained earnings in the Company's separate financial statements, and shall comply with related laws and regulations.

As the Company operates as a holding company which majorly consists of investment in its subsidiaries, its dividend payout capability is mainly subject to subsidiaries' performance and dividend payout

2. Dividend Policy of Subsidiaries

Subsidiaries of the Company have dividend policy to make dividend payment of not less 50% of net profit based on their separate financial statements after deduction of tax expenses and legal reserve (if any). Dividend payout will be considered by the board of directors/shareholders of the Company for the purpose of maximizing benefit to the shareholders. Factors determining dividend payout of the Company are such as reserve for loan

repayment, investment plan for expansion, and liquidity support for the Company's subsidiaries under unstable market circumstances etc. The dividend payout shall not exceed retained earnings in the Company's separate financial statements, and shall comply with related laws and regulations.

Related Party Transactions

1. Related Transactions

For the year ending on 31 December 2016 and 2017, the key related party transactions entered into the Company can be summarized as follows:

Person/Juristic Entity with Possible Conflict of Interests	Relationship	Shareholding ^{/1}	Position in the Company
Sub Sri Thai Plc. ("SST") <u>Business Nature</u> SST provides storage service for documents, products, and assets	Major shareholders of the Company, with shared directors 1. Mr. Sompoch Intranukul 2. Mr. Supasith Sukhanindr 3. Mr. Pilunchai Pradubphong	64.3%	-None-
Mr. Supasith Sukhanindr	Major shareholder with shareholding of 19.62% ^{/2} of SST and director of MM	0.8%	Vice Chairman of the Board of Director
Mr. Supachai Sukhanindr	Older brother of Mr. Supasith Sukhanindr, and major shareholder with 10.5% ^{/2} shareholding in SST.	-None-	Consultant to the Management Team

Note: /1 Data on 7 April 2017

/2 Data on 29 August 2017

2. Related party transaction of the company and subsidiaries

Related party transaction of the Company and subsidiaries with those who may have conflict of interest for the period year ended 31 December 2016 and 31 December 2017 are as follows

Person/Juristic Person who may have conflict of interest and nature of relationship	Type of Transactions	Transaction Size (THB mm)		Characteristic of Transactions
		2016	2017	
SST	Document storage services provided by SST - Expense - Other creditors	0.43 0.00	0.43 0.01	<u>Necessity and Details of The Transactions</u> - Document storage service expenses incurred by the company and its subsidiaries - Service fees are at fair-market price <u>Auditor's Opinion</u> The auditors have assessed the rationality with regards to the transactions and have concluded that the storage services are regular activities of the company and its subsidiaries. Referential documents have stated that the service fees are at fair-market price, as if dealing with a third- party provider (Arm's Length Basis). Hence, the transactions are within reasons and appropriate.
Mr. Supachai Sukhanindr	Consultation Fees Scope and Responsibilities - Offer advice on the operation of the business as a whole and the future trend in the industry - Provide recommendations on investment opportunities on land and properties	0.30	0.30	<u>Necessity and Details of The Transactions</u> - Given fierce competition within the industry, the company must seek new opportunities and retain its competitive advantages • The committee has decided on 7/2013 to appoint Mr. Supachai Sukhanindras board of director within the scope offering his expertise on land scouting, seeking investment opportunity, and collaborating with related entities. <u>His services are required upon request and not on a regular basis.</u> - Consultation fee is THB 25,000 per month and is at a fair-

Person/Juristic Person who may have conflict of interest and nature of relationship	Type of Transactions	Transaction Size (THB mm)		Characteristic of Transactions
		2016	2017	
	Counsel on the related business entities within the industry			market price <u>Auditor's Opinion</u> The auditors have assessed the appropriateness of the transaction and have declared Mr. Supachai Sukhanindr to be a qualified consultant with the service fee is within a reasonable range concerning the scope and responsibilities. As a result the transaction is within it reasons and necessity as if dealing with a third-party service provider (Arm's Length Basis).

3. Connected transaction approval procedure

All related-party / connected transactions of the Company and subsidiaries with any potential conflict of interest person / connected person, related person, or any potential conflict of interest person in the future shall be reviewed by the audit committee with opinion on the necessity and rationality of the transactions in aspects of pricing, terms and conditions to ensure that the transactions are arm's length basis. If necessary, external advisors, experts, or auditor shall be engaged in order to provide independent opinion on the transactions to the board of director, audit committee, or shareholder (if applicable). The connected director, beneficial director, or anyone with potential conflict of interest will not be authorized to vote / approve the transactions. In addition, the related-party / connected transaction will be disclosed in notes of the audited / reviewed financial statement by auditor.

4. Trend of related transaction in the future

The Company and subsidiaries have the policy to execute related-party / connected transactions in the future accordingly to the SET and/or SEC regulations, accounting standards re: disclosure of related / connected transaction stipulated by Accountant and Auditors Association.

With ongoing related-party / connected transactions as normal business course, the Company and subsidiaries establish guidance policy to ensure that the transaction is at fair price, normal business practice as third party, and at arm's length basis. The audit committee will consider and approve the guidance policy.

If necessary, external advisors, experts, or auditor shall be engaged in order to provide independent opinion on the transactions to the board of director, audit committee, or shareholder (if applicable) in order to ensure that the transaction is not provide any beneficial transfer between the Company and subsidiaries and connected person. In additional, the Company is maximizing shareholders' wealth.

Management Discussion and Analysis

Income Statement

Total Revenue

Mudman PCL and the subsidiaries ("MM" or the "Company") earned THB 2,992 mm and THB 2,970 mm in 2016 and 2017 respectively or growth of (0.7%). The key factors are the economic slowdown, especially retail sector which directly affects the consumers' spending in food and beverage and lifestyle business.

Total Revenues Breakdown by Business

	2016	2017	Y-o-Y Change
Food & Beverage	2,810	2,882	0.4%
Lifestyle	182	148	(18.7%)
Total Revenues	2,992	2,970	(0.7%)

Cost of Sales and Services

Cost of sales and services recorded THB 1,175 mm and THB 1,152 mm or 39.3% and 38.8% of total revenues in 2016 and 2017 respectively. The better of % cost of sales and services was primarily from well-stabilized under the effective collaboration between purchasing department, logistics department, marketing department, and branch employees through the application of effective procurement and inventory management systems.

Selling and Administrative Expenses (S&A)

In 2016 and 2017, the S&A reported THB 1,793 mm and THB 1,828 mm or 59.9% and 61.6% of total revenues respectively. However, in 4Q/2017, MM recorded the extra transaction fee re: the ordinary share acquisition of Societe Langonnaise des Vins et Hotelleries SAS ("SLVH") of THB 19 mm in administrative expenses. Therefore, the S&A from normal operation would be THB THB 1,809 mm or 60.9% of total revenues in 2017.

S&A Breakdown by Type

	2016 ⁽¹⁾	2017	Y-o-Y Change
Amortization of intangible assets from business acquisitions ⁽²⁾	70	67	(4.3%)
Other selling expenses ⁽³⁾	1,391	1,396	0.4%
Administrative expenses ⁽⁴⁾	332	346	4.2%
Extra expense (the acquisition)	-	19	n.a.
Total selling and administrative expenses	1,793	1,828	2.0%

Note

(1) Excluded the impairment loss of THB 155 mm in 3Q/16

(2) Non-cash items from business acquisitions are divided into amortization of Dunkin' Donut, Au Bon Pain, and Greyhound Café franchises totaling THB 25 mm, THB 7 mm, and THB 35 mm in 2017, respectively.

(3) The Company incurred flat personnel cost, rental and service costs.

(4) Administrative expenses include remuneration of management and employees at office, administrative expenses, and other related costs.

Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)

The Company recorded EBITDA of THB 101 mm and THB 238 mm or %EBITDA of 3.4% and 8.0% of total revenues in 2016 and 2017 respectively.

For comparison purpose of 2016 vs 2017, the impairment loss of THB 155 mm in 3Q/16 and the extra transaction fee of THB 19 mm in 4Q/17 have been excluded for such comparison. Therefore, the EBITDA would be THB 256 mm, and THB 257 mm or 8.6% and 8.6% of total revenues respectively.

	2016	2017
EBITDA	101	238
%EBITDA	3.4%	8.0%
Extra expenses	155	19
EBITDA – Normal operation	256	257
%EBITDA – Normal operation	8.6%	8.6%

Finance Cost

In 2016 and 2017, the Company incurred finance cost amounting THB 56 mm and THB 34 mm respectively. The lower finance cost is primarily due to the partial debt repayment after the initial public offering in Apr-17.

Net Profit (Loss)

In 2016 and 2017, the Company's net profit (loss) amounted to THB (168) mm and THB (50) mm, respectively. Net profit (loss) of the company equaled to (5.6%) and (1.7%) of total revenues respectively.

For comparison purpose of 2016 vs 2017, the impairment loss of THB 155 mm in 3Q/16 and the extra transaction fee of THB 19 mm in 4Q/17 have been excluded for such comparison. Therefore, the net profit (loss) would be THB (44) mm, and THB (31) mm or (1.5%) and (1.1%) of total revenues respectively.

	2016	2017
Net Profit (Loss)	(168)	(50)
% Net Profit (Loss)	(5.6%)	(1.7%)
Extra expenses	155	19
Net Profit (Loss) – Normal operation	(44)	(31)
% Net Profit (Loss) – Normal operation	(1.5%)	(1.1%)

Statement of Financial Position**Total Assets**

As of 31 December 2016 and 2017, the Company's assets equaled THB 3,815 mm and THB 4,311 mm, respectively. The increase was partially from the acquisition of SLVH. Majority of assets is non-current assets. As of 31 December 2016 and 2017, the Company's non-current assets accounted for 88% - 90% of total assets, while the current assets accounted for 10% - 12% of total assets, respectively.

Total Assets	31 December 2016		31 December 2017	
	THB mm	%	THB mm	%
Current assets	381	10.0	515	12.0
Non-current assets	3,434	90.0	3,796	88.0
Total assets	3,815	100.0	4,311	100.0

1. Current Assets

The Company's current assets totaled THB 381 mm and THB 515 mm at 31 December 2016 and 2017 accounting for 10.0% and 12.0% of total assets respectively. The Company recorded cash and cash equivalent of THB 89 mm and THB 195 mm at 31 December 2016 and 2017 respectively. Account receivables were THB 67 mm and THB 91 mm at 31 December 2016 and 2017, respectively. Inventories were THB 204 mm and THB 193 mm accounting for 5.4% and 4.5% of total assets at 31 December 2016 and 2017, respectively. The majority of inventories are finished products of Lifestyle business (i.e. apparel).

2. Non-Current Assets

As of 31 December 2016 and 2017, MM's non-current assets totaled THB 3,434 mm and THB 3,796 mm, accounting for 90.0% and 88.0% of total assets, respectively. The main item in non-current assets were building improvement and equipment, goodwill and intangible assets. Building improvement and equipment totaled THB 478 mm and THB 554 mm or 12.5% and 12.8% of total assets, respectively. Goodwill from business acquisition was stable at THB 1,896 mm at 31 December 2016 and 2017. Goodwill was comprised of goodwill from Donut business at THB 484 mm, goodwill from bakery business at THB 298 mm, and goodwill from restaurants at THB 1,114 mm based on the business acquisition of Greyhound group since 2014. At 31 December 2016 and 2017, intangible assets amounted to THB 885 mm and THB 832 mm or 21.7% and 19.3% of total assets, respectively.

Total Liabilities

Total Liabilities	31 December 2016		31 December 2017	
	THB mm	%	THB mm	%
Current Liabilities	855	42.8	978	66.7
Non-Current Liabilities	1,144	57.2	488	33.3
Total Liabilities	1,999	100.0	1,466	100.0

1. Current Liabilities

As of 31 December 2016 and 2017, the Company's current liabilities totaled THB 855 mm and THB 978 mm, respectively, accounting for 42.8% and 66.7% of total liabilities. The increase was mainly due to the short-term loan of THB 338 mm for the SLVH acquisition.

2. Non-Current Liabilities

As of 31 December 2016 and 2017, non-current liabilities totaled THB 1,144 mm and THB 488 mm, representing 57.2% and 33.3% of total liabilities, respectively. Majority of non-current liabilities were long-term debt from financial institution in which long-term debt, net of current portion, equaled to THB 872 mm and THB 238 mm, respectively, accounting for 43.6% and 16.2% of total liabilities, respectively.

Shareholders' Equity

As of 31 December 2016 and 2017, the Company's shareholders' equity stood at THB 1,815 mm and THB 2,845 mm respectively. The increase in the shareholders' equity was mainly due to the initial public offering (IPO) in April 2017.

Liquidity

In 2017, the Company reported net increase (decrease) in cash and cash equivalents of THB 106 mm based on consolidated financial statements with following details:

	Year 2016 (THB mm)	Year 2017 (THB mm)	Change (THB mm)
Net cash flows from operating activities	330	195	(134)
Net cash flows used in investing activities	(153)	(568)	(415)
Net cash flows used in financing activities	(195)	478	673
Net increase (decrease) in cash and cash equivalents	(19)	106	125
Cash and cash equivalents at beginning of year	108	89	n.a.
Cash and cash equivalents at end of year	89	195	n.a.

Net cash flows from operating activities

The Company reported net cash flows from operating activities of THB 330 mm and THB 195 mm in 2016 and 2017 respectively or decreased by THB (134) mm because the Company recorded the impairment loss on assets of THB 155 mm in 2016. Since the impairment loss on assets was non-recurring and non-cash item, the Company had added back the loss to reflect the net cash flows from operating activities in 2016.

Net cash flows used in investing activities

The Company reported net cash flows used in investing activities of THB (153) mm and THB (568) mm in 2016 and 2017 respectively or increased by THB 415 mm because the Company recorded cash paid for acquisition of investment in subsidiaries and cash paid for short-term loans to existing shareholder of a subsidiary for the acquisition of SLVH of THB 256 mm and THB 50 mm, totaling of THB 306 mm in 2017.

Net cash flows used in financing activities

The Company reported net cash flows used in financing activities of THB (195) mm and THB 478 mm in 2016 and 2017 respectively or increased by THB 673 mm because the Company recorded proceeds from increase in share capital of THB 1,107 mm, repayment of long-term loans from financial institutions of THB (720) mm, and short-term loans from financial institutions for SLVH acquisition of THB 333 mm in 2017.

Liquidity Ratios

		Consolidated	
		Year 2016	Year 2017
Liquidity ratio	x	0.4	0.5
Days Sales Outstanding	Day	7.7	9.6
Days Inventory Outstanding	Day	65.6	62.1
Days Payable Outstanding	Day	120.2	131.4
Cash Cycle	Day	(47.0)	(59.7)

The Company had liquidity ratio of 0.4x and 0.5x in 2016 and 2017 respectively which is primarily from high current liabilities. The current liabilities mainly consist of short-term loans from financial institutions (THB 25 mm and THB 358 mm in 2016 and 2017 respectively) and current portion of long-term loans from financial institutions (THB 173 mm and THB 87 mm in 2016 and 2017 respectively).

However, the Company receives most of revenues in cash with day sales outstanding of 7.7 days and 9.6 days in 2016 and 2017 respectively. The day sales outstanding mostly represent the operation of Greyhound business and SLVH (investment in 2017). The revenues of some Greyhound stores located in department stores will be held and will be transferred to the company based on the terms and conditions stipulated in lease contract. Also, the GHF has partially revenues in credit from some types of customers. In addition, SLVH has some customers having corporate account receivables in which the collection will be happened after the dining.

The Company has days Inventory outstanding of 65.6 days and 62.1 days in 2016 and 2017 respectively due mainly to inventories (i.e. raw material and finished products) of GHF.

The Company has days payable outstanding of 120 – 130 days in 2016 and 2017 respectively. The Company had Cash Cycle of (47.0) days and (59.7) days due primarily to the nature of business operation that the Company mainly receives revenues in cash, quick inventory turnover in food and beverage business, and some inventory from GHF. As a result, the Company has low receivable and low inventory with credit term from suppliers of 120 – 130 days leading to negative cash cycle.

Liability ratios (cash basis)

	Consolidated	
	Year 2016	Year 2017
Liability ratio (cash basis)	1.2	0.1

The liability ratio (cash basis) is calculated from net cash flows from operating activities divided by sum of debt repayment, investments, and dividend paid.

In 2016, the Company reported liability ratio of 1.2x calculated from net cash flow from operating activities of THB 329.6 mm, investments of THB 153.2 mm, and debt repayment of THB 123.8 mm.

In 2017, the Company reported liability ratio of 0.1x due to the investment in SLVH and other investments of totaling of THB 568 mm, debt repayment and dividend paid of totaling of THB 881 mm, and net cash flow from operating activities of THB 195 mm.

Independent Auditor's Report

Independent Auditor's Report

To the Shareholders of Mudman Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Mudman Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2017, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Mudman 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 Mudman Public Company Limited and its subsidiaries and of Mudman Public Company Limited as at 31 December 2017, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Emphasis of matter

I draw attention to Note 12 to the consolidated financial statements regarding the acquisition of investment in a subsidiary (Societe Langonnaise des Vins et Hotelleries SAS) by the other subsidiary (Mudman International Limited) ("Acquirer"). The acquirer is in process of measuring the fair value at the acquisition date of the identifiable assets acquired, the liabilities assumed, and goodwill, which has not yet completed. My opinion is not modified in respect of this matter.

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 matters and how audit procedures respond for each matter are described below.

Business combination

As discussed in Note 12 to the consolidated financial statements regarding the acquisition of investment in a subsidiary for a total of Baht 301 million. As at 31 December 2017, the Group provisionally recorded the acquisition using a best estimate of the values of the assets acquired and liabilities assumed, determined by applying the acquisition method. The Group will complete the recording of the acquisition within 2018, and the amount recorded as at 31 December 2017 may change. I have focused on this business acquisition since it is material to the financial statements as a whole, and the management needed to exercise substantial judgment to determine the assumptions used as a basis for provisional recognition of the acquisition. Therefore, there is a risk with respect to the recognition and measurement of the assets acquired and liabilities assumed, including initial difference on the acquisition.

I reviewed the terms and conditions of the agreement and inquired with management as to the nature and objectives of the acquisition in order to assess whether the acquisition meets the definition of a business combination under Thai Financial Reporting Standard 3 (Revised: 2016) Business combinations. I checked the value of the acquisition against supporting documents and related payments to assess whether it reflected the fair value of the consideration transferred and did not include the acquisition-related costs, I tested the calculation and considered the reason for the initial difference on acquisition recognized from the business combination and reviewed the disclosures related to the business combination in the notes to financial statements.

Goodwill and trademarks

As discussed in Note 14 and Note 16 to the consolidated financial statements, as at 31 December 2017, the Group has goodwill and trademarks amounting to Baht 1,896 million and Baht 344 million, respectively. I have focused on the consideration of the impairment of goodwill and trademarks because the assessment of impairment of goodwill and trademarks is a significant accounting estimate requiring management to exercise a high degree of judgement in identifying the cash generating units, estimating the cash inflows that are expected to be generated from that group of

assets in the future, and setting an appropriate discount rate and long-term growth rate. There are thus risks with respect to the amount of goodwill and trademarks.

I assessed the identification of cash generating units and the financial models selected by management by gaining an understanding of management's decision-making process to assess whether the decisions made were consistent with how assets are utilized. In addition, I tested the significant assumptions applied by management in preparing estimates of the cash flows expected to be realized from the assets, by comparing those assumptions with information from both internal and external sources and comparing past cash flow projections to actual operating results in order to evaluate the exercise of management judgement in estimating the cash flow projections. I also evaluated the discount rate applied by management through analysis of the weighted average cost of capital of the Group and of the industry and involving internal expert to assist in the assessment of this information by comparing it to external sources based on an expert's knowledge and past experience, tested the calculation of the realizable values of the assets using the selected financial model and considered the impact of changes in key assumptions on those realizable values, especially changes in the discount rate. Moreover, I reviewed the disclosures made with respect to the impairment assessment for goodwill and trademarks with indefinite useful lives, as well as sensitivity of the impact of changes in key assumptions to the cash flow projections.

Revenue recognition for sales

Revenue from sales in the consolidated financial statement included revenue from sales of food and beverage of the subsidiaries, accounting for 91 percent of the total revenue. Such revenue is one of the Group's key accounts because the amounts recorded directly affect the Group's profit or loss. Moreover, there are a large number sales transactions and the subsidiaries have continually launched many sales promotion activities in order to boost sales. I therefore focused on the audit of the amount and timing of revenue recognition for sales of food and beverage.

I examined the revenue recognition for sales of food and beverage of the subsidiaries by assessing and testing the subsidiaries' internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls. On a sampling basis, I also examined supporting documents for actual sales and cash receipt transactions occurring during the year. In addition, I performed analytical procedures on disaggregated data to detect possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers.

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.

Sirirat Sricharoensup

Certified Public Accountant (Thailand) No. 5419

EY Office Limited

Bangkok: 23 February 2018

Statement of Financial Position

Mudman Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2017

(Unit: Baht)

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Assets					
Current assets					
Cash and cash equivalents	7	195,040,342	89,378,744	18,440,709	12,323,348
Trade and other receivables	8	91,004,941	67,303,573	19,372,145	14,462,606
Short-term loans to and interest receivable					
from related parties	6	-	-	566,692,102	145,067,046
Inventories	9	192,953,607	204,347,934	50,057	48,926
Other current assets	10	<u>36,588,211</u>	<u>19,624,679</u>	<u>2,077,318</u>	<u>1,097,282</u>
Total current assets		<u>515,587,101</u>	<u>380,654,930</u>	<u>606,632,331</u>	<u>172,999,208</u>
Non-current assets					
Restricted bank deposits	11	2,675,804	3,016,110	-	-
Investments in subsidiaries	12	-	-	3,062,048,614	3,061,073,089
Building improvement and equipment	13	553,715,187	477,781,078	14,995,165	10,300,461
Goodwill	14	1,896,039,395	1,896,039,395	-	-
Unallocated costs of business acquisition	12	309,501,486	-	-	-
Leasehold rights	15	67,783,216	56,367,398	-	-
Intangible assets	14, 16	832,321,484	884,998,503	347,334	896,281
Deferred tax assets	24	6,252,408	8,745,542	-	-
Deposits		115,612,519	98,268,464	3,533,299	2,275,110
Other non-current assets		<u>11,749,109</u>	<u>8,729,712</u>	<u>11,749,110</u>	<u>8,729,712</u>
Total non-current assets		<u>3,795,650,608</u>	<u>3,433,946,202</u>	<u>3,092,673,522</u>	<u>3,083,274,653</u>
Total assets		<u>4,311,237,709</u>	<u>3,814,601,132</u>	<u>3,699,305,853</u>	<u>3,256,273,861</u>

Mudman Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2017

(Unit: Baht)

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	17	357,500,000	24,800,000	337,500,000	24,800,000
Trade and other payables	18	411,346,743	429,549,903	29,043,230	17,844,532
Payable for acquisition of investments in subsidiaries	12	39,393,800	-	208,525	-
Current portion of liabilities under finance lease agreements	20	11,209,028	5,187,404	2,315,300	-
Current portion of long-term loans from financial institutions	19	87,164,222	173,333,615	-	-
Short-term loans from and interest payable to related parties	6	-	-	235,978,942	1,041,360,599
Income tax payable		10,034,467	11,540,021	-	-
Dividend payable	27	-	160,345,370	-	160,345,370
Other current liabilities		<u>61,285,485</u>	<u>50,635,169</u>	<u>2,627,046</u>	<u>3,065,739</u>
Total current liabilities		<u>977,933,745</u>	<u>855,391,482</u>	<u>607,673,043</u>	<u>1,247,416,240</u>
Non-current liabilities					
Liabilities under finance lease agreements					
- net of current portion	20	12,392,531	6,141,943	6,405,114	-
Long-term loans from financial institutions					
- net of current portion	19	237,625,741	871,754,810	-	-
Deferred tax liabilities	24	188,588,247	204,794,145	-	-
Provision for long-term employee benefits	21	26,160,324	40,895,001	10,850,387	16,526,791
Other non-current liabilities		<u>23,690,182</u>	<u>20,500,890</u>	<u>-</u>	<u>-</u>
Total non-current liabilities		<u>488,457,025</u>	<u>1,144,086,789</u>	<u>17,255,501</u>	<u>16,526,791</u>
Total liabilities		<u>1,466,390,770</u>	<u>1,999,478,271</u>	<u>624,928,544</u>	<u>1,263,943,031</u>

Mudman Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2017

(Unit: Baht)

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Shareholders' equity					
Share capital	22				
Registered					
1,054,903,750 ordinary shares of Baht 1 each					
(2016: 1,054,903,750 ordinary shares of Baht 1 each)		<u>1,054,903,750</u>	<u>1,054,903,750</u>	<u>1,054,903,750</u>	<u>1,054,903,750</u>
Issued and fully paid					
1,054,903,750 ordinary shares of Baht 1 each					
(2016: 843,923,000 ordinary shares of Baht 1 each)		1,054,903,750	843,923,000	1,054,903,750	843,923,000
Share premium		1,953,348,039	1,099,077,000	1,953,348,039	1,099,077,000
Surplus on business combination under common control		212,355,818	212,355,818	-	-
Retained earnings (deficit)					
Appropriated - statutory reserve	27	11,969,629	11,129,895	11,969,629	11,129,895
Unappropriated		(387,442,076)	(351,362,852)	54,155,891	38,200,935
Other components of shareholders' equity		<u>(288,221)</u>	-	-	-
Total shareholders' equity		<u>2,844,846,939</u>	<u>1,815,122,861</u>	<u>3,074,377,309</u>	<u>1,992,330,830</u>
Total liabilities and shareholders' equity		<u>4,311,237,709</u>	<u>3,814,601,132</u>	<u>3,699,305,853</u>	<u>3,256,273,861</u>
		-	-	-	-

Statement of Comprehensive Income

Mudman Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2017

(Unit: Baht)

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Profit or loss:					
Revenues					
Sales and service income		2,831,547,402	2,889,141,956	22,947,227	25,006,759
Dividend income	6, 12	-	-	43,781,131	177,934,347
Management service income	6	-	-	97,455,986	111,400,795
Other income		<u>138,178,267</u>	<u>102,409,236</u>	<u>4,998,438</u>	<u>16,445,103</u>
Total revenues		<u>2,969,725,669</u>	<u>2,991,551,192</u>	<u>169,182,782</u>	<u>330,787,004</u>
Expenses					
Cost of sales and services		1,152,324,550	1,175,345,725	116,535,972	126,367,709
Selling expenses					
Amortisation of intangible assets acquired through business combination		67,126,382	70,109,916	-	-
Other selling expenses		1,396,165,423	1,391,114,366	9,020,500	7,959,428
Administrative expenses		364,860,351	332,005,071	6,205,210	10,150,648
Allowance for doubtful debts		-	-	-	62,000,000
Impairment loss on assets	12, 16	<u>-</u>	<u>154,931,354</u>	<u>-</u>	<u>142,320,435</u>
Total expenses		<u>2,980,476,706</u>	<u>3,123,506,432</u>	<u>131,761,682</u>	<u>348,798,220</u>
Profit (loss) before finance cost and income tax		<u>(10,751,037)</u>	<u>(131,955,240)</u>	<u>37,421,100</u>	<u>(18,011,216)</u>
Finance cost		<u>(33,771,059)</u>	<u>(56,258,624)</u>	<u>(27,567,203)</u>	<u>(55,648,083)</u>
Profit (loss) before income tax		<u>(44,522,096)</u>	<u>(188,213,864)</u>	<u>9,853,897</u>	<u>(73,659,299)</u>
Tax income (expenses)	24	<u>(5,857,079)</u>	<u>19,889,334</u>	<u>-</u>	<u>-</u>
Profit (loss) for the year		<u>(50,379,175)</u>	<u>(168,324,530)</u>	<u>9,853,897</u>	<u>(73,659,299)</u>

Other comprehensive income:

Other comprehensive income to be reclassified

to profit or loss in subsequent periods

Exchange difference on translation of financial statement

in foreign currency

(288,221)	-	-	-
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Other comprehensive income to be reclassified to profit

or loss in subsequent periods

(288,221)	-	-	-
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*Other comprehensive income not to be reclassified**to profit or loss in subsequent periods*

Actuarial gain

17,189,408	-	6,940,793	-
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Less: Income tax effect

24

(2,049,723)	-	-	-
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Other comprehensive income not to be reclassified to profit

or loss in subsequent periods - net of income tax

15,139,685	-	6,940,793	-
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Other comprehensive income for the year

14,851,464	-	6,940,793	-
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Total comprehensive income for the year

(35,527,711)	(168,324,530)	16,794,690	(73,659,299)
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Earnings per share

25

Basic earnings (loss) per share

(0.05)	(0.20)	0.01	(0.09)
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Statement of Changes in Shareholders' Equity

Mudman Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2017

(Unit: Baht)

	Consolidated financial statements						
	Surplus on business combination under common control			Retained earnings (deficit)		Other components of shareholders' equity	
	Share premium			Appropriated - statutory reserve		Unappropriated	
	Issued and paid-up share capital	Share premium	combination under common control	Appropriated - statutory reserve	Unappropriated	in foreign currency	Total
Balance as at 1 January 2016	843,923,000	1,099,077,000	212,355,818	-	(11,563,057)	-	2,143,792,761
Loss for the year	-	-	-	-	(168,324,530)	-	(168,324,530)
Other comprehensive income for the year	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	(168,324,530)	-	(168,324,530)
Transferred unappropriated retained earnings to statutory reserve (Note 27)	-	-	-	11,129,895	(11,129,895)	-	-
Dividend paid (Note 27)	-	-	-	-	(160,345,370)	-	(160,345,370)
Balance as at 31 December 2016	843,923,000	1,099,077,000	212,355,818	11,129,895	(351,362,852)	-	1,815,122,861
Balance as at 1 January 2017	843,923,000	1,099,077,000	212,355,818	11,129,895	(351,362,852)	-	1,815,122,861
Proceeds from share subscription (Note 22)	210,980,750	854,271,039	-	-	-	-	1,065,251,789
Loss for the year	-	-	-	-	(50,379,175)	-	(50,379,175)
Other comprehensive income for the year	-	-	-	-	15,139,685	(288,221)	14,851,464
Total comprehensive income for the year	-	-	-	-	(35,239,490)	(288,221)	(35,527,711)
Transferred unappropriated retained earnings to statutory reserve	-	-	-	839,734	(839,734)	-	-
Balance as at 31 December 2017	1,054,903,750	1,953,348,039	212,355,818	11,969,629	(387,442,076)	(288,221)	2,844,846,939

Mudman Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2017

	Separate financial statements					(Unit: Baht)
	Retained earnings					
	Issued and paid-up share capital	Share premium	Appropriated - statutory reserve	Unappropriated	Total	
Balance as at 1 January 2016	843,923,000	1,099,077,000	-	283,335,499	2,226,335,499	
Loss for the year	-	-	-	(73,659,299)	(73,659,299)	
Other comprehensive income for the year	-	-	-	-	-	
Total comprehensive income for the year	-	-	-	(73,659,299)	(73,659,299)	
Transferred unappropriated retained earnings	-	-	11,129,895	(11,129,895)	-	
to statutory reserve (Note 27)	-	-	-	(160,345,370)	(160,345,370)	
Dividend paid (Note 27)	-	-	-	-	-	
Balance as at 31 December 2016	843,923,000	1,099,077,000	11,129,895	38,200,935	1,992,330,830	
Balance as at 1 January 2017	843,923,000	1,099,077,000	11,129,895	38,200,935	1,992,330,830	
Proceeds from share subscription (Note 22)	210,980,750	854,271,039	-	-	1,065,251,799	
Profit for the year	-	-	-	9,853,897	9,853,897	
Other comprehensive income for the year	-	-	-	6,940,793	6,940,793	
Total comprehensive income for the year	-	-	-	16,794,690	16,794,690	
Transferred unappropriated retained earnings	-	-	839,734	(839,734)	-	
to statutory reserve	-	-	-	-	-	
Balance as at 31 December 2017	1,054,903,750	1,953,348,039	11,969,629	54,155,891	3,074,377,309	

Cash Flow Statement

Mudman Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2017

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Cash flows from operating activities				
Profit (loss) before tax	(44,522,096)	(188,213,864)	9,853,897	(73,659,299)
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Depreciation	160,187,857	143,079,553	2,221,909	1,744,026
Amortisation	88,200,035	89,845,665	614,607	1,069,431
Loss on disposal/written-off of building improvement and equipment and intangible assets	10,286,566	12,358,947	6,471,153	-
Allowance for doubtful debts	-	-	-	62,000,000
Reduction of inventory to net realisable value (reversal)	4,375,726	(710,460)	-	-
Impairment loss on assets	-	154,931,354	-	142,320,435
Long-term employee benefit expenses	3,102,769	8,595,876	1,264,389	2,504,045
Dividend income	-	-	(43,781,131)	(177,934,347)
Interest income	(944,238)	(502,715)	(2,569,909)	(9,388,206)
Interest expenses	31,004,059	56,258,624	25,567,203	55,648,083
Write off withholding tax	47,663	1,077,475	-	-
Profit from operating activities before changes in operating assets and liabilities	251,738,341	276,720,455	(357,882)	4,304,168
Operating assets (increase) decrease				
Trade and other receivables	(848,243)	(7,444,254)	(4,909,539)	5,894,394
Inventories	24,354,785	20,238,183	(1,131)	319
Other current assets	(11,675,515)	740,031	(980,034)	16,678
Deposits	(14,304,979)	(4,976,434)	(1,258,190)	-
Other non-current assets	780,710	(483,959)	-	-
Operating liabilities increase (decrease)				
Trade and other payables	(30,765,562)	57,726,167	10,392,050	10,792,743
Other current liabilities	2,318,852	14,463,847	(438,693)	(2,478,733)
Provision for long-term employee benefits	(2,572,305)	(4,250,280)	-	-
Other non-current liabilities	3,189,292	12,193,384	-	-
Cash flows from operating activities	222,215,376	364,927,140	2,446,581	18,529,569
Dividend received	-	-	43,781,131	177,934,347
Cash paid for income tax	(26,972,890)	(35,360,421)	(3,019,398)	(3,803,866)
Net cash flows from operating activities	195,242,486	329,566,719	43,208,314	192,660,050

Mudman Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2017

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Cash flows from investing activities				
Decrease in restricted bank deposits	340,306	4,738	-	-
Increase in short-term loans to related parties	-	-	(420,603,316)	(8,367,209)
Cash paid for acquisition of investment in subsidiaries	(256,155,981)	-	(767,000)	-
Cash paid for short-term loans to existing shareholder of a subsidiary	(49,618,022)	-	-	-
Acquisition of building improvement and equipment	(232,711,360)	(141,162,930)	(3,567,240)	(1,567,370)
Proceeds from sales of equipment	2,603,442	690,110	3,000	-
Increase in intangible assets and leasehold rights	(33,342,867)	(13,246,787)	(65,660)	(352,500)
Cash received from interest income	<u>928,411</u>	<u>499,079</u>	<u>1,548,168</u>	<u>976,572</u>
Net cash flows used in investing activities	<u>(567,956,071)</u>	<u>(153,215,790)</u>	<u>(423,452,048)</u>	<u>(9,310,507)</u>
Cash flows from financing activities				
Increase (decrease) in short-term loans from financial institutions	332,700,000	(10,200,000)	312,700,000	9,800,000
Decrease in short-term loans from related parties	-	-	(808,393,333)	(120,497,060)
Cash paid for liabilities under finance lease agreements	(8,106,783)	(4,919,705)	(480,586)	-
Repayment of long-term loans from financial institutions	(720,298,462)	(123,829,884)	-	-
Proceeds from increase in share capital	1,107,648,937	-	1,107,648,937	-
Cash paid for direct costs related to the share offering	(42,397,148)	-	(42,397,148)	-
Dividend paid	(160,345,370)	-	(160,345,370)	-
Cash paid for interest expenses	<u>(30,946,627)</u>	<u>(56,292,539)</u>	<u>(22,371,405)</u>	<u>(68,155,286)</u>
Net cash flows used in financing activities	<u>478,254,547</u>	<u>(195,242,128)</u>	<u>386,361,095</u>	<u>(178,852,346)</u>
Increase in translation adjustment	<u>120,636</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	<u>105,661,598</u>	<u>(18,891,199)</u>	<u>6,117,361</u>	<u>4,497,197</u>
Cash and cash equivalents at beginning of year	<u>89,378,744</u>	<u>108,269,943</u>	<u>12,323,348</u>	<u>7,826,151</u>
Cash and cash equivalents at end of year	<u>195,040,342</u>	<u>89,378,744</u>	<u>18,440,709</u>	<u>12,323,348</u>
	-	-	-	-

Supplemental cash flows information :-

Non-cash transactions

Acquisition of assets through incurrence of liabilities	45,596,671	43,901,430	10,207,656	384,130
Payable for acquisition of investments in subsidiaries	39,393,800	-	208,525	-

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

Notes to Consolidated Financial Statements

Mudman Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2017

1. General information

Mudman Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. Its parent company is Sub Sri Thai Public Company Limited. The Company is principally engaged in investment holding, management service for related companies and distribution of food. The registered office of the Company is at 33/4 The 9th Towers Grand Rama 9, 18th Floor, Tower A, Rama 9 Road, Huaykwang, Huaykwang, Bangkok.

The Market for Alternative Investment ("mai") has approved the listing of the Company's 1,055 million ordinary shares with a par value of Baht 1 each as securities to be traded on the mai, effective from 11 April 2017.

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 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 Mudman Limited ("the Company") and the following subsidiary companies ("the subsidiaries"):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2017</u> Percent	<u>2016</u> Percent
<u>Subsidiaries directly owned by the Company</u>				
Golden Donuts (Thailand) Co., Ltd.	Distribution of food and beverage	Thailand	100	100
ABP Café (Thailand) Co., Ltd.	Distribution of food and beverage	Thailand	100	100
Golden Scoop Co., Ltd.	Distribution of food and beverage	Thailand	100	100
Greyhound Café Co., Ltd.	Distribution of food and beverage	Thailand	100	100
Greyhound Co., Ltd.	Distribution of clothing and leather work	Thailand	100	100
Mudman International Ltd.	Holding Company	Republic of Mauritius	100	-
<u>Subsidiary indirectly owned by the Company</u>				
Held by Greyhound Café Co., Ltd.				
GHC CAFÉ (UK) Co.Ltd.	Distribution of food and beverage	United Kingdom	100	100
Held by Mudman International Ltd.				
Societe Langonnaise des Vins et Hotelleries SAS	Distribution of food and beverage	France	100	-

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currency" in the statements of changes in shareholders' equity.
- f) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.

- g) On 27 November 2017, the Company invested in a new subsidiary named Mudman International Limited, incorporate in Republic of Mauritius. This Company has a registered capital of USD 30,000 and the Company holds 100 percent of the ordinary shares.
- h) As described in Note 12 to the financial statement, on 21 December 2017, the Company and Mudman International Limited acquired all ordinary shares of Societe Langonnaise des Vins et Hotelleries SAS.

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

3. New financial reporting standards

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

During the year, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which are effective for fiscal years beginning on or after 1 January 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements

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

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

The management of the Company and its subsidiaries believe that the revised financial reporting standards and interpretations will not have any significant impact on the financial statements when they are initially applied.

4. Significant accounting policies

4.1 Revenue recognition

Sales of goods

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

Rendering of services

Service revenue is recognised when services have been rendered.

Dividends

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

Interest income

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

4.2 Cash and cash equivalents

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

4.3 Trade accounts receivable

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

4.4 Inventories

Inventories are valued at the lower of cost (first-in, first out method) and net realisable value. Cost includes all production costs and attributable factory overheads.

4.5 Investments

Investments in subsidiaries are accounted for in the separate financial statements using the cost method.

4.6 Building improvement and equipment/Depreciation

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

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

Building improvement	5 - 15 years
Equipment	3 - 10 years
Furniture and office equipment	3 - 5 years
Motor vehicles	5 years

Depreciation is included in determining income.

No depreciation is provided on assets under installation and construction.

4.7 Goodwill

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

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

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

4.8 Leasehold rights

Leasehold rights are stated at cost less accumulated amortisation and allowance for loss on impairment on assets. Amortisation is calculated by reference to its cost on a straight-line basis over the lease period. The amortisation expense is charged to profit or loss.

4.9 Intangible assets

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

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

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

	<u>Useful lives</u>
Franchise	7 - 20 years
Trademark	40 years
Computer software	3 - 5 years

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually either individually or at the cash generating unit level. The assessment of indefinite useful lives of the intangible assets is reviewed annually.

4.10 Related party transactions

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

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

4.11 Long-term leases

Leases of assets 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 asset acquired under finance leases is depreciated over the useful life of the asset.

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

4.12 Foreign currencies

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

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

Gains and losses on exchange are included in determining income.

4.13 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the building improvement and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Company and its subsidiaries also carry out annual

impairment reviews in respect of goodwill and intangible assets with indefinite useful lives. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company and its subsidiaries could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

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

4.14 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

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

Defined benefit plan

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

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

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

4.15 Provisions

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

4.16 Income tax

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

Current tax

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

Deferred tax

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

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

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

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

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:

Building improvement and equipment/Depreciation

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

Goodwill and intangible assets

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

Deferred tax assets

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

Post-employment benefits under defined benefit

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

6. Related party transactions

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

(Unit: Thousand Baht)

	For the years ended 31 December				Pricing policy
	Consolidated	financial	Separate	financial	
	statements		statements		
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	
<u>Transactions with parent company</u>					
Dividend payment	-	128,808	-	128,808	Announced rate
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Dividend income	-	-	43,781	177,934	Announced rate
Management service income	-	-	97,456	111,401	At the higher of the 3%-4% of sales and the cost plus margin of 5%
Rental income	-	-	1,916	2,312	Contract rate
Interest income	-	-	2,351	9,345	3.75% to 5.63% p.a.
Interest expenses	-	-	22,958	55,190	3.95% to 5.38% p.a.
<u>Transactions with related companies</u>					
Rental expenses	1,200	6,414	1,200	6,414	Contract rate
Dividend payment	-	14,957	-	14,957	Announced rate
<u>Transactions with directors, employees and related persons</u>					
Dividend payment	-	12,802	-	12,802	Announced rate

As at 31 December 2017 and 2016, the balances of the accounts between the Company and those related companies are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Trade and other receivables - related parties (Note 8)				
Parent company	7	-	-	-
Subsidiaries	-	-	18,589	13,607
	<u>-</u>	<u>-</u>	<u>18,589</u>	<u>13,607</u>
Short-term loans to and interest receivable from related parties				
Subsidiaries	-	-	628,692	207,067
Less: Allowance for doubtful debts	-	-	(62,000)	(62,000)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	-	-	566,692	145,067
Rental deposit paid - related party				
Related company	-	1,000	-	1,000
Trade and other payables - related parties (Note 18)				
Parent company	14	4	-	-
Subsidiary	-	-	60	-
Related company (common director)	-	2,510	-	2,510
	14	2,514	60	2,510
Payable for purchase of investment in a subsidiary (Note 12)				
Subsidiaries	-	-	209	-
Related party (director of a subsidiary)	39,394	-	-	-
	39,394	-	209	-
Short-term loans from and interest payable to related parties				
Subsidiaries	-	-	235,979	1,041,361
Dividend payable				
Parent company	-	128,808	-	128,808
Related company (common director)	-	14,957	-	14,957
Directors, employees and related persons	-	12,802	-	12,802
	-	156,567	-	156,567

Short-term loans to and interest receivable from related parties

These represent short-term loans and interest receivable under promissory note. Interest is charged at 3.75 to 5.63 percent per annum (2016: 3.80 to 5.63 percent per annum). The loans have no collateral and are repayable on demand.

Short-term loans from and interest payable to related parties

These represent short-term loans and interest payable under promissory note. Interest is charged at 5.03 percent per annum (2016: 3.95 to 5.38 percent per annum) and the loans are repayable on demand.

Movement of loan to and loan from related parties are as follows:

(Unit: Thousand Baht)

		Separate financial statements			
		Balance as at	Increase	Decrease	Balance as at
Loan to / Loan from	Related by	31 December 2016	during the year	during the year	31 December 2017
<u>Short-term loans and interest receivable</u>					
ABP Café (Thailand) Co., Ltd.	Subsidiary	-	18,880	(13,846)	5,034
Golden Scoop Co., Ltd.	Subsidiary	16,600	13,983	(4,683)	25,900
Greyhound Café Co., Ltd.	Subsidiary	-	61,820	-	61,820
Greyhound Co., Ltd.	Subsidiary	190,467	30,400	(13,700)	207,167
Mudman International Ltd.	Subsidiary	-	328,771	-	328,771
		207,067	453,854	(32,229)	628,692
Less: Allowance for doubtful debts		(62,000)	-	-	(62,000)
Total		145,067	453,854	(32,229)	566,692
<u>Short-term loans and interest payable</u>					
Golden Donuts (Thailand) Co., Ltd.	Subsidiary	616,491	95,552	(476,064)	235,979
ABP Café (Thailand) Co., Ltd.	Subsidiary	88,000	6,372	(94,372)	-
Greyhound Café Co., Ltd.	Subsidiary	336,870	28,033	(364,903)	-
Total		1,041,361	129,957	(935,339)	235,979

Directors and management's benefits

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Short-term employee benefits	91,801	94,723	47,726	55,986
Post-employment benefits	2,744	4,116	2,118	2,572
Total	94,545	98,839	49,844	58,558

Guarantee obligations with related parties

The Company and its subsidiaries have outstanding guarantee obligations with its related parties, as described in Note 30.4 (a) and 30.4 (b) to the financial statements.

7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Cash	24,088	18,063	49	33
Bank deposits	150,952	71,316	18,392	12,290
Bill of change	20,000	-	-	-
Total	195,040	89,379	18,441	12,323

8. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	76,255	58,884	763	838
Past due				
Up to 3 months	6,746	7,213	-	-
3 - 6 months	581	29	-	-
6 - 12 months	585	50	-	-
Over 12 months	5,558	5,483	-	-
Total	89,725	71,659	763	838
Less: Allowance for doubtful debts	(5,483)	(5,483)	-	-
Total trade receivables - unrelated parties, net	84,242	66,176	763	838
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	7	-	13,860	11,942
Past due				
Up to 3 months	-	-	1,238	1,520
3 - 6 months	-	-	1,403	-
6 - 12 months	-	-	2,081	-
Over 12 months	-	-	4	-
Total trade receivables - related parties	7	-	18,586	13,462
Total trade receivables - net	84,249	66,176	19,349	14,300
<u>Other receivables</u>				
Other receivables - unrelated parties	6,756	1,128	20	18
Other receivables - related parties	-	-	3	145

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Total other receivables	6,756	1,128	23	163
Total trade and other receivables - net	<u>91,005</u>	<u>67,304</u>	<u>19,372</u>	<u>14,463</u>

9. Inventories

Details of inventories as presented in consolidated financial statements as at 31 December 2017 and 2016 are as follows:

(Unit: Thousand Baht)

	Cost		Reduce cost to net realisable value		Inventories - net	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Finished goods	92,658	97,332	(11,919)	(3,925)	80,739	93,407
Work in process	1,656	2,044	-	-	1,656	2,044
Raw materials	76,643	86,033	(2,009)	(5,628)	74,634	80,405
Packing materials	17,151	14,899	-	-	17,151	14,899
Goods in transit	5,233	723	-	-	5,233	723
Others	13,541	12,870	-	-	13,541	12,870
Total	<u>206,882</u>	<u>213,901</u>	<u>(13,928)</u>	<u>(9,553)</u>	<u>192,954</u>	<u>204,348</u>

During the current year, the subsidiary reduced cost of inventories by Baht 4 million to reflect the net realisable value. This was included in cost of sales. During the year ended 31 December 2016, the subsidiary reversed the write-down of cost of inventories by Baht 1 million and reduced the amount of inventories recognised as expenses during the year.

10. Other current assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Undue value added tax	21,629	6,607	777	88
Prepaid expenses	12,437	6,759	1,291	1,000
Compensation for product claim	-	4,479	-	-
Others	2,522	1,780	9	9
Total	<u>36,588</u>	<u>19,625</u>	<u>2,077</u>	<u>1,097</u>

11. Restricted bank deposits

These represent fixed deposits pledged with the banks to secure the letter of guarantee issued by a bank on behalf of the subsidiaries.

12. Investments in subsidiaries

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

Company's name	Paid-up capital		Shareholding percentage		Cost		(Unit: Thousand Baht) Dividend received during the year	
	2017	2016	2017	2016	2017	2016	2017	2016
			(%)	(%)				
Golden Donuts (Thailand) Co., Ltd.	300,000	300,000	100	100	842,447	842,447	17,100	103,800
ABP Café (Thailand) Co., Ltd.	40,000	40,000	100	100	382,147	382,147	-	29,920
Golden Scoop Co., Ltd.	125,000	125,000	100	100	125,000	125,000	-	-
Greyhound Café Co., Ltd.	10,784	10,784	100	100	1,492,606	1,492,606	26,681	44,214
Greyhound Co., Ltd.	96,990	96,990	100	100	361,194	361,194	-	-
Mudman International Ltd.	976	-	100	-	976	-	-	-
Total					3,204,370	3,203,394	43,781	177,934
Less: Allowance for impairment loss on investment					(142,321)	(142,321)		
Investments in subsidiaries - net					3,062,049	3,061,073		

Allowance for impairment loss on investment in subsidiary is the allowance set aside for impairment loss on the investment in Greyhound Company Limited.

The Company pledged share certificates of Golden Donuts (Thailand) Company Limited and ABP Café (Thailand) Company Limited and Greyhound Café Company Limited, as collateral against credit facilities granted by a financial institution.

Mudman International Limited

On 27 November 2017, the Company invested in a new subsidiary named Mudman International Limited, incorporated in Republic of Mauritius. This company has a registered capital of USD 30,000 and the Company holds 100 percent of the ordinary shares. As at 31 December 2017, the company made a payment of Baht 0.8 million for shares subscription. The remaining payment is presented as "Payable for acquisition of investment in subsidiaries" in the statement of financial position.

Acquisition of investment in Societe Langonnaise des Vins et Hotelleries SAS

On 12 October 2017, the Board of Directors Meeting of the Company passed a resolution to acquire shares of Societe Langonnaies des Vins et Hotelleries SAS ("SLVH") which operates food and beverage under the trademark of Le Grand Vefour. On 21 December 2017, The Company and Mudman International Limited (a subsidiary) acquire 28,298 ordinary shares (par value Euro 16 each) of SLVH from existing shareholder for a

total consideration of Euro 7,812,247 which will be divided into two installments. The first installment amounting to Euro 6,812,247 was paid in cash on 21 December 2017, and the second installment amounting to Euro 1,000,000 will be paid on 21 December 2018.

The net book value of assets and liabilities of SLVH at the business acquisition date were summarised below:

	(Unit: Thousand Baht)
Cash and cash equivalents	5,265
Trade and other receivables	22,853
Inventories	17,336
Other current assets	5,272
Building improvement and equipment	7,148
Intangible assets	13,793
Other non-current assets	3,039
Short-term loans	(49,618)
Trade and other payables	(23,520)
Other current liabilities	(8,331)
Provision for long-term employee benefits	(1,924)
Net assets	(8,687)
Add: Excess of cost for the acquisition of a subsidiary over its book value	309,502
Cost of acquisition of investment in a subsidiary	300,815
Less: Cash and cash equivalent of a subsidiary	(5,265)
Less: Payable for acquisition of investment in a subsidiary	(39,394)
Net cash paid for acquisition of investment in a subsidiary	256,156

At present, the Company is in the process of assessing the fair value of the identifiable assets acquired and liabilities assumed at the acquisition date, in order to allocate costs of the business acquisition to such identifiable items. The assessment process mainly involves to the identification and valuation of intangible assets and certain tangible assets. It is to be completed within the period of twelve months from the acquisition date allowed under Thai Financial Reporting Standard No. 3 (revised 2016). During the measurement period, the Company will retrospectively adjust provisional amounts recognised at the acquisition date, recognise additional assets or liabilities and adjust earnings to reflect new information obtained about facts and circumstances that existed as of the acquisition date. The Company therefore recorded the excess of cost for the acquisition of SLVH over its book value amount Baht 310 million under the caption of "Unallocated costs of business acquisition" as a separate item in non-current assets in the consolidated statement of financial position.

The subsidiary recorded expenses related to business acquisition of Baht 19 million as administrative expenses and Baht 1 million as finance cost in the consolidated statement of comprehensive income in the current period.

13. Building improvement and equipment

(Unit: Thousand Baht)

	Consolidated financial statements					
	Building improvement	Equipment	Furniture and office equipment	Motor vehicles	Assets under installation and construction	Total
Cost						
1 January 2016	446,623	193,286	181,470	7,749	9,681	838,809
Additions	51,427	35,533	30,964	-	45,210	163,134
Disposals	(16,322)	(5,307)	(6,114)	(230)	(371)	(28,344)
Transfers	32,575	725	4,429	-	(37,729)	-
31 December 2016	514,303	224,237	210,749	7,519	16,791	973,599
Additions	80,548	24,352	40,699	8,683	87,793	242,075
Disposals	(17,470)	(3,396)	(13,496)	(4,857)	(6,471)	(45,690)
Transfers	66,926	11,579	14,266	-	(92,771)	-
Acquisition of subsidiary during the year (Note 12)	5,991	959	198	-	-	7,148
Translation adjustment	(219)	(37)	(73)	-	-	(329)
31 December 2017	650,079	257,694	252,343	11,345	5,342	1,176,803
Accumulated depreciation						
1 January 2016	171,992	85,861	96,211	4,816	-	358,880
Depreciation for the year	77,348	31,892	32,328	1,512	-	143,080
Depreciation on disposals	(9,423)	(919)	(4,879)	(90)	-	(15,311)
Transfer	1,183	9	(1,192)	-	-	-
31 December 2016	241,100	116,843	122,468	6,238	-	486,649
Depreciation for the year	89,485	32,701	36,644	1,358	-	160,188
Depreciation on disposals	(12,422)	(2,648)	(11,494)	(4,858)	-	(31,422)
Translation adjustment	(1)	(1)	(1)	-	-	(3)
31 December 2017	318,162	146,895	147,617	2,738	-	(615,412)
Allowance for impairment loss:						
1 January 2016	-	-	-	-	-	-
31 December 2016	9,161	8	-	-	-	9,169
Decrease during the year	(1,493)	-	-	-	-	(1,493)
31 December 2017	7,668	8	-	-	-	7,676
Net book value						
31 December 2016	264,042	107,386	88,281	1,281	16,791	477,781
31 December 2017	324,249	110,791	104,726	8,607	5,342	553,715
Depreciation for the year						

(Unit: Thousand Baht)

Consolidated financial statements					
Building improvement	Equipment	Furniture and office equipment	Motor vehicles	Assets under installation and construction	Total
2016 (Baht 20 million included in cost of sales and services, and the balance in selling and administrative expenses)					143,080
2017 (Baht 22 million included in cost of sales and services, and the balance in selling and administrative expenses)					160,188

(Unit: Thousand Baht)

	Separate financial statements					
	Building improvement	Equipment	Furniture and office equipment	Vehicle	Assets under installation and construction	Total
Cost						
1 January 2016	2,711	449	3,884	-	5,558	12,602
Additions	93	-	691	-	493	1,277
31 December 2016	2,804	449	4,575	-	6,051	13,879
Additions	-	-	520	8,599	4,272	13,391
Disposals	-	(5)	-	-	(6,471)	(6,476)
31 December 2017	2,804	444	5,095	8,599	3,852	20,794
Accumulated depreciation						
1 January 2016	353	50	1,432	-	-	1,835
Depreciation for the year	557	80	1,107	-	-	1,744
31 December 2016	910	130	2,539	-	-	3,579
Depreciation for the year	561	79	1,106	476	-	2,222
Depreciation on disposals	-	(2)	-	-	-	(2)
31 December 2017	1,471	207	3,645	476	-	5,799
Net book value						
31 December 2016	1,894	319	2,036	-	6,051	10,300
31 December 2017	1,333	237	1,450	8,123	3,852	14,995
Depreciation for the year						
2016 (included in cost of sales and services)						1,744
2017 (included in cost of sales and services)						2,222

As at 31 December 2017, subsidiaries had assets with net book values amounting to Baht 22 million (2016: Baht 5 million) (The Company only: Baht 8 million) which were acquired under finance lease agreements.

As at 31 December 2017, certain items of building improvement and equipment items were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 182 million (2016: Baht 88 million).

14. Goodwill and intangible assets with indefinite useful lives

For the purpose of impairment testing, the Company allocated goodwill acquired in business combinations and trademarks with indefinite useful lives to each of the cash generating units (CGUs), as presented below:

(Unit: Thousand Baht)

	Donuts unit	Bakery unit	Restaurant unit	Total
Goodwill	484,370	298,192	1,113,477	1,896,039
Trademarks with indefinite useful lives	-	-	325,690	325,690

The recoverable amount of each CGU is determined based on a value-in-use calculation, using cash flow projections extracted from financial budgets approved by the management. The cash flow projections cover a five-year period for Donuts and Bakery units and an eight-year period for Restaurant unit because the Company acquired the Restaurant unit in 2014, and needs a period of 10 years to manage and grow the business in order to create synergies from the business combination.

Key assumptions used in value in use calculations are summarised below:

(Unit: percent per annum)

	Donuts unit	Bakery unit	Restaurant unit
Earnings before interests and taxes margin (Excluded franchise income)	7%	5% - 7%	2 - 12%
Growth rate	(-10)% - 4%	(-2%) - 4%	5% - 20%
Pre-tax discount rate	13%	13%	13%

The management determined the budget earnings before interests and taxes margin and growth rate based on past performance and its expectations of market development. The discount rate used is pre-tax and reflect specific risks relating to the relevant segments.

The growth rate used to extrapolate cash flow projections beyond the period covered by the most recent forecasts does not exceed the long-term average growth rate for the industry in which the CGU operates.

Increase in the discount rate of 1.1 - 2.5 per annum would result in recoverable amounts that are equal to the carrying amounts.

The management did not identify indications of impairment for goodwill and trademarks with indefinite useful lives.

15. Leasehold rights

Details of leasehold rights as presented in consolidated financial statements as at 31 December 2017 and 2016 are as follows:

	(Unit: Thousand Baht)	
	<u>2017</u>	<u>2016</u>
Cost	117,411	101,296
Less: Accumulated amortisation	(46,496)	(41,880)
Allowance for impairment loss	(3,049)	(3,049)
Translation adjustment during the period	(83)	-
Net book value	<u>67,783</u>	<u>56,367</u>

A reconciliation of the net book value of leasehold rights for the years 2016 and 2015 is presented below.

	(Unit: Thousand Baht)	
	<u>2017</u>	<u>2016</u>
Net book value at beginning of year	56,367	67,631
Increase during the year	22,080	645
Amortisation for the year	(10,581)	(8,860)
Allowance for impairment loss made during the year	-	(3,049)
Translation adjustment during the period	(83)	-
Net book value at end of year	<u>67,783</u>	<u>56,367</u>

Subsidiaries have mortgaged leasehold rights with a total net book value as at 31 December 2017 amounting to Baht 31 million (2016: Baht 36 million), as collateral for long-term loans from financial institutions.

16. Intangible assets

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

	Consolidated financial statements					(Unit: Thousand Baht)
						Separate financial statements
	Franchise	Trademark	Computer software	Others	Total	Computer software
As at 31 December 2017:						
Cost	794,469	492,604	48,170	12,399	1,347,642	4,271
Less: Accumulated amortisation	(324,887)	(6,654)	(32,986)	(8,473)	(373,000)	(3,924)
Allowance for impairment loss	-	(142,321)	-	-	(142,321)	-
Net book value	469,582	343,629	15,184	3,926	832,321	347
As at 31 December 2015:						
Cost	790,087	474,523	45,778	14,368	1,324,756	4,206
Less: Accumulated amortisation	(256,075)	(6,512)	(26,888)	(7,570)	(297,045)	(3,310)
Allowance for impairment loss	-	(142,321)	-	(392)	(142,713)	-
Net book value	534,012	325,690	18,890	6,406	884,998	896

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

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Net book value at beginning of year	884,998	1,093,815	896	1,613
Increase during the year	11,263	14,898	66	353
Write-off during the year	(114)	(16)	-	-
Amortisation for the year	(77,619)	(80,986)	(615)	(1,070)
Allowance for impairment loss made during the year	-	(142,713)	-	-
Increase from acquisition of subsidiary	13,793	-	-	-
Net book value at end of year	832,321	884,998	347	896

During 2016, the Company assessed the recoverable amount of trademark for the garment business based on a value-in-use calculation using cash flow projections. The pre-tax discount rate applied to the cash flow projections was 14 percent per annum and it was concluded that the recoverable amount is lower than the carrying amount. The Company therefore recognised allowance for impairment loss on such trademark amounting to Baht 142 million in profit or loss in the consolidated financial statements for the year 2016.

As at 31 December 2017, subsidiaries had intangible assets with net book value of Baht 8 million (2016: Baht 9 million) which were acquired under finance lease agreements.

17. Short-term loans from financial institutions

As at 31 December 2017, these represent short-term loans from financial institutions under promissory notes which are subject to interest at a rate of 3.50 - 3.75 percent per annum (2016: 3.55 percent per annum). Such short-term credit facility is guaranteed by the Company and its subsidiaries.

As at 31 December 2017, the short-term credit facilities of the Company and its subsidiaries which have not yet been drawn down amounted to Baht 168 million (2016: Baht 20 million).

18. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Trade payables - unrelated parties	172,883	204,443	2,064	2,296
Other payables - unrelated parties	70,091	61,535	3,701	1,402
Other payables - related parties	14	2,514	60	2,510
Payables for purchase of assets	25,218	36,233	1,007	384
Accrued expenses	143,141	124,825	22,211	11,253
Total	411,347	429,550	29,043	17,845

19. Long-term loans

Details of long-term loan as presented in consolidated financial statements as at 31 December 2017 and 2016 are as follows:

(Unit: Thousand Baht)

Loans	Interest rate (%)	Repayment schedule	2017	2016
1	MLR-1.75 to 2.00	Monthly installments as from April 2013 to March 2021	10,549	13,736
2	MLR-1.50	Quarterly installments as from December 2014 to September 2021	314,241	1,029,193
3	MLR	Monthly installments as from December 2007 to December 2017	-	2,160
Total			324,790	1,045,089
Less: Current portion			(87,164)	(173,334)
Long-term loans - net of current portion			237,626	871,755

The loans are secured by the pledge of share certificates of its subsidiaries, the mortgage of leasehold rights of subsidiaries and guarantee provided by the Company, its subsidiaries and subsidiaries' directors.

The loan agreements contain certain covenants which, among other things, require the Company to maintain debt-to-equity ratio and debt service coverage ratio at the rate prescribed in the agreements.

20. Liabilities under finance lease agreements

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Liabilities under finance lease agreements	25,225	12,131	9,530	-
Less : Deferred interest expenses	(1,623)	(802)	(810)	-
Total	23,602	11,329	8,720	-
Less : Portion due within one year	(11,209)	(5,187)	(2,315)	-
Liabilities under finance lease agreements - net of				
current portion	12,393	6,142	6,405	-

The Company has entered into the finance lease agreements with leasing companies for rental of equipment and 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 3 years.

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

(Unit: Thousand Baht)

	Consolidated financial statements		
	As at 31 December 2017		
	Less than		
	1 year	1-5 years	Total
Future minimum lease payments	12,042	13,183	25,225
Deferred interest expenses	(833)	(790)	(1,623)
Present value of future minimum lease payments	11,209	12,393	23,602

(Unit: Thousand Baht)

	Consolidated financial statements		
	As at 31 December 2016		
	Less than		
	1 year	1-5 years	Total
Future minimum lease payments	5,745	6,386	12,131
Deferred interest expenses	(558)	(244)	(802)
Present value of future minimum lease payments	5,187	6,142	11,329

(Unit: Thousand Baht)

Separate financial statements

As at 31 December 2017

	Less than 1 year	1-5 years	Total
Future minimum lease payments	2,530	7,000	9,530
Deferred interest expenses	(215)	(595)	(810)
Present value of future minimum lease payments	2,315	6,405	8,720

21. Provision for long-term employee benefits

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Provision for long-term employee benefits at beginning of year	40,895	36,549	16,527	14,023
Included in profit or loss:				
Current service cost	2,359	7,245	980	2,137
Interest cost	744	1,351	284	367
Included in other comprehensive income:				
Actuarial (gain) loss				
Demographic assumptions changes	(28,192)	-	(12,716)	-
Financial assumptions changes	15,626	-	7,019	-
Experience adjustments	(4,624)	-	(1,244)	-
Benefits paid during the year	(2,572)	(4,250)	-	-
Increase from acquisition of subsidiary (Note 12)	1,924	-	-	-
Provision for long-term employee benefits at end of year	<u>26,160</u>	<u>40,895</u>	<u>10,850</u>	<u>16,527</u>

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Cost of sales and services	362	412	1,199	2,388
Selling and administrative expenses	2,741	8,184	65	116
Total expenses recognised in profit or loss	<u>3,103</u>	<u>8,596</u>	<u>1,264</u>	<u>2,504</u>

The Company and its subsidiaries expect to pay Baht 5 million of long-term employee benefits during the next year (2016: Baht 2 million) (The Company only: Baht 4 million, 2016: Baht 0.1 million).

As at 31 December 2017, the weighted average duration of the liabilities for long-term employee benefit is 8.0 - 21.0 years (2016: 7.4 - 12.6 years) (The Company only: 8 years, 2016: 7.4 years).

Significant actuarial assumptions are summarised below:

(Unit: percent per annum)

	Consolidated financial statements		Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Discount rate	2.7 - 3.5	2.4 - 3.9	2.7	2.6
Salary increase rate	6.5 - 12.3	3.0 - 5.0	8.4	3.0
Turnover rate	0 - 82.0	0 - 71.0	0 - 50.0	0 - 7.0

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>Increase by 0.5%</u>	<u>Decrease by 0.5%</u>	<u>Increase by 0.5%</u>	<u>Decrease by 0.5%</u>
<u>As at 31 December 2017:</u>				
Discount rate	(819)	879	(154)	167
Salary increase rate	922	(867)	180	(172)
Turnover rate	977	1,050	(227)	239
	<u>Increase by 1%</u>	<u>Decrease by 1%</u>	<u>Increase by 1%</u>	<u>Decrease by 1%</u>
<u>As at 31 December 2016:</u>				
Discount rate	(4,144)	4,840	(978)	1,127
Salary increase rate	5,217	(4,521)	1,187	(1,046)
Turnover rate	(4,476)	1,652	(1,036)	351

22. Share capital

During 29 - 31 March 2017, the Company made an offer to the shareholders of its parent company to purchase 41 million ordinary shares with a par value of Baht 1 each, at a price of Baht 5.25 per share, or for a total of Baht 217 million. In addition, during 3 - 5 April 2017, the Company made an Initial Public Offering of 170 million ordinary shares with a par value of Baht 1 each, at a price of Baht 5.25 per share, or for a total of Baht 890 million. The direct costs attributable to the share offering amounting to Baht 42 million are presented as a deduction from the share premium on ordinary shares under the shareholders' equity.

The Company received payment of this share capital increment and registered the increase of its issued and paid-up share capital from Baht 844 million (844 million ordinary shares with a par value of Baht 1 per share) to Baht 1,055 million (1,055 million ordinary shares with a par value of Baht 1 per share) with the Ministry of Commerce on 7 April 2017.

On 5 April 2016, the Annual General Meeting of the Company's shareholders approved the followings significant transactions.

- (a) The change in the par value of the ordinary shares from Baht 100 each to Baht 1 each. As a result, the Company's registered and paid-up share capital of Baht 843,923,000 comprises 843,923,000 ordinary shares of Baht 1 each. The Company registered the change in the par value of its shares with the Ministry of Commerce on 19 April 2016.
- (b) The increase in the registered share capital of the Company from Baht 843,923,000 to Baht 1,054,903,750 by issuing 210,980,750 new ordinary shares with a par value of Baht 1 per share. The Company registered the increase in the share capital with the Ministry of Commerce on 19 April 2016.

23. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Salaries and wages and other employee				
benefits	856,720	860,211	95,377	98,745
Depreciation	160,188	143,080	2,222	1,744
Amortisation expenses	88,200	89,846	615	1,069
Rental and related service expenses	559,128	574,592	3,485	9,741
Franchise fees	74,140	73,189	-	-
Transportation expenses	56,928	55,542	-	-
Electricity expenses	79,659	76,406	864	1,013
Marketing expenses	35,949	40,072	2,787	5,005
Raw materials and consumables used	775,444	791,998	14,218	15,539
Changes in inventories of finished goods and				
work in process	17,886	10,985	-	-

24. Income tax

Tax income (expense) for the years ended 31 December 2017 and 2016 are made up as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2016</u>		<u>2016</u>	
Current income tax:				
Current income tax charge	(21,620)	(29,895)	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	15,763	49,784	-	-
Tax income (expense) reported in the statement of comprehensive income	<u>(5,857)</u>	<u>19,889</u>	<u>-</u>	<u>-</u>

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Deferred tax on actuarial gain	<u>(2,049)</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Accounting profit (loss) before tax	<u>(44,522)</u>	<u>(188,214)</u>	<u>9,854</u>	<u>(73,659)</u>
Applicable tax rate	20%	20%	20%	20%
Accounting profit (loss) before tax multiplied by income tax rate	8,904	37,643	(1,971)	14,732
Income exempt from tax	-	-	8,756	35,587
Taxable income	-	-	(1,847)	-
Deferred tax assets which were not recognised during the year				
- Unrecognised tax losses	(8,823)	(22,771)	(4,178)	(8,658)
- Impairment loss on assets	-	-	-	(28,464)
- Allowance for doubtful debts	-	-	-	(12,400)
- Provision for long-term employee benefits	(253)	(501)	(253)	(501)
Others	<u>(5,685)</u>	<u>5,518</u>	<u>(507)</u>	<u>(296)</u>

Tax income (expense) reported in the statement

of comprehensive income	<u>(5,857)</u>	<u>19,889</u>	<u>-</u>	<u>-</u>
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The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Deferred tax assets				
Provision for long-term employee benefits	2,677	4,874	-	-
Deferred income	3,416	3,626	-	-
Others	159	246	-	-
Total	<u>6,252</u>	<u>8,746</u>	<u>-</u>	<u>-</u>
Deferred tax liabilities				
Accumulated depreciation - Building improvement and equipment	8,720	11,980	-	-
Accumulated amortisation - Goodwill	28,488	27,924	-	-
Accumulated amortisation - Leasehold rights	168	252	-	-
Fair value of intangible assets arise in business acquisition	151,212	164,638	-	-
Total	<u>188,588</u>	<u>204,794</u>	<u>-</u>	<u>-</u>

As at 31 December 2017, the Company and its subsidiaries have deductible temporary differences and unused tax losses totaling Baht 480 million (2016: Baht 453 million) (The Company only: Baht 450 million, 2016: Baht 439 million). No deferred tax assets have been recognised on these amounts as the management of the Company and its subsidiaries believe that future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

The Company and its subsidiaries have unused tax losses amounting to Baht 445 million (The Company only: Baht 234 million) will expire by 2022.

25. Earnings per share

Basic earnings (loss) per share is calculated by dividing profit (loss) for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year, after adjusting the number of ordinary shares to reflect the impact of the change in the par value of the ordinary shares as discussed in Note 22 to the financial statements. The prior year's basic earnings per share has been recalculated as if the change in the par value of the ordinary shares had been distributed at the beginning of the earliest year reported.

The following table sets forth the computation of basic earnings (loss) per share:

	Consolidated financial statements		Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Profit (loss) for the year (Thousand Baht)	(50,379)	(168,325)	9,854	(73,659)
Weighted average number of ordinary shares				
(Thousand shares)	994,416	843,923	999,416	843,923
Earnings (loss) per share (Baht/share)	(0.05)	(0.20)	0.01	(0.09)

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.

For management purposes, the Company and its subsidiaries are organised into business units based on their products and services. The Company and its subsidiaries have the following two reportable segments:

1. The food and beverage segment produces and distributes snacks, drinks, ice cream and restaurant.
2. Garment segment produces and distributes clothing and leather work.

The Company and its subsidiaries operate in Thailand, the United Kingdom and France. However, revenues and assets in the United Kingdom and France are not material.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

For the year 2017 and 2016, the Company and its subsidiaries have no major customer with revenue of 10 percent or more of an entity's revenues.

The following table presents revenue and profit information regarding the Company's and its subsidiaries' operating segments for the years ended 31 December 2017 and 2016.

	(Unit: Million Baht)					
	Food and beverage segment		Garment segment		Consolidated financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>20017</u>	<u>2016</u>
Revenue						
Sales and service income	2,695	2,708	137	181	2,832	2,889
Operating result:						
Segment profit (loss)	(106)	(25)	(42)	(54)	(148)	(79)
Other income					138	102
Impairment loss on assets					-	(155)
Financial cost					(34)	(56)
Loss before income tax					(44)	(188)
Tax income (expenses)					(6)	20
Loss for the year					(50)	(168)

27. Dividend payment and legal reserve

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

On 15 March 2016, a meeting of the Board of Directors of the Company passed a resolution approving payment of interim dividend of Baht 31 per share (before adjusting the number of ordinary shares to reflect the impact of the change in the par value of the ordinary shares as discussed in Note 22 to the financial statements), totaling Baht 262 million to the Company's shareholders listed in the book of shareholders' registration as at 15 March 2016. The dividend is expected to be paid in the fourth quarter of the current year. However, the Company will be able to pay such interim dividend only if the Company obtains the approval from a financial institution in accordance with the condition stipulated in a loan agreement between the Company and its subsidiaries and the financial institution.

Subsequently, on 14 December 2016, a meeting of the Board of Directors of the Company passed a resolution approving the cancellation of the above interim dividend payment and passed a resolution approving an interim dividend payment of Baht 0.19 per share, totaling Baht 160 million to the Company's rightful shareholders who receive dividend as at 14 December 2016 and setting aside Baht 11 million to the statutory reserve. The Company received the relaxation for the dividend payment from the financial institution on 15 December 2016. Therefore, the Company recorded such interim dividend payment in the current year.

The Company had paid an interim dividend of Baht 160 million to its shareholders on 13 January 2017.

28. Provident fund

The Company and its subsidiaries and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Employees and the Company and its subsidiaries contribute to the fund monthly at the rate of 2 to 4 percent of basic salary. The fund, which is managed by BBL Asset Management Company Limited and Tisco Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2017 amounting to approximately Baht 7 million (2016: Baht 7 million) (The Company only: Baht 2 million, 2016: Baht 2 million) were recognised as expenses.

29. Employee Joint Investment Program

1) Approved by	The Annual General Meeting of the shareholders of its parent company in 2014	The Annual General Meeting of the shareholders of its parent company in 2016
2) Duration of the scheme	2 years, from 1 August 2014 to 31 July 2016	2 years, from 1 August 2016 to 31 July 2018
3) Detail of contributions	Employees contribute 5 percent of their monthly base salary and the Company and its subsidiaries additionally contribute 7 percent of employees' monthly base salary	Employees contribute 5 percent of their monthly base salary and the Company and its subsidiaries additionally contribute 7 percent of employees' monthly base salary
4) Program management	Phillip Securities (Thailand) Public Company Limited	Phillip Securities (Thailand) Public Company Limited

Employee Joint Investment Program for the year 2017, the Company and its subsidiaries contributed Baht 2 million (2016: Baht 2 million) (The Company only: Baht 2 million, 2016: Baht 2 million) to the program.

30. Commitments and contingent liabilities**30.1 Capital commitments**

As at 31 December 2017, The Company and its subsidiaries had capital commitments of approximately Baht 20 million (2016: Baht 21 million), relating to the improvement of buildings and acquisition of equipment.

30.2 Operating lease and service commitments

The Company and its subsidiaries have entered into several lease agreements in respect of the lease of building space and related services. The terms of the agreements are generally between 6 months and 28 years. Certain rental and service charges are calculated at a percentage of actual sales which have a minimum guaranteed amount as stipulated in the agreements.

As at 31 December 2017 and 2016, future minimum lease payments required under these non-cancellable operating leases and services contracts were as follows.

(Unit: Million Baht)

	Consolidated statements	financial statements	Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Payable:				
In up to 1 year	270	272	14	7
In over 1 and up to 5 years	416	412	39	34
In over 5 years	54	162	2	89

30.3 Franchise agreement

- (a) On 10 March 1981, a subsidiary entered into a master franchise agreement with Dunkin' Donuts of America Inc. Under the agreement, the subsidiary, which has been granted the franchise to operate bakery shops in Thailand, is obliged to pay the franchisor a franchise fee calculated at a percentage of sales as stipulated in the agreement.
- (b) On 1 April 2006, a subsidiary entered into a master franchise agreement with ABP Corporation for a period of 28 years. Under the agreement, the subsidiary, which has been granted the franchise to operate bakery shops in Thailand, is obliged to pay the franchisor a franchise fee calculated at a percentage of sales as stipulated in the agreement.
- (c) On 2 July 2012, a subsidiary entered into a master franchise agreement with Baskin-Robbins Franchising LLC. Under the agreement, the subsidiary has been granted the franchise to operate ice cream shops in Thailand.

30.4 Guarantees

- (a) The Company and its subsidiaries have guaranteed bank credit facilities of its subsidiaries amounting to Baht 987 million.
- (b) The Company and its subsidiaries have guaranteed revolving credit facilities of the Group amounting to Baht 560 million.
- (c) As at 31 December 2017, there were outstanding bank guarantees of approximately Baht 8 million (2016: Baht 5 million) issued by banks on behalf of the subsidiaries. These included letters of guarantee to guarantee rental payment and electricity use.

30.5 Litigation

In March 2017, a former employee sued the Company for unfair dismissal through the Central Labor Court, seeking compensation from the Company. Currently, the case is being heard by Central Labor Court. The Company noticed in advance and paid for legal compensation to the former employee. Therefore, the Company's management believes that it will not suffer any significant loss as a result of this litigation.

31. Financial instruments**31.1 Financial risk management**

The Company's and the subsidiaries' financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade and other receivables, loans, restricted bank deposits, trade and other payables, short-term loans and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade and other receivables and loans. The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. The maximum exposure to credit risk is limited to the carrying amounts of trade and other receivables and loans as stated in the statement of financial position.

Interest rate risk

The Company's and the subsidiaries' exposure to interest rate risk relates primarily to their cash at banks, short-term loans and long-term borrowings. Most of the Company's and the subsidiaries' financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

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

(Unit: Million Baht)

Consolidated financial statements						
As at 31 December 2017						
Fixed interest rates			Non-		Total	Interest rate (% per annum)
Within	1-5	Floating	interest			
1 year	years	interest rate	bearing			
Financial assets						
Cash and cash equivalent	20	-	102	73	195	0.10 - 0.78
Trade and other receivables	-	-	-	91	91	-
Restricted bank deposits	3	-	-	-	3	1.30 - 1.38
Financial liabilities						
Short-term loans from financial institutions	338	-	20	-	358	3.50 - 3.75, MLR - 2.5
Trade and other payables	-	-	-	411	411	-
Long-term loans from financial institutions	-	-	325	-	325	MLR - 2 to MLR - 1.5

(Unit: Million Baht)

Consolidated financial statements						
As at 31 December 2016						
Fixed interest rates			Non-		Total	Interest rate (% per annum)
Within 1 year	1-5 years	Floating interest rate	interest bearing			
Financial assets						
Cash and cash equivalent	-	-	55	34	89	0.20 - 0.63
Trade and other receivables	-	-	-	67	67	-
Restricted bank deposits	3	-	-	-	3	1.30 - 1.75
Financial liabilities						
Short-term loans from financial						
institutions	25	-	-	-	25	3.55
Trade and other payables	-	-	-	430	430	-
Long-term loans from financial						
institutions	-	-	1,045	-	1,045	MLR-2 to MLR

(Unit: Million Baht)

Separate financial statements

As at 31 December 2017

Fixed interest rates		Non-		Total	Interest rate
Within	1-5	Floating	interest		
1 year	years	interest rate	bearing		
(% per annum)					

Financial assets

Cash and cash equivalent	-	-	18	-	18	0.38 - 0.40
Trade and other receivables	-	-	-	17	17	-
Short-term loans to related companies	567	-	-	-	567	3.75 - 5.63

Financial liabilities

Short-term loans from financial institutions	338	-	-	-	338	3.50 - 3.75
Trade and other payables	-	-	-	29	29	-
Short-term loans from related companies	235	-	-	-	236	5.03

(Unit: Million Baht)

Separate financial statements

As at 31 December 2016

Fixed interest rates		Non-		Total	Interest rate
Within	1-5	Floating	interest		
1 year	years	interest rate	bearing		
(% per annum)					

Financial assets

Cash and cash equivalent	-	-	12	-	12	0.38 - 0.40
Trade and other receivables	-	-	-	14	14	-
Short-term loans to related companies	145	-	-	-	145	3.80 - 5.63

Financial liabilities

Short-term loans from financial institutions	25	-	-	-	25	3.55
Trade and other payables	-	-	-	18	18	-
Short-term loans from related companies	1,041	-	-	-	1,041	3.95 - 5.38

Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company and its subsidiaries has a foreign currency risk in respect of the import of ice-cream, the payment of franchise fee and the receipt of franchise income. The Company and its subsidiaries manage their exposure to foreign currency risk by balancing net position of receipt and payment of the foreign currency transactions in each period and considering purchase/sale of forward contracts from time to time. The Company and its subsidiaries have no significant financial assets and liabilities denominated in foreign currencies outstanding at the end of reporting period.

31.2 Fair values of financial instruments

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

32. Capital management

The primary objective of the Company's and its subsidiaries' capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2017, the Group's debt-to-equity ratio was 0.52:1 (2016: 1.10:1) and the Company's was 0.20:1 (2016: 0.63:1).

33. Events after the reporting period

On 9 January 2018, the meeting of the subsidiaries' Board Directors approved the interim dividend payment to the subsidiaries' shareholders as follows.

(Unit: Thousand Baht)	
Subsidiaries	Total dividends
Golden Donuts (Thailand) Co., Ltd.	12,600
ABP Café (Thailand) Co., Ltd.	5,000
Greyhound Café Co., Ltd.	33,970

The dividends will be paid and recorded in the first quarter of the year 2018.

34. Approval of financial statements

These financial statements were authorised for issue by the Company's authorised director on 23 February 2018.

Appendix 1: Details of Directors, Management team, Controlling person, and Company secretary of the Company and its subsidiaries operating core business**1) Details of Director, Management team, Controlling person, and Company secretary**

Name	Age	Education / Training	% Holding ^{/1}	Family relationship between a management	Working experiences (in the past 5 years)			
					Period	Position	Company	Type of the company
1. MR. SOMPOCH INTRANUKUL <i>(Chairman of the Board of Director/ Independent Director / Chairman of the Nomination and Remuneration Committee)</i>	79	- B.A. (Accounting) Chulalongkorn University - Senior Executive Program (SEP 1) Sasin Graduate Institute of Business Administration of Chulalongkorn University - Diploma National Defence College, Class 6/1993 - Advanced Audit Committee Program, Thai Institute of Directors - Director Certification Program (DCP) Class 24/2002 - Director Accreditation Program (DAP) Class 63/2007 - Chartered Director Class (CDC) Class 3/2008	0.00	None	2003 – 2013	President / Audit Committee	Raimon Land PCL	Real Estate
					1999 – Present	President	Siam Administrative Management and Security Guards Co., Ltd.	Service Business
					1999 – Present	Chairman of Audit Committee	Deves Insurance PCL	Insurance
					2002 – Present	President	SCMB Co., Ltd.	Financial Consultant
					2008 – Present	Chairman of Audit Committee	Hifi Orient (Thai) PCL	Electric Appliances

Name	Age	Education / Training	% Holding ¹	Family relationship between a management	Working experiences (in the past 5 years)			
					Period	Position	Company	Type of the company
2. MR. SUPASITH SUKHANINDR ^{1/2} (Vice - Chairman Director/ Chairman of the Board of Executive Director/ Director)	42	- M.B.A. Specialized in Finance, Marketing and International Business, University of Miami U.S.A. - Bachelor of Business Administration Program in Marketing, Thammasat University - Director Accreditation Program (DAP) Class 50/2006	0.95	Mr. Supachai Sukhanindr's Brother	2001 – Present	Executive Committee	Super Enterprises Co., Ltd.	Real Estate Rental
					2012 – Present	Director	Golden Donuts (Thailand) Co., Ltd.	Food & Beverage
					2012 – Present	Director	ABP Café (Thailand) Co., Ltd.	Food & Beverage
					2012 – Present	Director	Golden Scoop Co., Ltd.	Food & Beverage
					2014 – Present	Director	Greyhound Café Co., Ltd.	Food & Beverage
					2014 – Present	Director	Greyhound Co., Ltd.	Lifestyle Business
					2016 – Present	Director	GHC Café (UK) Co.,Ltd.	Food & Beverage
3. MR. PILUNCHAI PRADUBPHONG ^{1/2,3} (Vice - Chairman of the Board of Executive Director/ Director)	61	- Bachelor of Laws, Ramkhamhaeng University - Certificate of Business Administration National Institute of Development Administration - Director Accreditation Program (DAP) Class 49/2005	0.00	None	2002 – 2014	Director	Siamweb PCL	IT product
					2011 – 2014	Director	Industrial Enterprises Co.,Ltd	Vegetable Oil & Animal Feed
					2012 – 2014	Director	Thai Livestock Promotion Co.,Ltd	Export & Import Agriculture's product
					2005 – Present	Director	Sub Sri Thai Public Company Limited	Warehouse Service
					2009 – Present	Director	SST Warehouse Co., Ltd	Warehouse Service

Name	Age	Education / Training	% Holding ^{1/1}	Family relationship between a management	Working experiences (in the past 5 years)			
					Period	Position	Company	Type of the company
					2016 – Present	Director	Golden Donuts (Thailand) Co., Ltd.	Food & Beverage
					2016 – Present	Director	ABP Café (Thailand) Co., Ltd.	Food & Beverage
					2016 – Present	Director	Golden Scoop Co., Ltd.	Food & Beverage
4. MR. NADIM XAVIER SALHANI ^{1/2} (Board of Director / Nomination and Remuneration Committee / Chairman of the Board of Executive Directors / VP - Human Resource (Acting))	57	- Starbucks Coffee University Certification, Seattle USA - Sales & Marketing Course, Dusit Thani College - Accounting for Non-Accountant, Dusit Thani College - Workshop, Paradigm Prism, Robert Perry - Bachelor degree of Hospitality and Recreation MKTG-OPS, School of Hotel Administration at Cornell University - Director Accreditation Program (DAP) Class 104 / 2013	0.00	None	1997 – 2003	Manager	Starbucks Coffee (Thailand) Co. Ltd	Food & Beverage
					1992 – 1997	Manager	Dusit Thani Public Company Limited	Hotel
					2003 – Present	Director	Golden Donuts (Thailand) Co., Ltd.	Food & Beverage
					2003 – Present	Director	ABP Café (Thailand) Co., Ltd.	Food & Beverage
					2012 – Present	Director	Golden Scoop Co., Ltd.	Food & Beverage
					2014 – Present	Director	Greyhound Café Co., Ltd.	Food & Beverage
					2014 – Present	Director	Greyhound Co., Ltd.	Lifestyle Business
					2016 – Present	Director	GHC Café (UK) Co.,Ltd.	Food & Beverage
5. MR. BHANU INKAWAT ^{1/2} (Board of Director / Board of Executive Directors)	62	- Bachelor degree of Graphic Design, Harrow College of Technology & Art, London - On registration process of	2.23	None	1980 – Present	Director	Greyhound Co., Ltd	Lifestyle Business
					1996 – Present	Director	Greyhound Café Co., Ltd.	Food & Beverage

Name	Age	Education / Training	% Holding ¹	Family relationship between a management	Working experiences (in the past 5 years)			
					Period	Position	Company	Type of the company
		Director Accreditation Program (DAP)			2016 – Present	Director	GHC Café (UK) Co.,Ltd.	Food & Beverage
6. MR. CHALUSH CHINTHAMMIT ^{1/2} (Board of Director / Board of Executive Directors)	48	- Master degree of Finance and Banking, BBA, Mercer University, USA - Bachelor degree of Finance and Banking, BBA, Assumption University - Capital Market Academy Class 10 - Director Accreditation Program (DAP) Class 21 / 2004 - Thailand Energy Academy Class 6 - Institute of Business and Industrial Development Class 3	0.11	None	2004 – Present	Director	Khon Kaen Sugar Industry PCL.	Produce & Distribute Sugar
					2017 - Present	Managing Director	BBGI Co.,Ltd.	Produce & Distribute bio based products
					2016 – Present	Managing Director	KSL Green Innovation PCL	Produce & Distribute ethanol
					Present	Director	Master Ad PCL	Outdoor media service provider
					2007 - Present	Director / Secretary	Thai Sugar and Bio-Energy Producers Association	Association
					1997 - Present	Director	Sugar cane and brown sugar committees and other committees under Sugar Cane and Brown Sugar Act 2527	Committee under Sugar Cane and Brown Sugar Act 2527
					1997 – Present	Director	K.S.L. Real Estate Co., Ltd.	Real Estate
					1996 – Present	Director	Rajaproduct Co., Ltd.	Ceramic
					1996 – Present	Director	Onnut Property Co., Ltd.	Hotel & Property
					2002 – Present	Director	KSL Export Trading	Export Sugar

Name	Age	Education / Training	% Holding /1	Family relationship between a management	Working experiences (in the past 5 years)			
					Period	Position	Company	Type of the company
							Co.,Ltd.	
					2003 – Present	Director	Khon Kaen Sugar Power Plant Co., Ltd	Electricity
					2007 – Present	Director	Thai Sugar Terminal PCL	Harbor & Warehouse
					Present	Director	Savannakhet Sugar Co.,Ltd.	Agriculture
					Present	Director	TS Public Company Limited.	Warehouse Service
					Present	Director	Koh Kong Plantation Co.,Ltd.	Raw Sugar
					Present	Director	Koh Kong Sugar Industry Co., Ltd.	Raw Sugar
					Present	Director	KSL Agriculture Public Company Limited	Sugar Cane
					Present	Director	TS Warehouse Co.,Ltd.	Warehouse
					Present	Director / Executive Director	TS Flour Mill Co.,Ltd.	Real Estate Rental & Wheat product
					Present	Director	KSL Agro and Trading Co.,LTd.	Produce and distribute brown sugar
					Present	Director	Thai Sugar Millers Corp., Ltd.	Sugar business
					Present	Chairman of Board	Colossal International	Chemical

Name	Age	Education / Training	% Holding /1	Family relationship between a management	Working experiences (in the past 5 years)			
					Period	Position	Company	Type of the company
						of Director	Co.,Ltd.	products
					Present	Director	Raja Porcelain Co.,Ltd.	Porcelain
					Present	Director	MMP Corporation Co.,Ltd.	plastic film manufacturer
					Present	Director	KSL Sugar Holding Co.,Ltd.	Sugar business
					Present	Director	Chengpres Co.,Ltd.	Porcelain ,glass, and kitchenware
					Present	Director	Para Ruamchoke Co.,Ltd.	Real estate
					Present	Director	Chanarat Co.,Ltd.	Real estate
					Present	Director	National Enterprises Co.,Ltd.	Real estate
					Present	Director	Rajasolar Material Co.,Ltd.	Ceramic products
					Present	Director	WSP Logistics Co.,Ltd.	Logistic
					Present	Director	DAD SPV Co.,Ltd.	Asset monetization
					Present	Director	Bangchak Biofuels Co.,Ltd.	Biofuels
					Present	Director	BBE Co.,Ltd.	Ethanol
					2015 – Present	Director / Chairman of Audit Committee	Dhanarak Asset Development Co.,Ltd.	Public asset management
7. MISS KAMORNWAN CHINTHAMMIT (Board of Director)	40	- Master of Law, Southern Methodist University, USA - Master of Law, Case	0.33	None	2008 – Present	Senior Manager	Khon Kaen Sugar Industry Public Co., Ltd.	Sugar

Name	Age	Education / Training	% Holding H	Family relationship between a management	Working experiences (in the past 5 years)			
					Period	Position	Company	Type of the company
		Western Reserve University, USA - Bachelor of law, Chulalongkorn University - Director Accreditation Program (DAP) Class 137 / 2017						
8. POL.GEN. RUANGSAK JRITAKE (Independent Director)	62	- Bachelor of Public Administration in Public Administration, Bangkokthonburi University - Faculty of Political Science, Chulalongkorn University - Faculty of Political Science, Royal Police Cadet Academy - Director Accreditation Program (DAP) Class 124/2016	None	None	2011 – 2012	Commander (Education)	Royal Thai Police	Government Service
					2012 – 2014	Assistant Commissioner General	Royal Thai Police	Government Service
					2014 – 2015	Deputy Commissioner General	Royal Thai Police	Government Service
9. POL. LT. COL. THAWEESIN RAKKATANYU (Independent Director/ Chairman of Audit Committee / Chairman of the Nomination and Remuneration Committee)	66	- Certificate, Management of Government and Private Sectors Class No.8, King Prajadhipok's Institute - B.Ss. (Engineering) Hons. Royal Military College of Science (SHRIVENHAM) - M.Sc. (Soil Mechanics), Imperial College University	None	None	2008 - 2011	Governor	The Expressway Authority of Thailand	Government Service

Name	Age	Education / Training	% Holding /1	Family relationship between a management	Working experiences (in the past 5 years)			
					Period	Position	Company	Type of the company
		- of London - D.I.C. (Diploma of Membership of Imperial College) Imperial College University of London - Director Certification program (DCP) class 124/2006 - Advanced Audit Committee Program (AACP) class 23/2016						
10. ASST. DR. TIPPAWAN PINVANICHKUL (Independent Director/ Audit Committee)	51	- Bachelor of Accounting, Thammasat University - M.B.A. Management of Technology, Asia Institute of Technology (AIT) - Ph.D. Management of Technology, Asia Institute of Technology (AIT) - Director Accreditation Program (DAP) Class 104/2013 - Advanced Audit Committee Program (AACP) class 23/2016 - Capital Market Academy Class 25	None	None	2010 – Present	Vice President for Property and Finance	King Mongkut's University of Technology Thonburi	Education
					2016 - Present	Director / Excusive Director	Small and Medium Enterprise Development Bank of Thailand (SME Bank)	Financial institution

Name	Age	Education / Training	% Holding	Family relationship between a management	Working experiences (in the past 5 years)			
					Period	Position	Company	Type of the company
11. MR. PISIT JEUNGPRADITPHAN (Independent Director/ Audit Committee)	45	- Chartered Alternative Investment Analyst , CAIA Association - Chartered Financial Analyst, CFA Institute - BBA in Banking & Management, Assumption University - Director Accreditation Program (DAP) Class 104/2013 - Advanced Audit Committee Program (AACP) class 19/2015	None	None	2006 – 2010	Mutual Fund Manager	Siam Knight Fund Management Securities Co., Ltd	Investment Consultant
					2011 – Present	Director	Gereje Advisory Asia Pte., Ltd.	Investment Consultant
					2012 – Present	Senior Director (Investment Banking)	IV Global Securities Public Company Limited	Exchange Securities
					2015 – Present	Director	KT Restaurant Co.,Ltd.	Food & Beverage
12. MISS HANSA SEMSRI (Vice President – Accounting & Finance / Accounting Director (Acting))	61	- Master degree of Management, Monash University - Bachelor degree of Accounting, Ramkhamhaeng University	0.07	None	2006 – Present	VP – Accounting & Finance	Golden Donuts (Thailand) Co., Ltd.	Food & Beverage
					2006 – Present	VP – Accounting & Finance	ABP Café (Thailand) Co., Ltd.	Food & Beverage
					2012 – Present	VP – Accounting & Finance	Golden Scoop Co., Ltd.	Food & Beverage
13. MISS WIMONRAT ASAWACHAVISIT (Vice President – Supply Chain Management)	58	- Bachelor degree of Education Program, Silpakorn International Collage	0.07	None	2012 – Present	VP – Supply Chain Management	Golden Donuts (Thailand) Co., Ltd.	Food & Beverage
					1996 – Present	VP – Supply Chain Management	ABP Café (Thailand) Co., Ltd.	Food & Beverage

Name	Age	Education / Training	% Holding ^{/1}	Family relationship between a management	Working experiences (in the past 5 years)			
					Period	Position	Company	Type of the company
					2012 – Present	VP – Supply Chain Management	Golden Scoop Co., Ltd.	Food & Beverage
14. MISS LAPAPORN TIASAKUL (Vice President – Business Development)	49	- Bachelor degree of Marketing, Assumption University	0.07	None	2003 – Present	VP – Business Development	Golden Donuts (Thailand) Co., Ltd.	Food & Beverage
					2016 – Present	VP – Business Development / Managing Director	ABP Café (Thailand) Co., Ltd.	Food & Beverage
					1996 – Present	VP – Business Development	Golden Scoop Co., Ltd.	Food & Beverage
15. MISS NOBKLAO TRAKOOLPAN (Vice President – Operation)	41	- Master degree of Hotel Management, The University of Sydney, Australia - Master degree of Operating Management, San Francisco State University, USA - Bachelor degree of Arts, Assumption University	None	None	2010 – 2013	Operating Manager	Aloft Bangkok Sukhumvit 11 Hotel	Hotel
					2013 – 2014	General Manager	Holiday Inn Express Bangkok Siam Hotel	Hotel
					2014 – Present	VP – Operation	Golden Donuts (Thailand) Co., Ltd.	Food & Beverage
					2014 – Present	VP – Operation	Golden Scoop Co., Ltd.	Food & Beverage

Note: /1 The %Holding was as of April 7, 2017 which includes shares held by the spouse and minor children

/2 The Director who is authorized to sign on behalf of the company

/3 The Secretary Company

2) Details of Director and Management team of Golden Donuts (Thailand) Company Limited

Name	Age	Education / Training	% Holding ^{/1}	Family relationship between an executive	Working experiences (in the past 5 years)			
					Period	Period	Period	Period
1) Mr. Supasith Sukhanindr ^{/2} (Director)					Reference from the information of Mr. Supasith Sukhanindr by topic 1			
2) Mr. Pilunchai Pradubphong ^{/2} (Director)					Reference from the information of Mr. Pilunchai Pradubphong by topic 1			
3) Mr. Nadim Xavier Salhani ^{/2} (Director / Chief Executive Officer)					Reference from the information of Mr. Nadim Xavier Salhani by topic 1			
4) Miss Hansa Semsri (Vice President - Accounting & Finance)					Reference from the information of Miss Hansa Semsri by topic 1			
5) Miss Wimonrat Asawachavisit (Vice President – Supply Chain Management)					Reference from the information of Miss Wimonrat Asawachavisit by topic 1			
6) Miss Lapaporn Tiasakul (Vice President - Business Development)					Reference from the information of Miss Lapaporn Tiasakul by topic 1			
7) Miss Nobklao Trakoolpan (Vice President - Operation)					Reference from the information of Miss Nobklao Trakoolpan by topic 1			

Note: /1 The %Holding was as of April 7, 2017 which includes shares held by the spouse and minor children

/2 The Director authorized to sign on behalf of the company are Mr. Supasith Sukhanindr, Mr. Nadim Xavier Salhani, and Mr. Pilunchai Pradubphong any 2 of 3 those directors are co-sign and affix with the company seal.

3) Details of Director and Management team of ABP Café (Thailand) Company Limited

Name	Age	Education / Training	% Holding ^{/1}	Family relationship between an executive	Working experiences (in the past 5 years)			
					Period	Period	Period	Period
1) Mr. Supasith Sukhanindr ^{/2} (Director)					Reference from the information of Mr. Supasith Sukhanindr by topic 1			
2) Mr. Pilunchai Pradubphong ^{/2} (Director)					Reference from the information of Mr. Pilunchai Pradubphong by topic 1			
3) Mr. Nadim Xavier Salhani ^{/2} (Director / Chief Executive Officer)					Reference from the information of Mr. Nadim Xavier Salhani by topic 1			
4) Miss Hansa Semsri (Vice President - Accounting & Finance)					Reference from the information of Miss Hansa Semsri by topic 1			
5) Miss Wimonrat Asawachavisit (Vice President – Supply Chain Management)					Reference from the information of Miss Wimonrat Asawachavisit by topic 1			
6) Miss Lapaporn Tiasakul (Vice President - Business Development / Managing Director)					Reference from the information of Miss Lapaporn Tiasakul by topic 1			

Note: /1 The %Holding was as of April 7, 2017 which includes shares held by the spouse and minor children

/2 The Director authorized to sign on behalf of the company are Mr. Supasith Sukhanindr, Mr. Nadim Xavier Salhani, and Mr. Pilunchai Pradubphong any 2 of 3 those directors are co-sign and affix with the company seal.

4) Details of Director and Management team of Golden Scoop Company Limited

Name	Age	Education / Training	% Holding ^{/1}	Family relationship between an executive	Working experiences (in the past 5 years)			
					Period	Period	Period	Period
1) Mr. Supasith Sukhanindr ^{/2} (Director)					Reference from the information of Mr. Supasith Sukhanindr by topic 1			
2) Mr. Pilunchai Pradubphong ^{/2} (Director)					Reference from the information of Mr. Pilunchai Pradubphong by topic 1			
3) Mr. Nadim Xavier Salhani ^{/2} (Director / Chief Executive Officer)					Reference from the information of Mr. Nadim Xavier Salhani by topic 1			
4) Miss Hansa Semsri (Vice President - Accounting & Finance)					Reference from the information of Miss Hansa Semsri by topic 1			
5) Miss Wimonrat Asawachavisit (Vice President – Supply Chain Management)					Reference from the information of Miss Wimonrat Asawachavisit by topic 1			
6) Miss Lapaporn Tiasakul (Vice President - Business Development)					Reference from the information of Miss Lapaporn Tiasakul by topic 1			
7) Miss Nobklao Trakoolpan (Vice President - Operation)					Reference from the information of Miss Nobklao Trakoolpan by topic 1			

Note: /1 The %Holding was as of April 7, 2017 which includes shares held by the spouse and minor children

/2 The Director authorized to sign on behalf of the company are Mr. Supasith Sukhanindr, Mr. Nadim Xavier Salhani, and Mr. Pilunchai Pradubphong any 2 of 3 those directors are co-sign and affix with the company seal.

5) Details of Director and Management team of Greyhound Café Company Limited

Name	Age	Education / Training	% Holding ^{/1}	Family relationship between an executive	Working experiences (in the past 5 years)			
					Period	Period	Period	Period
1) Mr. Supasith Sukhanindr ^{/2} (Director)	Reference from the information of Mr. Supasith Sukhanindr by topic 1							
2) Mr. Nadim Xavier Salhani ^{/2} (Director)	Reference from the information of Mr. Nadim Xavier Salhani by topic 1							
3) Mr. Bhanu Inkawat ^{/2} (Director)	Reference from the information of Mr. Bhanu Inkawat by topic 1							
4) Mrs. Pornsiri Rojmeta (Managing Director)	62	- Master degree from University of Kentucky, USA - Bachelor of Education Program, Chulalongkorn University	0.16	None	2005 - Present	Managing Director	Greyhound Café Company Limited	Food & Beverage
5) Miss Pornthip Lapdamrongkij (Accounting & Finance Director)	45	- MBA, Thammasat University - Bachelor degree of Accounting, Thammasat University	None	None	2001 - 2013	Chairman of Executive Director in Accounting &Finance	Buddy Group Thailand	Hotel & Restaurant
6) Mr. Torsit Sarisdiwongse (Operation Director)	54	- Bachelor of Education Program, Chulalongkorn University	None	None	1997 - Present	Corporate Executive Chef	Greyhound Café Company Limited	Food & Beverage

Note: /1 The %Holding was as of April 7, 2017 which includes shares held by the spouse and minor children

/2 The Director authorized to sign on behalf of the company are Mr. Supasith Sukhanindr and Mr. Nadim Xavier Salhani or Mr. Bhanu Inkawat, total of 2 directors are co-sign and affix with the company seal.

6) Details of Director and Management team of GHC Café (UK)

Name	Age	Education / Training	% Holding ^{/1}	Family relationship between an executive	Working experiences (in the past 5 years)			
					Period	Period	Period	Period
1) Mr. Supasith Sukhanindr ^{/2} (Director)	Reference from the information of Mr. Supasith Sukhanindr by topic 1							
2) Mr. Nadim Xavier Salhani ^{/2} (Director)	Reference from the information of Mr. Nadim Xavier Salhani by topic 1							
3) Mr. Bhanu Inkawat ^{/2} (Director)	Reference from the information of Mr. Bhanu Inkawat by topic 1							
4) Mr. Supachai Sukhanindr ^{/2} (Director of GHC (UK))	45	- Doctor degree of Computer System Management and Information Technology, Washington University, USA - Master dree of Finance, Mercer University, USA - Bachelor degree of Quantitative Economics, Chulalongkorn University - Director Certification Program (DCP) class 231/2016 - Senior Executive program class 19 - GMS (Greater Mekong Subregion, CMA-GMS) class 1 - Institute of Business and Industrial Development class	0.44	Mr. Supasith Sukhanindr's Brother	2001 - Present	Chairman of the Board of Directors	Super Resources Co.,Ltd	Real Estate Rental
					2016 - Present	Director	The Ultra wealth Group	Seminar & Training
					2016 - Present	Chairman of the Board of Directors	Ultra-Wealth Group Company	Seminar & Training

Name	Age	Education / Training	% Holding ^{/1}	Family relationship between an executive	Working experiences (in the past 5 years)			
					Period	Period	Period	Period
		3						

Note: The Company is on appointing process of the management team of GHC UK

/1 The %Holding was as of April 7, 2017 which includes shares held by the spouse and minor children

/2 Any 1 of 4 those directors is authorized signatory

Appendix 2: Details of Directors and Management Team of the Subsidiaries, Affiliates, and related Companies

Name	MM	GDT	ABP	GS	GHC	GHC (UK)	GHF
1) Mr. Sompoch Intranukul	C, V, X	-	-	-	-	-	-
2) Mr. Supasith Sukhanindr	I, IV	C	C	I	I	I	I
3) Mr. Pilunchai Pradubphong	I, IV	I	I	I	-	-	-
4) Mr. Nadim Xavier Salhani	I, IV, V, XI	I, XI	I, XI	I, XI	I	I	I
5) Mr. Bhanu Inkawat	I, IV	-	-	-	I	I	I
6) Mr. Chalush Chinthammit	I, IV	-	-	-	-	-	-
7) Miss Kamornwan Chinthammit	I	-	-	-	-	-	-
8) Pol.Gen. Ruangsak Jritake	X	-	-	-	-	-	-
9) Pol. Lt. Col. Thaweesin Rakkatanyu	II, V, X	-	-	-	-	-	-
10) Asst. Dr. Tippawan Pinvanichkul	III, X	-	-	-	-	-	-
11) Mr. Pisit Jeungpraditphan	III, X	-	-	-	-	-	-
12) Mr. Supachai Sukhanindr	-	-	-	-	-	I	-
13) Miss Hansa Semsrii	XI	XI	XI	XI	-	-	-
14) Miss Wimonrat Asawachavisit	XI	XI	XI	XI	-	-	-
15) Miss Lapaporn Tiasakul	XI	XI	XI	XI	-	-	-
16) Miss Nobklao Trakoolpan	XI	XI	XI	XI	-	-	-
17) Mrs. Pornsiri Rojmeta	-	-	-	-	XI	-	-
18) Miss Pornthip Lapdamrongkij	-	-	-	-	XI	-	-
19) Mr. Torsit Sarisdiwongse	-	-	-	-	XI	-	-

C Chairman of the Board of Director

III Audit Committee

X Independent Director

I Director

IV Executive Director

XI Management Team

II Chairman of Audit Committee

V Nomination and Remuneration Committee

Note: The Company is on appointing process of the management team of GHC UK and SLVH

