

# mudman

## ANNUAL REPORT 2020

### MUDMAN PUBLIC COMPANY LIMITED



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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”

“The company is committed to being a sustainable leader in the food and lifestyle business that recognizes stakeholders' health and quality of life as well as doing business along with the development of the community, society and environment with transparency, fairness, respect for human rights”

### **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

## Chairman's Message

To: The Shareholders of Mudman Public Company Limited

In 2020, the outbreak of the COVID-19 pandemic around the world at the end of 2019 affected many people. In order to suppress the global crisis of COVID-19 pandemic, which has been increasingly and quickly spreading, governments of different countries, including Thailand have announced measures for restrictions on travel and movement of people as well as lockdown and operating limitations to control such outbreak, such as limitation of operating hours, the number of seats of restaurants, temporary closure of restaurants and daily life. It is requiring a mask before leaving the house, setting up online classroom, working from home, or organizing an e-meeting to hold a board meeting to keep distance between the people. The pandemic has reshaped the way we live towards new normal lifestyles.

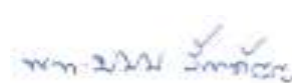
The events that occurred can have a significant negative impact on the business and the performance of the Company. The Company's operation result was loss, but still to keep employees and customers safe from infections as well as to build confidence for the customers who come to use the service. Therefore, the Company has made changes in operational processes in many aspects such as increasing cleanliness and sanitation measures, installing dining table partitions and purchasing equipment to prevent other infections. However, the operation cost has increased and has an impact on profit of our restaurants. In order to reduce the effects of having to temporarily close the restaurant and other limitations, the Company has adjusted its marketing strategy to focus on selling through takeout channels and food delivery services. The Company works with food delivery service providers, resulting in a strong increase in sales through such channels. And it helps reduce the impact of a partial drop in sales from sitting at the restaurant.

At the same time, the Company has strictly controlled expenses involved in employees and shop rents by using manpower to changed circumstances and negotiating with the landlord on a rent reduction in particular during the time the shops are closed.

And as we look forward to 2021, uncertainty about future COVID-19 remains. With second-wave outbreaks in mid-December 2020, the operation of the Company was still subject to the limitations by the government and customers are concerned about the safety of using the service in restaurants. However, it is expected that the COVID-19 situation will gradually resolve as Thailand has started vaccinations against COVID-19 around February, 2021. This will encourage the government to relax strict control measures for the COVID-19 outbreak that is greater or canceled. Under the circumstances as expected together with the Company's stable financial position, strong infrastructure and brand as well as executives with experience in operating under COVID-19 control measures, the Company is confident that it will be able to break through the obstacles and achieve improved performance in 2021.

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,



(Lt. Col. Taweessin Rukkatanyu)

Chairman of Board of Director

## Board of Directors and Management Team

### Board of Directors:



#### **Lt.Col. Taweesin Rukkatanyu**

Chairman of Board of Director\*\*

Independent Director

Chairman of Audit Committee

Chairman of Risk Management Committee

**Note** \*\* Effective on February 26, 2020 onward



#### **Mr. Supasith Sukhanindr**

Vice Chairman of Board of Director

Chairman of Executive Committee



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**Mr. Nadim Xavier Salhani**

Director

Vice Chairman of Executive Committee

Risk Management Director

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**Mr. Somyod Suteerapornchai**

Director

Executive Director

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**Miss Nongluck Phinainitisart**

Director

Executive Director

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**Miss Kamornwan Chinthammit**

Director

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**Mr. Benjapol Benjapalakorn**

Independence Director

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**Note** \*\* Effective on June 1, 2020 onward



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**Pol.Gen. Ruangsak Jritake**

Independent Director

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**Asst. Prof. Tippawan Pinvanichkul**

Independent Director

Audit Committee

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**Mr. Pisit Jeungpraditphan**

Independent Director

Audit Committee

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**General Information****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 (As of 31 December 2020)
Par Value	1.00 Baht per share
Head Office	206, Soi Pattanakarn 20, Suan Luang Sub-District, Suan Luang District, Bangkok 10250 Tel: 02-079-9765 Fax: 02-079-9755
Website	<a href="http://www.mudman.co.th">www.mudman.co.th</a>

**Golden Donuts Company Limited (Thailand)**

Registered Number	0105548146423
Registered Capital	300,000,000 Baht
Par Value	10.00 Baht per share
Head Office	206, Soi Pattanakarn 20, Suan Luang Sub-District, Suan Luang District, Bangkok 10250 Tel: 02-079-9765 Fax: 02-079-9755
Website	<a href="http://www.dunkindonuts.co.th">www.dunkindonuts.co.th</a>




**ABP Café Company Limited (Thailand)**

Registered Number	0105548146776
Registered Capital	40,000,000 Bat
Par Value	10.00 Bat per share
Head Office	206, Soi Pattanakarn 20, Suan Luang Sub-District, Suan Luang District, Bangkok 10250 Tel: 02-079-9765 Fax: 02-079-9755
Website	<a href="http://www.aubonpainthailand.com">www.aubonpainthailand.com</a>


**Golden Scoop Company Limited**

Registered Number	0105555079990
Registered Capital	125,000,000 Baht
Par Value	10.00 Baht per share
Head Office	206, Soi Pattanakarn 20, Suan Luang Sub-District, Suan Luang District, Bangkok 10250 Tel: 02-079-9765 Fax: 02-079-9755
Website	<a href="http://www.facebook.com/BaskinRobbinsThailand">www.facebook.com/BaskinRobbinsThailand</a>



**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](http://www.greyhoundcafe.co.th)

**GHC Café (UK) Limited**

Registered Number 10049145  
Registered Capital 200,000 Pound sterling  
Par Value 1.00 Pound sterling per share  
Head Office Sutherland House, 1759 London Road, Leigh On Sea, Essex,  
United Kingdom, SS9 2RZ  
Website [www.greyhoundcafe.uk](http://www.greyhoundcafe.uk)



**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	<a href="http://www.greyhound.co.th">www.greyhound.co.th</a>





**Mudman International Limited**

Registered Number	152010
Registered Capital	30,000 USD
Par Value	1.00 USD per share
Head Office	Intercontinental Trust Limited, Level 3, Alexander House, 35 Cybercity, Ebene, Mauritius

**Societe Langonnaise des Vins et Hotelleries SAS**

Registered Number	592066047
Registered Capital	452,768 Euro
Par Value	16.00 Euro per share
Head Office	17 rue de Beaujolais in Paris 75001, France
Website	<a href="http://www.grand-vefour.com">www.grand-vefour.com</a>



**MM FR SAS**

Registered Number	849486873
Registered Capital	10,000 Euro
Par Value	1.00 Euro per share
Head Office	78 Boulevard de Menilmontant, 75020, France

**Maison MM1 SAS**

Registered Number	879098929
Registered Capital	10.000 Euro
Par Value	1.00 Euro per share
Head Office	74 Boulevard de La Tour-Maubourg, 75007, Paris, France

**Maison MM2 SAS**

Registered Number	880849377
Registered Capital	10,000 Euro
Par Value	1.00 Euro per share
Head Office	14 Avenue de l'Opera, 75001 Paris France

**A NOSTE****Maison MM3 SAS**

Registered Number	884872227
Registered Capital	10,000 Euro
Par Value	1.00 Euro per share
Head Office	68 Rue du quatre septembre, 75002 Paris France

**References****Share Registrar**

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

**Auditor**

Ms. Kamontip Lertwitworatep	Certified Public Account No. 4377 (or)
Mr. Wichart Lokatekrawee	Certified Public Account No. 4451 (or)
Ms. Satida Ratananurak	Certified Public Account No. 4753 (or)

EY Office Limited  
33 rd Floor, Lake Rajada Office Complex, 193/136-137 Rajadapisek Road,  
Klongtoey, Bangkok 10110, Thailand  
Tel: 66 (0)-2264-9090  
Fax: 66 (0)-2264-0789-90

## Financial Highlights

		2018	2019	2020
<b>Income Statement</b>  (THB mm)	Revenues from Sales and Services	3,082	2,913	2,166
	Total Revenues	3,233	3,060	2,315
	Gross Profit	1,824	1,714	1,293
	EBIT	28	13	(348)
	EBITDA	253	220	364
	Net Profit	(12)	(26)	(419)
	Total Assets	4,301	4,210	4,792
	Total Liabilities	1,513	1,514	2,556
	Total Equities	2,788	2,696	2,236
<b>Profitability Ratio</b>  (%)	Gross Profit Margin	59.2	58.8	(7.7)
	EBITDA Margin	7.8	7.2	(96.9)
	Net Profit Margin	(0.4)	(0.8)	(18.1)
	Return on Assets (ROA)	(0.3)	(0.6)	(7.7)
	Return on Equity (ROE)	(0.4)	(0.9)	0.4
<b>Liquidity Ratio</b>	Liquidity Ratio (x)	0.9	(0.8)	22.4
	Days Sales Outstanding (Day)	10.9	13.5	22.4
	Days Inventory Outstanding (Day)	54.7	53.0	67.0
	Days Payable Outstanding (Day)	120.1	115.4	154.3
	Cash Conversion Cycle (Day)	(54.4)	(48.9)	(64.5)
	Debt to Equity Ratio	0.5	0.6	1.1



		2018	2019	2020
<b>Debt-to-Equity Ratio</b>	Interest Bearing Debt / Equity Ratio	0.3	0.3	0.8
(x)				
<b>Per Share Data</b>	Par Value (THB per share)	1	1	1
(Million shares)	Registered Shares	1,055	1,055	1,055
	Paid-up Shares	1,055	1,055	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
- Maison MM1 SAS
- Maison MM2 SAS
- Maison MM3 SAS

### Other business

#### 3) Lifestyle Business

- Greyhound Company Limited

#### 4) Holding Company Business

- Mudman International Limited
- MM FR SAS

### Significant changes and developments

The Company was incorporated on March 16, 2006 as Mudman Company Limited with an initial registered capital of 10.0 Million Baht to operate the business by holding shares in other companies (Holding Company) which comprised operations whose primary business was food and beverage.

The Company made significant changes and developments over the past 3 years as follows:

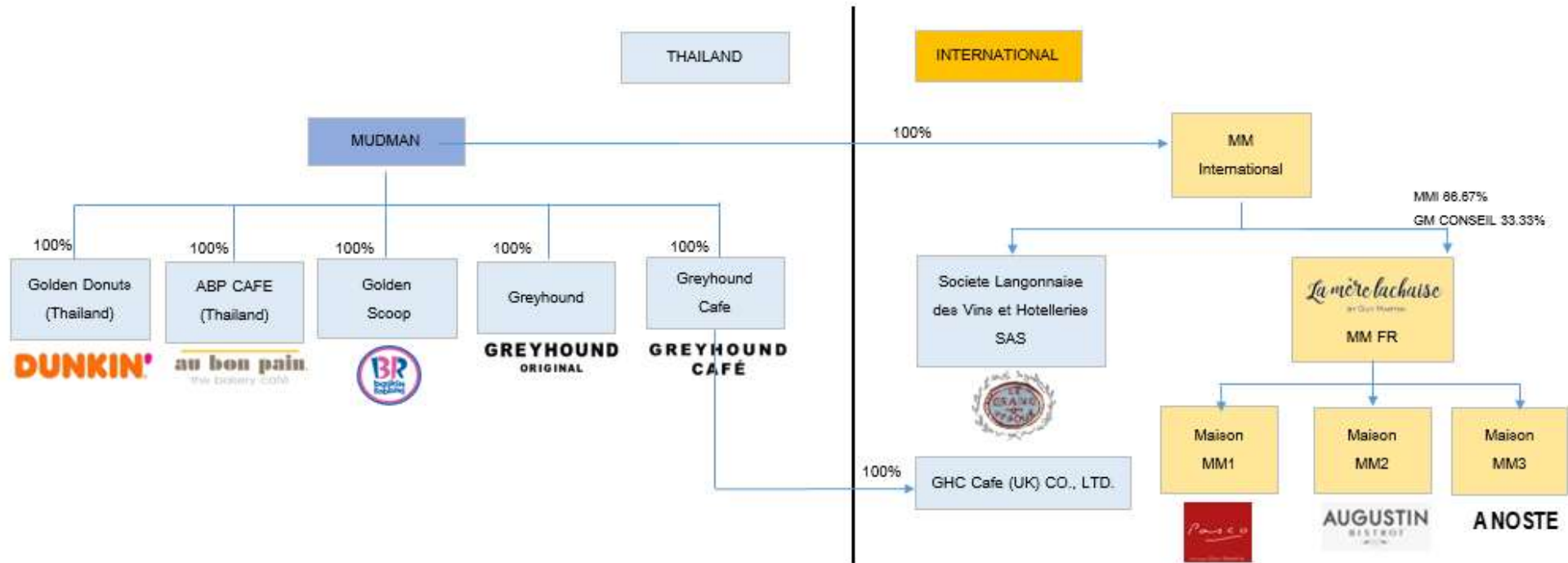
Year	Event
2018	<ul style="list-style-type: none"> <li>• Golden Donuts (Thailand) Co., Ltd. (GDT) launched the first Dunkin' Donuts Drive Thru branch in Thailand under the concept of Coffee and More at Porto Go, Bang Pa-in, which is a stopover on the road (Asian Highway) later.</li> </ul>

Year	Event
	<ul style="list-style-type: none"> <li>● GDT and Golden Scoop Co., Ltd. (GS) cooperated with Rising Soft Co., Ltd., a game developer, and a Hot Head Game Group in the launch of Order of The Seventh Sphere (OSS) to accelerate the expansion of new customer base and business to meet the changing global trend rapidly through O2O (Online to Offline) marketing.</li> <li>● Greyhound Company Limited (GHF) expanded into food and beverage business. A Greyhound Coffee shop opened in the area the same as the CUB House on Ekamai Road under the concept of Twist or the combination of Thai and international together, served a wide variety of drink menus, including main dishes and desserts.</li> <li>● GHC launched a restaurant brand under the name Kin+Hey by introducing Street Food in a new format that it was typical for Greyhound Café to penetrate the working group. It opened its first branch at The Groove, Central World.</li> </ul>
2019	<ul style="list-style-type: none"> <li>● MM Inter, a subsidiary of the Company, invested in a new subsidiary, MM FR SAS ("MM FR"), established in France with a registered capital of US\$24,000. The purpose was to operate a restaurant business in France, where MM FR invested 67% in all ordinary shares of such Company and paid for the whole number of the shares for the amount of US\$ 16,000 already.</li> <li>● MM FR, a subsidiary in which the Company indirectly holds shares, invested in a new subsidiary, MAISON</li> <li>● MM1 SAS, which was established in France with a registered capital of €10,000 and was intended to operate a restaurant business in France, MM FR invested 100% in all ordinary shares of such Company and made a full payment for the shares worth €10,000 already.</li> <li>● GHC launched a restaurant brand under the name Gai Hound, a restaurant that focused on organic food. Nowadays, the main menu is rice steamed with chicken soup that contains natural ingredients such as chicken delivered straight from a carefully raised farm and safe throughout the process. It is raised in a natural way without any accelerated substances as well as a wide variety of organic vegetables, including soft and smooth rice that customers can choose the types of rice between jasmine rice or brown rice served with soup and a delicious dipping sauce. As of December 31, 2019, there were two branches of Gai Hound at Central Ladprao and Helix at Emquartier.</li> <li>● GDT launched the Dunkin' Donuts Food Truck to serve customers thoroughly in a variety of areas.</li> </ul>
2020	<ul style="list-style-type: none"> <li>● On January 23, 2020, MM FR SAS, a subsidiary in which the Company indirectly holds shares, invested in a new subsidiary, namely MAISON MM2 established in France with a registered capital of €10,000. The purpose was to operate a restaurant in France, where MM FR SAS invested 100% in all ordinary shares of that Company and paid for the total number of shares amounting to €10,000. MAISON MM2 started its commercial operation on January 30, 2020.</li> </ul>





Year	Event
	<ul style="list-style-type: none"> <li>On February 26, 2020, the Company's Board of Directors No. 1/2020 passed a resolution to appoint Pol Lt. Col. Thaweesin Rakkatanyu to take a position of chairman effective February 27, 2020 onwards.</li> <li>On May 26, 2020, the Company's Board of Directors No. 2/2020 passed a resolution to appoint Mr. Benjapol Benjapolakorn to be the Director of the Company, Mr. Sompoch Intranukul who retired since November 27, 2019 by counting continuously from vacation of office. In this regard, the tenure of Mr. Benjapol Benjapolakorn had an effect from June 1, 2020 onwards, and appointed Ms. Limlee Tippongraphas to be the Company secretary effective June 1, 2020 onwards.</li> <li>On June 25, 2020, the Company's Board of Directors No. 3/2020 passed a resolution to notify the resignation of the executives: 1. Mr. Nadim Xavier Salhani, Chief Executive Officer, 2. Ms. Hansa Sermsri, Executive Vice President of Accounting and Finance effective July 1, 2020. However, Mr. Nadim Xavier Salhani will continue to serve as the Director of the Company, Executive Vice President and Risk Management Committee and appointed new executives: 1. Mr. Suphasith Sukhanindr, Chairman Executive Officer, 2. Mr. Somsak Tangprakob (Acting), Executive Vice President of Accounting and Finance effective July 1, 2020.</li> <li>On July 6, 2020, MM FR SAS, a subsidiary in which the Company indirectly holds shares, invested in a new subsidiary, namely MAISON MM3 established in France with a registered capital of €10,000. The purpose was to conduct restaurant business in France, where MM FR SAS invested 100% in all ordinary shares of such Company and paid for the total number of shares amounting to €10,000. MAISON MM3 started its commercial operation on July 9, 2020.</li> <li>On September 9, 2020, the Company's Board of Directors No. 4/2020 passed a resolution to approve the Company to enter into the building and land lease agreement with Chavananthakit Co., Ltd. to be used as an office, a training center, a central kitchen. Such transactions shall be deemed with connected persons, types of transactions supporting normal business with general commercial terms.</li> <li>On October 1, 2020, the Company issued and offered debentures to institution investors and/or high net worth investors, total 217,700 units at a par value of 1,000 Baht per unit, worth 217.7 Million Baht. The debentures are 2 years and 9 months maturing on July 1, 2023 with a fixed interest rate of 5.8% per annum.</li> <li>The Company informed the capital reduction due to the expiration with acquiring treasury shares. The Company had 1,517,000 unissued treasury shares. The Company therefore had to reduce its capital by eliminating repurchased shares and not all sold out in order to comply with the ministerial regulations prescribed rules and procedures on share repurchase 2001, whereby the Company would register the change of registered capital to the Ministry of Commerce and continue to notify the Stock Exchange of Thailand after registered capital</li> </ul>

Year	Event
	<p>reduction. The Company would have a paid-up registered capital at 1,053,386,750 Baht divided into 1,053,386,750 ordinary shares with a par value of 1 Baht per share.</p> <ul style="list-style-type: none"><li>• The Company entered into a land and building lease agreement with Chavananthakit Co., Ltd. for use as an office, a training center, a central kitchen. Such transactions shall be deemed with connected persons, types of transactions supporting normal business with general commercial terms.</li><li>• On December 16, 2020, the Company moved its location of the Company's office to 206 Soi Pattanakarn 20, Suan Luang Sub-district, Suan Luang District, Bangkok 10250.</li></ul>

Group Structure of MM as of December 31, 2020



Brand	Initial	% of Share	Nature of Business Operation
<b>Core Business</b>			
<b>1) Food &amp; Beverage Business under <i>Franchised Brands</i></b>			
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
<b>2) Food &amp; Beverage Business under <i>Owned Brands</i></b>			
Greyhound Café Co., Ltd 	GHC	100.0	Operating full-service restaurant under the following key brands: - Greyhound Café - Another Hound Café - Kin + Hey by Greyhound café - Gai Hound - Baan Hound
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
MM FR SAS 	MM FR	100.0 (Indirect holding thru MM Inter and MM FR)	Produce and distribute food and beverage with Brasserie concept under “Le Mere Lachaise” brand
MAISON MM1 SAS 	MM1	100.0 (Indirect holding thru MM Inter and MM FR)	Production and distribution of food and beverage. It is a famous restaurant in Paris which has food in the south, fish, vegetables, spices and olive oil. The recipes are made with simple seasonal ingredients, local and exotic products,

Brand	Initial	% of Share	Nature of Business Operation
			including the knowledge of cooking food and creativity of chefs under the brand PASCO.
<b>MAISON MM2 SAS</b> 	MM2	100.0 (Indirect holding thru MM Inter and MM FR)	Production and distribution of food and beverage. It is a lively and iconic restaurant in Paris in a chic and contemporary bistro atmosphere under the brand Augustin.
<b>MAISON MM3 SAS</b> <b>A NOSTE</b>	MM3	100.0 (Indirect holding thru MM Inter and MM FR)	Production and distribution of food and beverage. It is a friendly and cozy restaurant in both urban and rural styles, full of flavor under the brand A Noste.
<b>Other Business</b>			
<b>3) Lifestyle Business</b>			
<b>Greyhound Co.,Ltd.</b>   	GH	100.0	<ul style="list-style-type: none"> <li>Produce and distribute fashions and accessories under the following key brands: <ul style="list-style-type: none"> <li>- Greyhound Original</li> <li>- Smileyhound</li> </ul> </li> <li>Food &amp; Beverage Café</li> <li>Design lifestyle &amp; fashionable products</li> </ul>
<b>4) Holding Company Business</b>			
<b>Mudman International Limited</b>	MM Inter	100.0	Investment in other companies (holding company)
<b>MM FR SAS</b>	MM FR	66.67 (Indirect holding thru MM Inter)	Investment in other companies (holding company) with 33.33% shareholding of Mr. Guy Martin

### Revenue Structure

In 2018 – 2020, MM and its subsidiaries earned total revenues of THB 3,233 mm, THB 3,060 mm, and THB 2,316 mm, respectively, equaling to annual revenue growth of (5.4)% in 2019 and (24.3%) in 2020. Revenue structure by business is as bellowed:



Sales and Services Income	2018 <sup>/1</sup>		2019 <sup>/1</sup>		2020 <sup>/1</sup>	
	THB mm	%	THB mm	%	THB mm	%
1. Food & Beverage Business	2,935	90.8	2,768	90.3	2,017	87.1
2. Lifestyle Business	147	4.5	145	4.7	149	6.4
<b>Sales and Service Incomes</b>	<b>3,082</b>	<b>95.3</b>	<b>2,913</b>	<b>95.1</b>	<b>2,166</b>	<b>93.6</b>
Other incomes	151	4.7	147	4.9	150	6.5
<b>Total Revenues</b>	<b>3,233</b>	<b>100.0</b>	<b>3,060</b>	<b>100.0</b>	<b>2,316</b>	<b>100.0</b>

/1 Revenue structure base on consolidated financial statement

Revenue for each brand in proportion of the revenue from sales and services as follows

ธุรกิจ	ปี 2561	ปี 2562	ปี 2563
Golden Donuts (DD)	34%	33%	40%
Au Bon Pain (ABP)	22%	21%	18%
Baskin Robbins (BR)	3%	3%	3%
Greyhound Café (GHC) <sup>/1</sup>	30%	32%	26%
Greyhound (GHF)	5%	5%	7%
M Kitchen	1%	1%	1%
Le Grand Vefour	5%	5%	2%
La Mere Lachaise <sup>/2</sup>	-	-	-
Pasco	-	-	1%
Augustin	-	-	1%
A Noste	-	-	1%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

/1 including GHC Café (UK)

/2 Expected to be operational in 2021

The details of operations in each brand's business are as follows:

### 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, 2020, there are 282 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, 2020, there are 72 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.

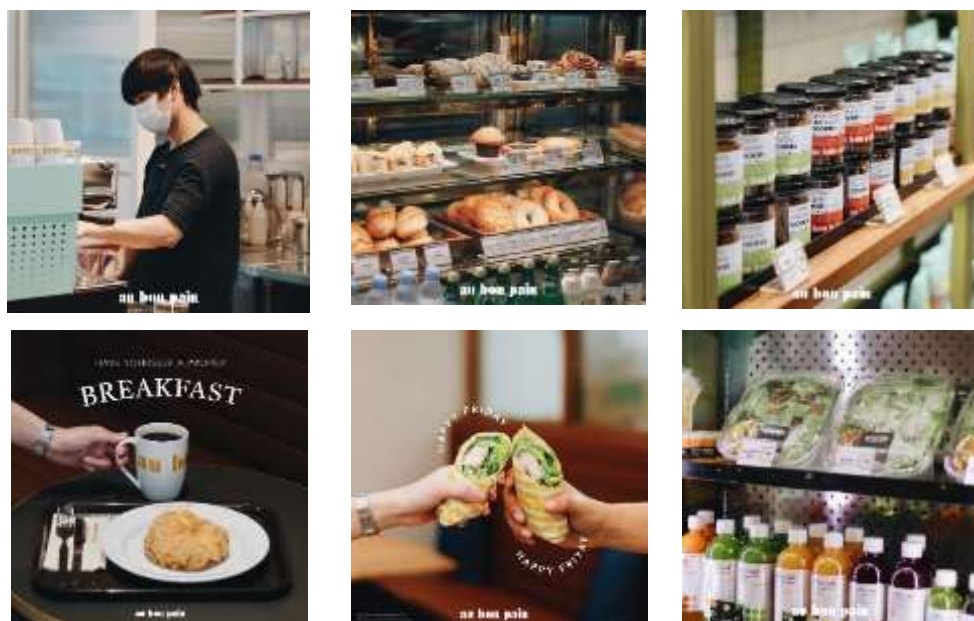




The target customer is middle income and above, including students, families, tourists and foreign visitors who love tasty nutritious bakery with quick & quality services. ABP store decorates in relax and welcome concept with lifestyle facilities i.e. Wi-Fi, big tables for meeting or party, and private 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, 2020, GS had 23 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 Café / Kin + Hey / Gai Hound”

Greyhound Café / Another-Hound Café / Kin + Hey / Gai Hound is a full service restaurant with fashion café concept, operated by Greyhound Café Company Limited (“GHC”). Greyhound Café / Another-Hound Café 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, 2020, GHC had 26 stores in Thailand under Greyhound Café, Another-Hound Café, Kin+Hey, and Gai Hound and 16 branches oversea (Republic of China, Hong Kong, Singapore, Indonesia, Vietnam, and England under Greyhound Café brand).

There are four 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, 2020, there are 17 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, 2020, 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

### 2.1.3. Kin+Hey by Greyhound Cafe



Kin+Hey is serving Street Food with unique concept of Greyhound Café for especially working men/women. Currently, there is only one store at The Groove at Central World serving various menus such as Thai-style noodle at lunch for quality and tasty quick meal and Izagaya (grilled) menus at dinner for celebrating among colleagues and friends after office hours



### 2.1.4. Gai Hound



Gai Hound is a restaurant with main concept of "Organic". The main menu is Chicken Rice with organic ingredients such as chicken delivered directly from farm with care and safe in every process. The chicken was raised based on natural way without any chemical. Also, all vegetables are organic. The customers have choices of jasmine or brown rice. This menu is always served with soup and special sauce. As of December 31, 2020, there are five shops at Central Ladprod\*, Central Embassy, The Circle, The Promenade and J Avenue (\*shops at Central Ladprod has closed in January 2021).





### 2.1.5 Greyhound Café overseas

There are 16 Greyhound Café branches in foreign countries, operating in two types as follows:

(1) Under investment and management by GHC UK

GHC UK, an indirect subsidiary that the Company holds 100% of shares through GHC, and GHC holds 100% of the shares in GHC UK, where GHC UK has started operating 1 Greyhound Café branch in an area approximately 600 square meters and has 192 seats, located in Fitzrovia, London, England. The Company intends to be a flagship store for building brand awareness and to be a base for further expansion in Europe and other regions.

(2) Under franchise

Greyhound Café overseas operates its business under the franchise by Greyhound Cafe Company Limited ("the Owner of Rights "or" Franchisor"), provided that the franchisee has a condition to expand the Greyhound Café branches to the minimum number that specified and within the time mutually agreed. In the part of the business operation under such agreement, franchisee has the right to operate a Greyhound Café business in the eligible country and has the right to receive consultation and support from the right owner such as finding location of restaurants, selection of ingredients for cooking, procurement of raw materials, decoration materials, etc.

### 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 2018, 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 targets 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 18<sup>th</sup> century and modern & vibrant fashion in various menus.



#### 2.4. Under the trademark “La Mere Lachaise”

*La mère lachaise*  
BY GUY MARTIN

According to the Company's strategy to expand stores into international markets, the Company has opened the first store under “Le Grand Vefour” brand. In addition, the Company has been working with Mr. Guy Martin to develop new restaurant concepts. “La Mere Lachaise” is located where is many tourists and working people which is the main target customers. As of December 31, 2019, La Mere Lachaise is under renovation which is expected to be operated in 2021.

#### 2.5 Under the trademark “Pasco”



The Company has expanded to a new branch with Mr. Guy Martin to design the atmosphere, style and food menu by opening the second branch under brand Pasco, located in potential area that main customers are tourists and office workers. The restaurant has been operating since January 2020

#### 2.6 Under the trademark “Augustin”



The company has opened a new store under the brand Augustin. The company has expanded the new restaurant with Mr. Guy Martin to design restaurant and menu of food. Augustin is located in a potential location with

tourists and workers which is the main target customer of the restaurant. The restaurant has been opened in January 2020

## 2.7 Under the trademark “A Noste”

### A NOSTE

Latest the Company has opened a new restaurant under the brand A Noste which expanded with Mr. Guy Martin to design restaurant and menu of food. A Noste is located in a potential location with tourists and workers which is the main target customer of the restaurant. The restaurant has been opened in July 2020

## 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, jacket, 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. For example, we collaborated with IKEA Co. to design Furniture Collection SAMMANKOPPLA, Swedish language that can be read as Sam-Man-Cop-La. It is sold around the world and is well received, including a collaboration with A.P. Honda Co., Ltd. in conducting a Greyhound Coffee business in the CUB House project that is a Lifestyle Motor Bike Store. It has opened branches in the province up to 12 branches, which are part of extending businesses using the Greyhound brand as the flagship.



As of December 31, 2020, Greyhound has main channel to distribute products through its 11 own stores in department stores in Bangkok and metropolitan areas. It also opened a Greyhound Online Store through [www.greyhound.co.th](http://www.greyhound.co.th). As well as opening an online shop in any marketplace such as Lazada, Shopee, Facebook, and Line OA.



Greyhound has 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
<b>GREYHOUND ORIGINAL</b>	"Greyhound Original" is the first lifestyle brand of Greyhound focusing on distributing apparel and Leather with minimal concept ... <i>"Basic with a twist"</i> . 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.
<b>SMILEYHOUND GREYHOUND</b>	"Smileyhound" is a brand for Casual Wear that is designed with concept of <i>"Basic Casualwear with Smileyhound Icon for Everyone"</i> . The main products are T-shirts, pants, shoes, and bags. The price range is 1,200 – 2,500 Baht per piece.



### 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.

- *Increasing Access Channels for Today's Consumers*

Covid-19 has changed consumers behavior and lifestyle such as Work From Home and Social Distancing. A lifestyle that focuses on comfort, rapid changes, and smart phone, has made consumers feeling more comfortable staying homes, creating a New Normal lifestyle. Therefore, increasing consumer access channels is a Business Strategy that will accommodate the needs and lifestyles of consumers more through online sales, food delivery, take home food, and D.I.Y Menu.

Promoting consumer access channels include:

- 1) Maintaining quality standards of food, other products, and speed of delivery.
- 2) Increasing ordering channels. For example, websites, social media, and communication platforms.
- 3) Providing complete information and illustrations for easy decision making.
- 4) Promotions to help promote greater brand awareness.

## 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 concept that is 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.

In addition, GHF has also started a pre-order business through online channels that allow customers to order products with pre-payment for products in advance before the actual product finished. This selling products under this concept, the company is able to build a more customer base, as well as being able to prevent the company from needing to use the Company's working capital to invest in the production of products. The online sales growing significantly from 2019.

To reinforce the way of transforming from fashion brands to lifestyle brands, GHF has continuously launched new products in Lifestyle-Concept brands. For example, coffee, sneakers, and perfume. In addition, the Company has released products that are consistent with New Normal lifestyles. For example, cloth masks, cloth gloves, hand gel, and alcohol spray, which have been well received by consumers.

**Industry Trends & Market Competition:**

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.

1. The overall consumer confidence index for 2020 decreased from 2019 from 48.4 to 42.1. The average consumer confidence index during 2017 - 2020 was equal to 39.2 38.0 48.4 and 42.1, respectively (Source: Department of Trade and Economic Indices (Ministry of Commerce)). It showed a decline in consumer confidence from lower spending in 2020 due to the impact of the global pandemic of coronavirus disease 2019 (COVID-19) and political conflict. However, it noticed that Thai consumer confidence recovered very quickly in the last quarter Two, and gradually improved during the remaining quarters.
2. The Company expected that the overall consumer confidence index will rise in 2021 due to government stimulus measures and factor from increasing continually purchasing power of the people in the country and will gradually receive some vaccines by the year 2021. These are the factors that are an important part to support the growth of confidence and to increase the profitability of the Company. The purchasing power of consumers can be recovered again.

**3. Food & Beverage Business**

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.

Kasikorn Research Center expected that the food service business in 2021 will have a total value of 4.10 - 4.15 Hundred Million Baht with a slight expansion approximately 1.4 - 2.6 percent from 2020 from the investment of entrepreneurs. However, the high competition and the adaptive business costs as well as challenging factors in the business have significantly impacted the operators and will need to adapt.

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 number of foreign tourists both in Bangkok and in key provinces has increased, etc.

**4. Lifestyle Business**

Lifestyle business is a retail business offering various types of product such as clothes, innerwear, Sneakers, perfume, leather goods, accessories, sunglasses, household appliances, and home furniture. In addition to the various types, there are different target customers i.e. age, sex, demography and lifestyles. 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.



## 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**

The nature of the company's business rely on heavy human resource those are employee in the central kitchen factory and sub-kitchen, employees in each branch kitchen, salesperson waiter and staff in the headquarters. If the government has a policy to raise the minimum wage, it will affect the operating costs of the company.

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. Therefore, the risk that the company will be affected by the increase of the minimum wage is quite limited. The company has a policy to manage labor costs effectively by increasing 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 addition, 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 May 7, 2019, 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.

#### **11. Risks Associated with Covid-19**

The Company has invested in the food business as major shareholder in Mudman Public Company Limited ("MM"), which was greatly impacted by Covid-19 that is continues the infections in many regions of the world. Covid-19 has caused economic slowdown and impacted most businesses and industries. For example, supply chain systems, consumer spending, restrictions on production, disruptions, and delayed operations. The situation has been on-going since 22 March 2020. Restaurants & Beverage Businesses in Thailand cannot sell products as normal, nor to serve customers dining in the restaurants, although customers are still allowed to buy, and to have take-home food and home delivery. According to lockdown measures to control the infections, ready-to-wear clothing businesses can only be sold online. Later, the Government had eased the lockdown that allowed MM Group of Companies to resume business in Thailand from 17 May 2020 onward. Overseas restaurant business had to temporarily close from March 2020 and started operating again in June 2020. However, the impact of Covid-19 has affected all Business Sectors, causing the number of customers who have purchased goods or services to not yet return to normal. Although the situation has affected the financial position and business performance, MM Group of Companies have sought to adjust Sales Strategy in line with current circumstances. The Company has been managing and closely monitoring costs and expenses more efficiently.

## Shareholder and Management Structure

As of December 31, 2020, 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.

*Note: The Company has decreased the paid-up registered capital from 1,054,903,750 baht to 1,053,386,750 baht by eliminating the 1,517,000 repurchased shares of the company at the par value of 1 baht per share, totaling 1,517,000 on January 15, 2021. Therefore, now the Company has a registered capital 1,053,386,750 baht and paid-up capital 1,053,386,750 baht divided into ordinary shares in the amount of 1,053,386,750 shares, par value of Baht 1.00 per share*

### 1. Major Shareholders

Top ten shareholders as the close of share register on March 16, 2020 with Paid-up Capital THB 1,054,903,750 at par value of THB 1.0 per share, details are as followed:

Shareholder	No. of shares	%Shareholding
1. Sub Sri Thai PCL <sup>/1</sup>	677,939,000	64.27
2. Khon Kaen Sugar Industry PCL <sup>/2</sup>	78,718,600	7.46
3. Mr. Thaveechat Jurangkool	66,163,300	6.27
4. Mr. Bhanu Inkawat	23,534,800	2.23
5. Citi (Nominee) Limited S.A. PBG Client SG	16,572,700	1.57
6. Mr. Supasith Sukhanindr	8,133,937	0.77
7. Miss Duangkae Chinthammit	7,736,873	0.73
8. Miss Duangdao Chinthammit	7,192,112	0.68
9. Mrs. Kamalee Pachimsawat	6,775,582	0.64
10. Mr. Somchai Chinthammit	6,245,040	0.59
Others	155,88,806	14.78
<b>Total</b>	<b>1,054,903,750</b>	<b>100.0</b>

Note:

/1 Top ten shareholders of Sub Sri Thai PCL as of May 11, 2020 with Paid-up Capital THB 455,807,823 at par value of THB 1.0 per share, details are as followed:

Shareholders	No. of Shares	%Shareholding
1. Mr. Supasith Sukhanindr	89,651,034	19.67
2. Mr. Supachai Sukhanindr	47,928,147	10.51
3. Mrs. Intira Sukhanindr	47,449,454	10.41
4. Mr. Thaveechat Jurangkool	41,097,400	9.02
5. Miss Duangkae Chinthammit	25,667,739	5.63
6. Miss Duangdao Chinthammit	25,167,865	5.52
7. Mr. Chamroon Chinthammit	22,183,332	4.87
8. Mr. Somchai Chinthammit	16,644,546	3.65
9. Mrs. Kamalee Pachimsawat	14,031,410	3.08
10. Miss Kamolrudee Pachimsawat	13,143,572	2.88
Others	112,843,324	24.76
<b>Total</b>	<b>455,807,823</b>	<b>100.0</b>

/2 Top ten shareholders of Khon Kaen Sugar Industry PCL as of January 29, 2021 are as followed:

Shareholders	No. of Shares	%Shareholding
1. KSL Sugar Holding Co.,Ltd.	1,468,242,728	33.29
2. Thai NVDR Co.,Ltd.	147,413,735	3.34
3. Mr. Chanachai Chutimavorapand	115,355,499	2.64
4. Mr. Chamroon Chinthammit	113,012,431	2.56
5. Mr. Kamondanai Chinthammit	102,498,048	2.32
6. Miss Duangdao Chinthammit	99,799,954	2.26
7. Miss Duangkae Chinthammit	99,733,643	2.26
8. Mr. Somchai Chinthammit	96,475,726	2.19
9. Mr. Piripon Chinthammit	94,586,024	2.14
10. CREDIT SUISSE AG, SINGAPORE BRANCH	90,298,136	2.05
Others	1,982,816,695	44.96
<b>Total</b>	<b>4,410,232,619</b>	<b>100.0</b>

## 2. Shareholding Structure of Core-Business Subsidiaries

### Golden Donuts Company (Thailand) Co., Ltd.

As of December 31, 2020, 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
<b>Total</b>	<b>30,000,000</b>	<b>100.0</b>

### ABP Café (Thailand) Co., Ltd.

As of December 31, 2020, 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
<b>Total</b>	<b>4,000,000</b>	<b>100.0</b>

### Golden Scoop Co., Ltd.

As of December 31, 2020, 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
<b>Total</b>	<b>12,500,000</b>	<b>100.0</b>



**Greyhound Café Company Limited**

As of December 31, 2020, 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
<b>Total</b>	<b>107,843</b>	<b>100.0</b>

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

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

**GHC Café (UK) Limited**

As of December 31, 2020, GHC UK had registered and paid-up capital of GBP 200,000 divided in 200,000 shares at par value of GBP 1 per share. The shareholders are as followed:

Shareholders	No. of Shares	%Shareholding
1. Greyhound Café Company Limited	200,000	100.0
<b>Total</b>	<b>200,000</b>	<b>100.0</b>

**Societe Langonnaise des Vins et Hotelleries SAS**

As of December 31, 2020, SLVH had registered and paid-up capital of EUR 452,768 divided in 28,298 shares at par value of EUR 16 per share. The shareholders are as followed:

Shareholders	No. of Shares	%Shareholding
1. Mudman International Limited*	452,768	100.0
<b>Total</b>	<b>452,768</b>	<b>100.0</b>

\*Mudman International Limited is a subsidiary of the Company with 100% shareholding.

**MM FR SAS ("MM FR")**

As of December 31, 2020, MM FR had registered and paid-up capital of EUR 10,000 divided in 10,000 shares at par value of EUR 1 per share. The shareholders are as followed:

ผู้ถือหุ้น	จำนวน (หุ้น)	ร้อยละ
1. Mudman international Limited	16,000	66.67
2. GM Conseil	8,000	33.33
<b>Total</b>	<b>24,000</b>	<b>100.0</b>

**Maison MM1 SAS**

As of December 31, 2020, MM1 had registered and paid-up capital of EUR 10,000 divided in 10,000 shares at par value of EUR 1 per share. The shareholders are as followed:

Shareholders	No. of Shares	%Shareholding
3. MM FR SAS*	10,000	100.0
รวม	<b>10,000</b>	<b>100.0</b>

\*MM FR SAS is an indirect subsidiary of the Company with 67% shareholding thru MM Inter.

#### Maison MM2 SAS

As of December 31, 2020, MM2 had registered and paid-up capital of EUR 10,000 divided in 10,000 shares at par value of EUR 1 per share. The shareholders are as followed:

Shareholders	No. of Shares	%Shareholding
1. MM FR SAS*	10,000	100.0
รวม	<b>10,000</b>	<b>100.0</b>

\*MM FR SAS is an indirect subsidiary of the Company with 67% shareholding thru MM Inter.

#### Maison MM3 SAS

As of December 31, 2020, MM3 had registered and paid-up capital of EUR 10,000 divided in 10,000 shares at par value of EUR 1 per share. The shareholders are as followed:

Shareholders	No. of Shares	%Shareholding
1. MM FR SAS*	10,000	100.0
รวม	<b>10,000</b>	<b>100.0</b>

\*MM FR SAS is an indirect subsidiary of the Company with 67% shareholding thru MM Inter.

### Issuance of Other Securities

#### Debentures

As of March 31, 2020, the Company has outstanding debentures in amount of 592,000 units, value at 1,000 Baht per unit, totaling 592 million baht, which is unsubordinated debentures, unsecured debentures and there are no debenture holder representatives, and interest is to be payable every 3 months, the details are as follows:

- Debenture MM217A in amount of 355 million baht, fixed interest rate at 5.00 percent per annum, maturing on July 26, 2021.
- Debenture MM237A in amount of 237 million baht, fixed interest rate at 5.80 percent per year, maturing on July 1, 2023.

### 4. 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.

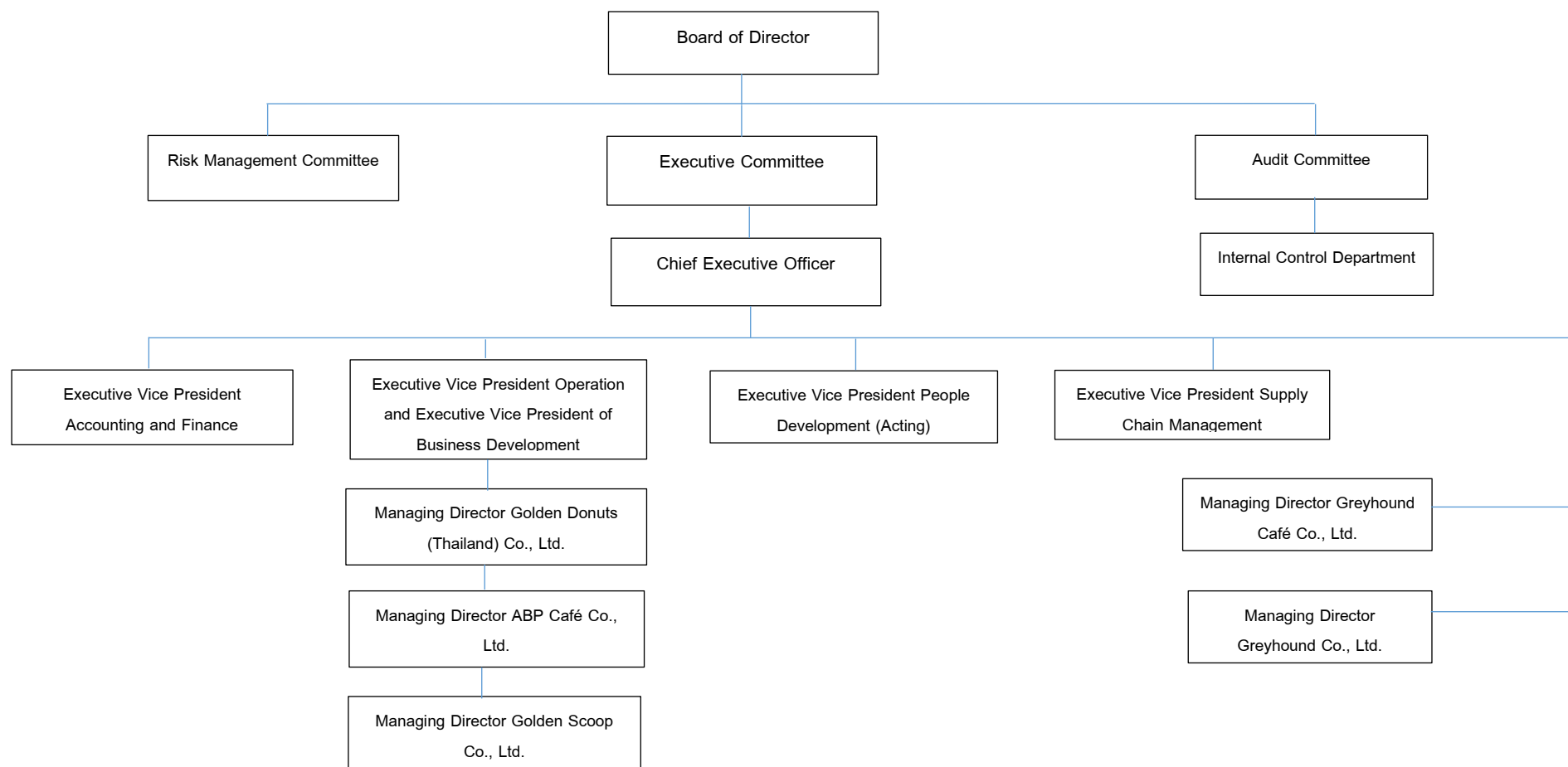
### Dividend Payment Record

Year	2019	2018	2017
Cash (THB: shares)	0.0580	0.0550	0.0450
Source of Dividend	Net profit and retained earnings	Net profit and retained earnings	Net profit and retained earnings
Payment Date	May 21, 2020	May 21, 2019	May 22, 2018

## Management Structure about Director and Executive

### 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, 2020, the Board of Directors consisted of 10 directors as followed:

Name	Position
1. Pol. Lt. Col. Thaweesin Rakkatanyu	Chairman of Board of Directors Independent Director Chairman of Audit Committee Chairman of Risk Management Committee
2. Mr. Supasith Sukhanindr	Vice Chairman of Board of Directors Chairman of Executive Committee
3. Mr. Nadim Xavier Salhani	Director Vice Chairman of Executive Committee Risk Management Committee
4. Mr. Somyod Suteerapornchai	Board of Director Executive Committee
5. Nongluck Phinainitisart, Ph.D.	Director Executive Committee
6. Asst. Prof. Tippawan Pinvanichkul, Phd.	Independent Director Audit Committee
7. Mr. Pisit Jeungpraditphan	Independent Director Audit Committee
8. Pol.Gen. Ruangsak Jritake, Ph.D.	Independent Director
9. Miss Kamornwan Chinthammit	Director
10. Benjapol Benjapalakorn, Ph.D.*	Independent Director

The Company Secretary: Miss Limly Thipphonggraphas\*\*

Note:

\* The Meeting of the Board of Directors of the Company No. 2/2020 held on May 26, 2020 had passed the resolution to appoint Mr. Benjapol Benjapalakorn as the new Director in replacing Mr. Sompoch Intranukul who passed away effective from June 1, 2020 onwards.

\*\* The Meeting of the Board of Directors of the Company No. 2/2020 held on May 26, 2020 had passed the resolution to appoint Miss Limly Thipphonggraphas as the Company Secretary in replacing Mr. Pilanchai Pradubphong who passed away effective from June 1, 2020 onwards.

The 10 members of the Board of Directors are qualified and have no forbidden qualification pursuant to the requirements set forth in the Public Limited Company Act, law on securities and stock exchange, rules, regulations, announcements of the Securities and Exchange Commission, Good corporate governance policy of the Company and other related laws as well as no prohibited characteristics that lack of appropriateness qualifications of executives which has been entrusted to manage the listed companies as specified by the Securities and Exchange Commission.

**(2) Authorized Directors**

*The authorized directors are Mr. Supasith Sukhanindr, Mr. Nadim Xavier Salhani and Mr. Somyod Suteerapornchai, any Two thirds of given directors are to co-sign and affix with the company seal.*

**(3) Composition of the Board of Directors**

The Board of Directors of the company shall consists of qualified persons with various experiences in various fields and a number of directors as chosen by shareholders to suit the size of company's business to efficiently perform

business, with its Chairman as an independent director. In The Board of Directors, it shall be certain directors who are not executives to be not less than half of it and with actual independent directors without any business relation or other relation that may pose influence not less than one thirds of the total directorship. The Independent Directors' qualifications are in line with the qualifications under the rules of the SEC, calculated at one third of the total directors and one independent director is the company president and who is not the same person with the managing director to separate the division of duties on governance and regular management. (Qualification of Independent Directors of the Company presented on Page 62 - 64)

#### Category of Director

Name of Directors	Category of Director			
	Representative Shareholders	Non-Executive Director	Independent Director	Executive Director
1. Pol. Lt. Col. Thaweesin Rakkatanyu		√	√	
2. Mr. Supasith Sukhanindr	√			√
3. Mr. Nadim Xavier Salhani	√			√
4. Mr. Somyod Suteerapornchai	√			√
5. Nongluck Phinainitisart, Ph.D.	√			√
6. Asst. Prof. Tippawan Pinvanichkul, Ph.D.		√	√	
7. Mr. Pisit Jeungpraditphan		√	√	
8. Pol. Gen. Ruangsak Jritake, Ph.D.		√	√	
9. Miss Kamornwan Chinthammit	√			
10. Benjapol Benjapalakorn, Ph.D.		√	√	
Total	5	5	5	4

The Company separates the duties and responsibilities of the Chairman of the Board of Directors and President and Managing Director in order to balance the power by separating their roles and responsibilities the from each other

#### Chairman of the Board

The Board of Directors shall elect one of independent directors who has appropriate knowledge, experience and qualifications to be the Chairman of the Board.

Chairman of the Board is not the same person with the Chairman of the Board of Executive Director and is not an employees or management of the Company.

#### **The duties and responsibilities of Chairman of the Board**

1. To be responsible in leadership role for The Board of Directors in the supervision, follow- up, overseeing the performance of The Board of Executive Directors and other sub-committees to attain the objectives as planned.
2. Ensure that all directors contribute to the company's ethical culture and good corporate governance.



3. Set the board meeting agenda by discussing with the chief executive officer which important matters should be included
4. To chair in the board's meeting and shareholders' meeting of the company.
5. Allocate sufficient time for management to propose topics and for directors to debate important matters thoroughly.
6. To be the final vote in board's meeting when it comes up with equivalent voting,
7. Promote a culture of openness and debate through ensuring constructive relations between the board and management.

#### **Election of directors and term of office**

Election of directors and/or independent directors of the Company was done by the shareholders' meeting or the Board of Directors in accordance with the company's Articles of Association and the Public Limited Companies Act B.E. 2535 (including any amendment) based on the standards and methods as follows:

1. One shareholder had one vote per one share
2. The election of director may conduct by mean of voting to elect only one individual, one person in one time or several persons in one time or by any other method as deemed appropriate by the shareholders' meeting but in each resolution, the shareholder shall cast its existing vote as mentioned in clause (1) and it was prohibited to separate their votes.
3. Voting for election of director was adhered to the majority vote, in case of equal votes, the Chairman of the meeting shall have the final vote.
4. Director shall hold office for 3 years a time and the directors who are expired on term may be re-elected and may assume the previous post again, if it is agreed by the shareholders.

#### **(4) 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.

#### (5) Directors' attendance at the meeting

The Board of Directors should hold meeting at least 4 meetings per year, with the meeting date scheduled in advance throughout the year and notify each director by setting up an annual meeting schedule

In the year 2020, the Board of Directors held 5 meetings. During the meeting, the Chairman allocated sufficient time for the management to present the matter and enough time for the directors to carefully discuss important issues.

#### Directors' attendance at the meeting in each committee for year 2020 (1 January - 31 December 2020)

Year 2020	Board of director	Audit Committee	Nomination and Remuneration Committee
1. Pol. Lt. Col. Thaweesin Rakkatanyu	5/5	4/4	1/1
2. Mr. Supasith Sukhanindr	5/5	-	-
3. Mr. Pilunchai Pradubphong*	2/5	-	-
4. Mr. Nadim Xavier Salhani	2/5	-	1/1
5. Mr. Somyod Suteerapornchai	5/5	-	-
6. Miss Nongluck Phinainitisart	5/5	-	-
7. Miss Kamornwan Chinthammit	3/5	-	-
8. Pol.Gen. Ruangsak Jritake	4/5	-	-
9. Asst. Prof. Tippawan Pinvanichkul	5/5	4/4	-
10. Mr. Pisit Jeungpraditphan	5/5	4/4	-
11. Mr. Benjapol Benjapalakorn	2/3	-	-

**Note:**

\* Mr. Pilunchai Pradubphong passed away on April 15, 2020, the Board of Directors has not selected any person for replacement.

\*\* The Meeting of the Board of Directors of the Company No. 2/2020 held on May 26, 2020 had passed the resolution to appoint Mr. Benjapol Benjapalakorn as the new Director in replacing Mr. Sompoch Intranukul who passed away effective from June 1, 2020 onwards.

#### (5) Management Team

As of December 31, 2020, the management team of the Company and its subsidiaries consist of 4 people as follows:

Name	Position
1. Mr. Supasith Sukhanindr (in replacement Mr. Nadim Xavier Salhani)	Chief Executive Officer Vice President - People Development (Acting) Vice President - Supply Chain Management (Acting)
2. Mr. Somsak Tangprakob (in replacement Miss Hansa Sermsri)	Chief Finance Officer (Acting)
3. Miss Lapaporn Tiasakul	Vice President – Operation Vice President – Business Development Managing Director – ABP Café Co., Ltd.
4. Miss Limly Thipphongraphas	Managing Director – Greyhound Co., Ltd. Managing Director – Greyhound Café Co., Ltd.

#### (7) Corporate Secretary

The Meeting of the Board of Directors of the Company No. 2/2020 held on May 26, 2020 had passed the resolution to appoint Miss Limly Thipphongraphas as the Company Secretary in replacing Mr. Pilanchai Pradubphong who passed away effective from June 1, 2020 onwards in order to comply with Section 89/1 of the Securities and Exchange Act. Miss Limly Thipphongprahas has the qualifications for position of the company secretary (the details in Attachment 1) and she is knowledgeable and competent with financial experiences, SET guidelines, SEC guidelines, legal knowledge, as well as regulations of SEC and the Stock Exchange of Thailand. The Company will nominate Ms. Limly Thopphongparahas to attend training of Corporate Secretariat Program at Thai Institute of Directors Association (IOD) in 2021, to enhance knowledge and understanding of the roles and duties of Company Secretary.

The company stipulates the duties of the company secretary in accordance with the Securities and Exchange Commission (No. 4) B.E. 2551 as follows:

- 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



**(8) Securities Holding of Directors and Executives for Year 2020****Holding the Company's Shares of the Board of Directors and Managements (as of December 31, 2020)**

Name/Position		Ordinary Share			
		As of Dec 31, 2019	As of Dec 31, 2020	Changing During the year 2019	Share holding (%)
1. Lt. Col. Thaweesin Rakkatanyu	Ordinary Share	-	-	-	-
2. Mr. Supasith Sukhanindr	Ordinary Share	8,133,937	8,133,937	-	-
3. Mr. Nadim Xavier Salhani	Ordinary Share	-	-	-	-
4. Mr. Somyod Suteerapornchai	Ordinary Share	202,291	202,291	-	-
5. Nongluck Phininitisart, Ph.D.	Ordinary Share	-	-	-	-
6. Asst. Prof. Tippawan Pinvanichkul, Ph.D.	Ordinary Share	-	-	-	-
7. Mr. Pisit Jeungpraditphan	Ordinary Share	-	-	-	-
8. Pol. Gen. Ruangsak Jritake, Ph.D.	Ordinary Share	-	-	-	-
9. Miss Kamornwan Chinthammit	Ordinary Share	2,820,841	2,820,841	-	-
10. Benjapol Benjapalakorn Ph.D.	Ordinary Share	-	-	-	-
11. Mr. Somsak Tangprakob	Ordinary Share	30,585	30,585	-	-
12. Miss Lapaporn Tiasakul	Ordinary Share	839,300	839,300	-	-
13. Miss Limly Thipphongpraphas	Ordinary Share	-	-	-	-

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

As of December 31, 2020, 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, 2020, 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, 2020, 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, 2020, 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, 2020, 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, 2020, 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
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' sign.

**7. MM Inter**

As of December 31, 2020, 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

Name	Position
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, 2019, the director and authorized director of SLVH is Mr. Nadim Xavier Salhani.

#### 9. MM FR

As of December 31, 2019, the director and authorized director of MM FR is Mr. Nadim Xavier Salhani.

#### (10) The Executive of Director for MM's subsidiaries

The Executive of Director for MM's 5 subsidiaries consisted of 8 directors as follows:

Name	Position	Position in Company				
		GDT	ABP	GS	GHC	GHF
1. Mr. Supasith Sukhanindr	Chief Executive Officer	✓	✓	✓		
2. Mr. Somsak Tangpakob	Chief Financial Officer (Acting)	✓	✓	✓		
3. Mr. Supasith Sukhanindr	Executive Vice President Supply Chain Management (Acting)	✓	✓	✓		
4. Ms. Lapaporn Tiesakul	Executive Vice President Operation	✓	✓	✓		
	Managing Director		✓	✓		
5. Mr. Pakin Penparksakul	Managing Director	✓				
6. Mr. Torsit Sarisdiwongse	Operations Director				✓	
7. Ms. Limly Thipphongpraphas	Managing Director				✓	✓
8. Mr. Kritinart Isarangkura Na Ayuthay	Manager					✓

#### 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, 2020, the Audit Committee consisted of three committees as follows:

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

The secretary of the Audit committee is Miss Praphaiwan Kimsomboon. In addition, Asst. Prof. Tippawan Pinvanichkul., Ph.D. 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. To review the Company's financial reporting process to ensure that it is accurate and adequate.
2. To review the Company's internal control system and internal audit system to ensure that they are suitable and efficient, to determine an internal audit unit's independence and performance, as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other unit in charge of an internal audit.
3. To review the Company's compliance with the law on securities and exchange, the Exchange's regulations, and the laws relating to the Company's business.
4. To consider, select, appoint and remove an independent person to be the Company's auditor, and to propose such person's remuneration, as well as to attend meetings with the auditor without the attendance of the management at least once a year.
5. To review the connected transactions, or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the law and the Exchange's regulations, and are reasonable and for the highest benefit of the Company.
6. To support and monitor to ensure that the Company acquires the efficient risk management system;
7. To prepare, and to disclose in the Company's annual report, an audit committee's report which must be signed by the audit committee's chairman and consist of at least the following information:
  - (a) an opinion on the accuracy, completeness and creditability of the Company's financial report.
  - (b) an opinion on the adequacy of the Company's risk management and internal control system.
  - (c) an opinion on the compliance with the law on securities and exchange, the Exchange's regulations, or the laws relating to the Company's business.
  - (d) an opinion on the suitability of an auditor.
  - (e) an opinion on the transactions that may lead to conflicts of interests;
  - (f) the number of the audit committee meetings, and the attendance of such meetings by each committee member.
  - (g) an opinion or overview comment received by the audit committee from its performance of duties in accordance with charter.
  - (h) other transactions which, according to the audit committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's Board of Directors.
8. While the Audit Committee are performing duties and responsibilities, the Audit Committee shall report within a reasonable period of time to the Board of Directors for corrective action if the Audit Committee observed the following transactions or events that may have material impacts to the financial status and performance of the Company
  - (1) a transaction which causes a conflict of interest;
  - (2) any fraud, irregularity, or material defect in an internal control system; or
  - (3) an infringement of the law on securities and exchange, the Exchange's regulations, or any law relating to the Company's business.

If the Board of Directors or relevant executives do not correct the aforementioned matters in due time, any Audit Committee member may further report the finding to the Securities and Exchange Commission and the Stock Exchange of Thailand.

9. To perform any other act as assigned by the Company's Board of Directors, with the approval of the audit committee

## (2) Risk Management Committee

As of December 31, 2020, 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. Supasith Sukhanindr *	Risk Management Committee
3. Mr. Nadim Xavier Salhani	Risk Management Committee

Note:

\* The Meeting of the Board of Directors of the Company No. 4/2020 held on September 26, 2020 had passed the resolution to appoint Mr. Supasith Sukhanindr as Risk Management Committee in replacing Mr. Sompoch Intranukul who passed away effective from September 1, 2020 onwards.

### 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, 2019, 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. Somyod Suteerapornchai	Executive Committee
4. Miss Nongluck Phinainitisart	Executive Committee

Note: The Meeting of the Board of Directors of the Company No. 4/2020 held on September 26, 2020 had passed the resolution to adjust the remaining 4 Executive Committee due to Mr. Pilanchai Pradubphong had passed away, without a replacement director, effective from September 1, 2020 onwards.

**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.

**1.1 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.

## 1.2 Remuneration for Directors and Managers

### (1) Remuneration for directors

#### Paid in cash

The remuneration for directors, which was approved by the 2019 Annual General Meeting on April 23, 2019, is as followed:

Unit: THB

Name	Board	EXCOM	AC	RISK	Total
1. Pol. Lt. Col. Thaweesin Rakkatanyu	600,000	-	180,000	-	780,000
2. Mr. Supasith Sukhanindr	300,000	180,000	-	-	480,000
3. Mr. Pilunchai Pradubphong*	100,000	20,000	-	-	120,000
Benjapol Benjapalakorn, Ph.D.**	150,000	-	-	-	150,000
4. Mr. Nadim Xavier Salhani	300,000	60,000	-	-	360,000
5. Mr. Somyod Suteerapornchai	300,000	60,000	-	-	360,000
6. Miss Nongluck Phinainitisart, Ph.D.	300,000	60,000	-	-	360,000
7. Miss Kamornwan Chinthammit	300,000	-	-	-	300,000
8. Pol.Gen. Ruangsak Jritake, Ph.D.	300,000	-	-	-	300,000
9. Asst. Prof. Tippawan Pinvanichkul, Ph.D.	300,000	-	60,000	-	360,000
10. Mr. Pisit Jeungpraditphan	300,000	-	60,000	-	360,000
<b>Total</b>	<b>3,250,000</b>	<b>380,000</b>	<b>300,000</b>	<b>-</b>	<b>4,350,000</b>

#### Note:

Board: Board of Director Remuneration

EXCOM: Board of Executive Directors Remuneration

AC: Audit Committee Remuneration

RISK: Risk Management Committee

\* Mr. Pilunchai Pradubphong has pass away on April 15, 2020.

\*\* The BOD No. 2/2020 on May 26, 2020 resolved to appoint Benjapol Benjapalakorn, Ph.D. as Board of Director, he has replaced Mr. Sompod Intranukul, effective on June 1, 2020 onward.

#### 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 (5 people) of The Company and its subsidiaries is totally THB 27,748,258 in 2020.

Type of Remuneration	No. of Management	Value (THB)
Salary, allowance, and bonus	6	25,616,495
Provident fund, social security, and others	6	2,131,762
<b>Total</b>	<b>6</b>	<b>27,748,258</b>

#### Paid in non-cash

-None-

## 8.4 Employees

### (1) Number of employees and compensation

The Company and its subsidiaries have all employees. (Excluding management) 2,991 people. In 2020, the Company and its subsidiaries have paid remuneration to employees. (Excluding executives) totaling approximately 704 million baht, including salary, overtime allowance, living allowance, special bonus, Social Security and contributions to provident fund, etc., with the details as follows

Company (Person)	Amount of Employee as of 31 December 2020		Salary, bonus and other allowance (THB)
	Full Time	Part Time	Year 2020
Mudman	49	1	32,803,695
Golden Donut (Thailand)	698	690	199,529,416
ABP Café (Thailand)	372	114	96,492,358
Golden Scoop	32	24	12,730,507
Greyhound Café	642	145	203,457,508
Greyhound	114	4	44,494,399
Greyhound U.K.	25	-	8,278,737
Mudman International Limited	-	-	-
Societe Langonnaise des Vins et Hotelleries SAS	30	9	20,832,120
MM FR SAS	1	1	1,194,024
Maison MM1 SAS	7	2	6,552,821
Maison MM2 SAS	14	-	12,136,914
Maison MM3 SAS	23	-	8,724,118
<b>Total</b>	<b>2,007</b>	<b>990</b>	<b>647,266,617</b>
<b>Total Amount (Exclude Executive Director)</b>	<b>2,997</b>		<b>647,266,617</b>

### (2) Human resource development policy

Human resources are important to create talent and competitive opportunities for the organization. It is necessary to link human resources management in line with the Company's strategic objectives along with the development of corporate culture to build innovation or change and to meet the strategic plan of the organization.

The Company has a policy of human resource management. It aims to develop the capabilities of employees to achieve according to the vision of the Company and support changes and developments in various fields so that employees can have potential with training of employees according to the structure or human resource development plan and manpower planning. The human resource development system can be used throughout the organization.

The Company has a personnel development team to develop a career path plan for employees. The Company has a plan to design a career path for career advancement according to a career level, target job, functional area.

## Corporate Governance

### 1. 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

Mudman Public Company Limited has a policy of treating all shareholders equally in accordance with the guidelines as specified by regulations, laws and related agencies. The shareholders' meeting process should be operated in a fair, open and transparent manner. All shareholders have the right and equality as follows:

1. Right of ownership of controlling the Company through appointing a board of directors to act instead.
2. Right to buy or sell or transfer shares.
3. Right to attend shareholders' meetings and vote, including giving comments and take part in the consideration and make decisions for any significant changes.
4. Right to appoint a proxy to attend the meeting and vote on their behalf.
5. Right to appoint and remove directors.
6. Right to vote for appointment and set the auditor's remuneration.
7. Right to be informed of performance, management policy sufficiently and timely.
8. Right to receive a profit sharing equally.
9. Right to receive information of the connected transaction.

#### Shareholder meeting

1. Determination of the date, time and place for the shareholders' meeting. The Board of Directors will schedule the shareholders' meeting on the date, time and place that shareholders can easily attend the meeting.

2. Notice of meeting

The Company will send the notice calling for the meeting, agenda, opinions of the Board of Directors together with documents and information that are complete and sufficient for the shareholders to be informed on decisions on each agenda in advance of the meeting date. This is in accordance with the rules and regulations of the laws and related agencies as set correctly and completely.

3. Proposing agenda in advance for the shareholders' meeting

In addition to the rights of shareholders under the law on public limited companies, shareholders with shares totaling not less than 5.0% of the total voting rights of the Company can propose additional agenda in advance of the meeting. The agenda and details and the reasons in writing to the Company are sent so that the Board of Directors considers whether to add it to one item for the agenda or not. It can be divided into three cases as follows:

3.1 Proposal of additional agenda in advance in the event of the Annual General Meeting of Shareholders. It should send the agenda and details and reasons in writing to the Company in advance during October to December of each year in which the Company will have notice to shareholders in advance.

3.2 Proposal of additional agenda in advance in the event of the Extraordinary General Meeting of Shareholders. It should send the agenda and details and reasons in writing to the Company within 30 days in advance.

3.3 Proposal of additional agenda. After the Board of Directors' Meeting passed the resolution to hold a shareholders' meeting, it should send the agenda and details and reasons in writing to the Company within 7 days from the date of the Board of Directors' resolutions of the meeting to have a shareholders meeting.

4. Meeting attendance and registration

All shareholders have the right to attend the meeting and vote or authorize others to attend the meeting and vote instead. The Company allows shareholders to register to attend the meeting in advance of the meeting time and has organized the system to facilitate the shareholders to be able to complete the registration quickly.

5. Inquiring, expressing opinions, voting and recording of meeting minutes

All shareholders are given equal opportunities by the Board of Directors to verify business operations. In every shareholder meeting, shareholders can inquire, express opinions and provide suggestions. All matters are considered and voted independently on all matters. In voting, 1 share is equal to 1 vote to be equal to all. The Company has recorded minutes of the meeting together with inquiries, suggestions, resolutions of the meeting and the number of votes for agreeing, disagreeing or abstaining from voting in each agenda in writing. Shareholders and related persons can also check.

6. Attendance at the meetings of the Board of Directors

The Board of Directors give importance to the shareholders meeting. It is considered a duty that the Board of Directors is required to attend the shareholders' meeting every time, presenting all information to the shareholders completely, listening to their opinions and suggestions. The shareholders are given opportunities to ask questions and answer them with correct information.

## **2. Code of Conducts for directors**

Mudman Public Company Limited has set a code of conduct for directors. This is for the Company's directors to comply with ethical standards for the benefit of shareholders and other stakeholders under the following principles:

1. Honesty, fairness and integrity

- In conducting business for the Company, directors shall act with honesty, fairness and integrity.
- Directors will not discriminate against race, religion, sex, marital status or lack of physical performance.
- Directors will not make any promises or commitments that the Company does not wish to undertake or is unable to perform.
- Any actions of the directors will be honest.



- Directors will adhere to the truth and will not cause misunderstandings either directly or indirectly, will not speak, or commit a false act and will not cause misunderstandings by omitting in speech or practice.
2. Conducting personal transactions
    - Personal transactions or other businesses of the directors must be separated from the Company's business operations.
    - Directors will not use the Company name in their personal transactions or other businesses.
    - Directors will use the products and services offered by the Company under the conditions that the Company offers only.
  3. Confidentiality
    - Directors will not intentionally or unintentionally disclose any confidential information of customers, employees and business operations to third parties unless the consent of the Company is obtained.
    - Directors will not use the information they receive from their directorship for personal financial gain and will not use that information for the financial benefit of others.
  4. Disclosure of interests
    - Directors are required to disclose personal business interests or other businesses, including any matter that is a conflict of interest or may lead to a conflict of interest, according to the policy that may assign directors to act each time immediately.
    - Directors are required to disclose any relationship that they have with the Company in accordance with the policy of independence that may be required directors to act each time.
    - In conducting any business with the director's Company must be at arm's length to avoid potential conflicts of interest.
  5. Compliance with laws
    - Directors shall abide by the laws, rules and regulations relevant to the business operation.
  6. Receiving money, gifts, leisure and travel
    - Directors must not use the directorship to find personal benefits from business operators with the Company, including those who are contacting to do business with the Company.
    - In the event that someone offers to directors, directors must not receive personal benefits in the amount that is more than reasonable.

### **3. Code of Conducts for management and staff**

Mudman Public Company Limited has set a code of conduct for management and staff to comply with as follows:

#### **1. Code of conduct for executives**

Executives mean staff with subordinates. In addition, executives must follow the code of conduct in every item as one of the employees of the Company. Executives must also have good practices to foster good management practices and, as the supervisor of the employees, therefore it must be a leader and a role model of good behavior for employees in general. So, guidelines are established for executives as follows:

##### **1.1 Executives treat shareholders**

Executives must perform their duties with honesty, prudence, care, and broad vision. They should not make a profit for themselves and their friends from Company information, which is not yet made public and not disclosed Company's secrets to third parties, including not taking any action that may cause a conflict of interest.

1.2 Executives treat employees

Executives are expected to treat employees fairly, manage without prejudice, support potential in progress and increase the efficiency of work of employees, including promoting employees to have an understanding of the code of conduct that employees must follow. Executives should provide appropriate welfare for employees and treat employees with honesty, listen to opinions and suggestions reasonably.

1.3 Executives treat customers

Executives must treat customers in accordance with the Code of Business Ethics as strictly set.

1.4 Executives treat partners

Executives are required to treat trade partners fairly, not claiming or receiving any benefits unrighteous from partners and if they are unable to comply with any conditions, they will be hurrying to notify the business partners in advance in order to jointly find solutions.

1.5 Executives treat competitors

Executives must treat competitors within the framework of good competition and not looking for information that is the secrets of competitors in a dishonest way.

1.6 Executives treat the society and the environment

Executives must comply with or control to ensure compliance with applicable laws and regulations and social responsibility, including cooperating, help, support and volunteer in activities that benefit the community and society.

## **2. Employee code of conduct**

In order to promote good work and efficiency, employees should have the following guidelines:

2.1 Employees should work with honesty, painstaking, diligence and improve efficiency of doing better work. This is for the benefit of oneself and the Company.

2.2 Employees must abide by the rules and regulations of the Company strictly.

2.3 Employees should respect and obey the supervisor who orders it in accordance with the Company's policies and regulations.

2.4 Employees should have solidarity and generosity with each other. It does not cause a conflict which this will lead to damage to others and the Company.

2.5 Employees should respect the rights and respect each other, avoid to make information or stories of others, both in the story on operations and personal matters to disclose or criticize in a way that will cause damage to employees and to the Company.

2.6 Employees should avoid accepting any gifts that may make them feel uncomfortable in performing their duties in the future. If it is inevitable, notify the supervisor immediately.

2.7 Employees do not use the position, duty or benefit from the job, seeking personal or partisan benefits or competing with the Company.

2.8 Employees should treat customers, business partners with honesty and equality.

2.9 Employees must strictly maintain the confidentiality of customers, business partners and the Company.

2.10 Employees are expected to report such matters to their supervisors without delay when the known matter may affect the operation or reputation of the Company.

2.11 Employees take care of the rights, benefits and assets of the Company to be in good condition, take full advantage, save not to waste, waste, damage or decay prematurely.

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. 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.

## **3. Auditor Fee**

In 2019, the Company appointed Deloitte Touche Tohmatsu Jaiyos Audit Company Limited as the auditor of the Company and its subsidiaries. The auditor fee of the Company and its subsidiaries was THB 6.04 mm without others fee.

In addition, there are no connected persons/entities of the auditors having relationship or interest of transaction with the Company that may create a conflict of interest with the Company, the Company's subsidiaries.

## Corporate Social Responsibility

The Group has the policy of corporate social responsibility and conducts business by taking into account the stakeholders, economic, social and environmental benefits with morality and ethics as well as good governance to instruct the group of companies to operate the business with honesty, transparency, fairness and verifiableness. This helps raise awareness of the impact negatively to the economy, society, natural resources and environment, build confidence among shareholders, investors, employees, customers, stakeholders and all related parties. The Company is committed to being a role model for the society in conducting business in the foundation of the benefits of society and achieve sustainable development objectives.

### Operation

Corporate Social Responsibility Operations can be broken into two parts: operations or social and environmental activities as part of in-process operations and social and environmental activities. Other than after-process operations, the Company has the policy for the operation relating to the responsibility of the society. It can be divided into details as follows:

#### 1. Fair business operation

##### Fair competition

- The Company has created a balance of power, duties and responsibilities, and the competence of the personnel in making decisions on behalf of organizations, according to the authorization handbook, works manual for the purchasing and receiving system and procedures for procurement and employment, etc.
- The Company conducts activities in accordance with the laws and regulations on fair competition and cooperates with the agency that looks at the trade competition. The Company has established the policy on corporate governance in business ethics guidelines and a code of conduct on the relationship between customers, service providers and competitors, etc.
- The Company has a guideline for conducting the Company to promote fair competition and it is used in in-process operations; for example, promoting a fair purchase of raw materials by preparing work manual for the purchasing and receiving system, authorization handbook and procedures for procurement and employment, which must be auctioned by at least three buyers, etc.
- The Company encourages employees to be aware of the importance of action. It is important to comply with fair and trade competition laws. It is specified in the code of conduct and training on fair operation, compliance with work manual for the purchasing and receiving system and procedures for procurement and employment for employees involved before starting work.
- The Company integrates ethical, social, environment and gender equality guidelines as well as health and wellness into policies and procedures in the purchasing, distribution and contracting, work manual for the purchasing and receiving system according to the Corporate Governance (CG) and Code of Conduct.

##### Respect of property rights

- The Company has a guideline for promoting respect for property rights in accordance with the procedures on the use of computer networks in an organization (IT Policy & Procedure) and letter of consent to receive policy conditions on information system security.
- The Company does not participate in activities that violate property rights, including the misuse of possession, counterfeiting and infringement according to the IT Policy & Procedure.
- The Company pays fair remuneration for license.

## 2. Anti-corruption

### Anti-corruption

- The Company has implemented and updated the policy, including anti-corruption, bribery and coercion as stated in code of conduct: gifts and grants to conduct business, employee manual on discipline and disciplinary action.
- The Company does not encourage employees to receive bribes and special incentives in the operation by installing opinion Box (Corruption) to receive complaints.
- When the Company finds that the corruption has occurred, the Company will report the violation of the criminal law to staff with relevant law enforcement authority according to the employee handbook, serious disciplinary action and practice guidelines in case of corruption.

### Responsible political participation

- The Company provides knowledge and training to raise awareness of employees on political participation and responsible political support and how to deal with conflicts of interest, which has been provided in the orientation of new employees in every position.
- The Company is transparent in activities related to political support and political participation and avoids political support trying to control the policymaker to be in the desired direction. It is set out in the code of conduct for political activities and donations and disclosure of the Company's information.

## 3. Respect for human rights

The Company has set up a human rights policy to be used as an important operational guideline and to integrate a human rights policy into a part of the Company's operation. It has been included in various important policies such as Corporate Governance on business ethics, code of conduct on treatment of employees, social responsibility policy, work regulations, working conditions agreements and employee handbook, etc.

### Resource risk

- The Company is not involved in any activities that cause harm to the community, such as activities that bring resources to modify or other activities that may cause significant impacts on natural resources such as water sources, forests or atmosphere.
- The Company does not support or promote activities that affect or involve children as set out in the work regulations in the general employment and the Company does not have the policy to use child labor.

### Avoiding the scene

- The Company requires strict control over the security of areas or assets, such as the practice of security guard, guidelines for searching for people in – out, CCTV installation in front of the factory door at the area beside the production building and parking lot.
- The Company provides adequate and regular training for personnel involved in security measures.
- The Company does not support the products or services of contractors, suppliers with human rights violations and not join as a partner with organizations that have human rights violations. It has been set out in the corporate governance policy and code of conduct.

### Equitable treatment and determination of basic rights to employees

- The Company provides employees with full human rights without discrimination, including education, employment and socio-economic activities as well as the right to make decisions in marriage and family

matters as specified in work regulations regarding maternity leave or request of temporary work transfers during pregnancy. It also posts a job application that "it does not specify nationality, race and religion."

- The Company supports and encourages disabled people to be treated with honor. They have freedom and full participation in society. The Company must respect the principle of non-discrimination and consider reasonable access to facilities.
- The Company considers the high benefits to children and youth, including non-discrimination, the right to life of the child, the right to survival, the right to development of the child as well as freedom of expression, such as accepting students for a summer internship.

#### **4. Fair treatment towards employees**

##### Employment and employment relations

- The Company attaches importance to stable employment both regular employees and temporary employees by planning the use of advance manpower rates to avoid overuse of temporary labor, unless the nature of the work is a periodic work or seasonal work.
- The Company provides equal opportunities for all employees and does not discriminate directly or indirectly in all practices of employment and labor based on race, color, sex, age, nationality or national origin, minority or ethnic background, caste, marital status, sexual orientation, disability, health status, including political relations. It is stated in the Corporate Governance Policy on the rights of employees and stakeholders, and employment condition agreement on types of employees, probation, placement as permanent and vacant positions and employment condition agreements on promotion, prevention, transfer and retirement regulations, such as announcing a job application that "it does not specify nationality, race and religion" and the appointment of female top management.
- The Company has policies and practices in hiring, income, employment conditions, assessment to training and promotion and termination of employment. It depends on the work requirements specified in the Code of Conduct on treatment of employees, work regulations and employment conditions agreements.
- The Company has guidelines for layoff, termination and dismissal, according to the employment conditions agreement or work regulations regarding discipline and disciplinary action or work regulations regarding the termination of employment and guidelines for consideration in offenses and punishments of employees.
- The Company has the policy to protect personal information and the privacy of employees. It is managing the work through Human Resource Management System by assigning individuals and password to access the personal information program.
- In case of dismissal, the employee complained to the provincial labor inspector that the Company has unfair dismissal. The Company representative will visit the labor inspector to clarify facts and present evidence/documents until satisfied.

##### Environment and welfare

- The Company considers employment conditions that respect wages, working hours, weekly holidays, annual holidays, health and safety, maternity protection and the ability to take responsibility for the family. For example, the Company provides welfare better than the law stipulates (holiday on birthdays, traditional holidays, annual holidays, maternity leave, diligence allowance, daily allowance, personal leave), the right to maternity leave, the right to marriage leave, change of responsibility during pregnancy, an annual health check for all positions of employees, etc.

- The Company has policies and practices in hiring, income, employment conditions, assessment of training and promotion and termination of employment. It depends on the work requirements specified in the Code of Conduct on treatment of employees, work regulations and employment conditions agreements.
- The Company pays fair compensation. In the event that the work has the same nature and quality and the same quantity; for example, announcement of minimum wage adjustment, announcement of annual salary increase, etc.
- The Company has set regular holidays that it is necessary to respect important national days, customs, traditions or religious cultures, such as religious leave (ordination or huddle leave).

#### Health, safety and working environment

- The Company has developed, applied and maintained the policy of health, safety and work environment and promoted the psychological well-being of employees that have been clearly identified, application of good health, safety and environmental standards with better performance. The Company has set in the safety, occupational health and working environment policy.
- The Company understands and applies health and safety management principles by hierarchical control as appropriate and jointly analyzes and controls health and safety risks and has a security management system on health and safety risks associated with the Company's activities.

#### Training and development of personnel within the organization

- The Company provides opportunities for employees at all levels that can access to skills development, training and internships, as stated in the annual training plan and a survey of training needs every year.
- The Company grants the right to express opinions and expressions. The Company shall not obscure the views or opinions of others, either inside or outside the organization.

### **5. Responsibilities to customers**

#### Fair and transparent marketing policy

- The Company has disclosed the total net price and tax, terms and conditions for products and services, including necessary accessories for use and shipping.
- The Company has the policy not to use text or pictures relating to gender, religion, race and sexual orientation to pervert messages that communicate to customers.

#### Customer protection

- The Company provides products and services in a condition that is safe for customers and others, property and environment under normal use conditions, according to the quality policy, GMP standard and other standards.
- The Company conducts health risk assessments arising from products and services before new materials are used. The Company has examined the quality of raw materials, chemicals and packaging used in production.

#### Sustainable consumption

- The Company uses eco-labels to communicate a positive view on the environment, energy efficiency and features of products and services that are beneficial to society, such as showing recycle and littering symbols on product labels.



Preventive measures and solutions for complaints

- The Company regularly reviews complaints and improves the guidelines for responding to complaints. The Company complies with the standard of practice regarding the receipt of complaints and a guide for receiving complaints from customers.

Maintenance plan

- The Company continuously maintains and improves the system to help prevent interruptions in production and continued service to customers according to the annual maintenance plan.

**6. Participation in the development of communities or societies**Participation in community development

- The Company operates with relevant government organizations with transparency, not bribing or inducing an improper way as identified in the Corporate Governance Policy and the Code of Conduct on political activities and donations.

Promoting quality of life

- The Company has found ways to reduce or eliminate negative health effects, arising from the production process, products or services of the organization, such as field visit to measure environmental pollution around the factory, control and supervision of the wastewater treatment system to have efficiency and control of production standardization system.

**7. Environmental conservation**Sustainable use of resources

- The Company has implemented measures to use resources efficiently in order to reduce the use of energy, water, electricity and other resources such as turning off lights during lunch break, the use of energy-saving lamps, campaign to use save water, etc.
- The Company uses as many recycled and reused materials as possible.

**8. Innovation and the dissemination of innovation from operations with social responsibility**

The Company has foreseen and gives importance to research and development with studies for product and service development and improvement continuously. The Company has researched and developed new products continuously, focusing on product development with good taste, a wide variety of products in line with the changing behavior and needs of the target consumers of the Company while maintaining the uniqueness of the brand.

Research and development is one of the organizational cultures. It is important to help build potential and competitiveness of the Company as it helps the Company remain cost-competitive advantage, new production process invention, production efficiency and production cost reduction continuously. The Company encourages personnel at all levels to participate and to express opinions on research and development of food and beverage products.

Food and beverage franchise

The nature of the food and beverage business operates under the franchise is a standard control by franchisors. The franchisors grant the franchisees the right to invent, develop and improve the products to meet the needs of consumers in each country (Localization) and allow the franchisees in each country have invented a new menu. The Company has researched and developed food and beverage products under the franchise continuously and ability to invent new products that are popular among consumers on a regular basis. In addition, the Company shares knowledge and concept of new product development to other franchisees in foreign countries until receiving awards "Excellence in Trade Certificate Outstanding Partner" from Dunkin' Donuts, USA, Franchise Owner, "Au Bon Pain the bakery Café Franchise of the Year ABP Thailand 2015" from ABP Corporation, USA, Franchise Owner, "Innovation Excellence 2015" from Baskin Robbins Franchising LLC (USA) from the franchisor.

The research and development of the Company is under the responsibility and cooperation between the kitchen department with knowledge of production, the marketing department, which is an educated segment and surveys the market demand well, and the finance department that serves budget control. Each segment focuses on product development to meet the quality and standards stipulated by the franchisors and has a taste and appearance that meets the needs of consumers. New products in each menu that is during research and development, must be tested and approved by the Company's management team before they can be marketed. It has been invented by the Company's team, including Charcoal Donuts, Donuts Riceberry, Popping Tea, Stews, Cod Fillet menu under the concept of "Eat Fit Eat Fresh", ice cream cake from Baskin Robbins, etc.

## Internal Control and Risk Management

### 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. 1/2021 on February 24, 2021, all audit committees attended the meeting and the board of directors discussed with the management team with reference of the Internal Control Assessment reported 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 3 independent directors. Chaired by Lt .Col. Taweesin Rukkatanyu, the Committee has Asst. Prof. Tippawan Pinvanichkul, Ph.D. 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 2020, 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 2020 financial statements without the presence of the Company's Management. The work of the Audit Committee during 2020 can be summarized as follows:

#### 1) Review of quarterly financial statements and full year 2020 of 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.

**2) 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.

**3) 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.

**4) 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 2019 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.

**5) 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.

**6) 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 EY Office Limited be appointed as the Company's auditor for the year 2020. The appointment will be subjected to the approval from the 2020 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.

## Related Party Transactions

### 1. Related Transactions

For the year ending on 31 December 2019 and 2020, the key related party transactions entered into the Company can be summarized as follows:

Person/Juristic Entity with Possible Conflict of Interests	Relationship	Shareholding <sup>/1</sup>	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 Mr. Supasith Sukhanindr	64.3%	-None-
Mr. Supasith Sukhanindr	Major shareholder with shareholding of 19.6% <sup>/2</sup> 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% <sup>/2</sup> shareholding in SST.	-None-	Consultant to the Management Team

Note: /1 Data on March 16, 2020

/2 Data on May 11, 200

## 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 2019 and 31 December 2020 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
		2019	2020	
SST	Document storage services provided by SST  - Account receivables    - Other creditors	0.60    0.00	0.55    0.00	<u>Necessity and Details of The Transactions</u> <ul style="list-style-type: none"> <li>Document storage service expenses incurred by the company and its subsidiaries</li> <li>Service fees are at fair-market price</li> </ul> <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 <ul style="list-style-type: none"> <li>Offer advice on the operation of the business as a whole and the future trend in the industry</li> <li>Provide recommendations on investment opportunities on land and properties</li> </ul>	0.30	0.30	<u>Necessity and Details of The Transactions</u> <ul style="list-style-type: none"> <li>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. His services are based on new projects.</li> </ul>

Person/Juristic Person who may have conflict of interest and nature of relationship	Type of Transactions	Transaction Size (THB mm)		Characteristic of Transactions
		2019	2020	
	<ul style="list-style-type: none"> <li>Counsel on the related business entities within the industry</li> </ul>			<ul style="list-style-type: none"> <li>Consultation fee is THB 25,000 per month and is at a fair-market price</li> </ul> <p><u>Auditor's Opinion</u></p> <ul style="list-style-type: none"> <li>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).</li> </ul>



**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.

## Board of Directors' Statement of Responsibility for Financial Reports


The Board of Director of Mudman Public Company Limited strongly values the duties and responsibilities in accordance with good corporate governance. The Board of Directors is responsible for the financial statements of the Company and its subsidiaries including financial information presented in the annual report and the annual financial statements for the year ended December 31, 2020, which are prepared according to Financial Reporting Standards. The Board of Directors has selected and consistently followed an appropriate accounting policy. The aforementioned financial statements are prepared using careful judgment and the best estimation. In addition, important information is adequately disclosed in the Notes to the Financial Statements. The financial statements have been examined by an independent external auditor. Therefore, the financial statements are transparently and can be used for the benefit of shareholders and investors.

The Board of Directors has appointed the Audit Committee, which comprises of independent directors, to review the quality of the financial reports and to evaluate the internal control system, risk management system, and various systems to support effective financial documentation to ensure that accounting records are correct, complete, timely. The Audit Committee's opinion is presented in the Audit Committee's Report which is a part of this annual report.

The Board of Directors believes that the Company's overall internal control system is able to create credibility and reliability for the financial statements of Mudman Public Company Limited and subsidiaries for the period ended December 31, 2020



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



Mr. Supasith Sukhanindr  
Chief Executive Office

## 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 Asst. Prof. Tippawan Pinvanichkul, Ph.D. and Mr. Pisit Jeungpraditphan as 3 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 2020, 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 2020 financial statements without the presence of the Company's Management. The work of the Audit Committee during 2020 can be summarized as follows:

### 1. 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.

### 2. 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.

### 3. 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.

**4. 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 2019 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.

**5. 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.

**6. 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 EY Office Limited be appointed as the Company's auditor for the year 2020. The appointment will be subjected to the approval from the 2020 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

## Explanation and Analysis of Financial and Operational Performance

### Income Statement

#### **Total revenue**

The Company and its Subsidiaries having total sales and service income in 2018 and 2019 was equal to 3,082 Million Baht and 2,913 Million Baht, respectively, or equivalent to the growth rate (5.5 percent). The important factors were the economic slowdown and retail business. This directly has affected consumer spending in both the food and beverage business and the lifestyle business.

In 2019 and 2020, the Company and its subsidiaries had total sales and service income of 2,913 Million Baht and 2,166 Million Baht, respectively, or accounted for the growth rate (25.7 percent). The important factors were recession, lower consumer spending as well as more intense competition, including from the situation of the coronavirus outbreak (COVID-19). Therefore, from March 22, 2020, food and beverage businesses in Thailand were unable to sell products and provide services to customers who wanted to dine inside the restaurant, but could let customers buy products and take home or provide home delivery services. In addition, finished garment business could only be sold online. According to lockdown measures to control the spread of COVID-19, the government relaxed the lockdown measures, causing the group to resume. The Company has been able to operate a business in Thailand as usual since 17<sup>th</sup> May 2020. For restaurant businesses abroad, they has been temporarily closed since March 2020 and opened for service in June 2020. Therefore, it affected the income of the food and beverage business in 2020. In addition, the Company closed 39 branches, which the most branches were not made profit to the Company.

#### Total Revenue Classified by Types of Business

	Year 2018	Year 2019	Rate of Change	Year 2019	Year 2020	Rate of Change
Food and Beverages	2,932	2,766	(5.6%)	2,766	2,017	(27.0%)
Life Style	150	147	(1.9%)	147	149	1.3%
<b>Total Revenue</b>	<b>3,082</b>	<b>2,913</b>	<b>(5.5%)</b>	<b>2,913</b>	<b>2,166</b>	<b>(25.6%)</b>

#### **Cost of sales and services**

The Company having cost of sales and services in 2018 and 2019 was equal to 1,258 Million Baht and 1,199 Million Baht, respectively, and accounted for 38.9 percent and 39.2 percent of total revenue in 2018 and 2019, respectively.

The Company having cost of sales and services in 2019 and 2020 was equal to 1,199 Million Baht and 872 Million Baht, respectively, and accounted for 39.2 percent and 37.7 percent of total revenue in 2019 and 2020, respectively, due to the cooperation of the purchasing department, the logistics department, the marketing department, as well as the store staff through the effective procurement and inventory management, and negotiation on pricing with many major raw material suppliers.

As for the gross profit margin, the Company was able to maintain a similar ratio of approximately 56.4 percent, 56.0 percent and 55.8 percent in 2018, 2019 and 2020, respectively.

### **Selling and administrative expenses**

In 2018 and 2019, the Company had selling and administrative expenses of 1,947 Million Baht and 1,848 Million Baht, respectively, or accounted for 60.2 percent and 60.4 percent of the proportion of selling and administrative expenses to total revenue respectively. The aforementioned proportion increased slightly.

In 2019 and 2020, the Company had selling and administrative expenses of 1,848 Million Baht and 1,792 Million Baht, respectively, or accounted for 60.4% and 77.4% of selling and administrative expenses to total revenue, respectively. Due to the COVID-19 pandemic and lockdown measures, it affected the food and beverage businesses, including the group of companies that were unable to sell products and provide services to customers who wanted to dine inside the restaurant, resulting in lower income. While some selling and administrative expenses were still fixed cost, it did not vary with income, including the expenses incurred from disposal of assets of the closed branches and in 4<sup>th</sup> Quarter 2020, there was an impairment loss of assets amounting to 200 Million Baht, thus resulting in the proportion of selling and administrative expenses to total revenue of the Company higher compared to total revenue.

#### *Selling and administrative expenses Classified by type*

	2018	2019	Rate of Change	2019	2020	Rate of Change
Amortization of intangible assets that derived from a business combination <sup>(1)</sup>	48	44	(8.3%)	44	40	(9.0%)
Other selling expenses <sup>(2)</sup>	1,542	1,460	(5.3%)	1,460	1,207	(17.3%)
Administrative expenses <sup>(3)</sup>	357	344	(3.6%)	344	345	0.3%
Loss on impairment of assets <sup>(4)</sup>			0.0%		200	100.0%
Total selling and administrative expenses	1,947	1,848	(5.1%)	1,848	1,792	(3.0%)

#### **Note:**

- (1) Non-cash item expenses arising from a business combination were divided into
  - (1.1) Amortization of Dunkin' Donut, Au Bon Pain, Greyhound Café franchises was 7 Million Baht, 7 Million Baht and 16 Million Baht in 2020.
  - (1.2) Amortization of fixed assets, PPE (Property, Plant and Equipment) of Dunkin' Donut, Au Bon Pain, Greyhound Café was 2 Million Baht, 4 Million Baht and 1 Million Baht in 2020.
  - (1.3) Amortization of leasehold right of Societe Langonnaise des Vins ET Hotelleries SAS ("SLVH") was 3 Million Baht in 2020.
- (2) The Company had expenses related to employees, rental and service fees decreased from the 4<sup>th</sup> quarter of 2019 due to cost control that concerned.
- (3) Administrative expenses consisted of remuneration for management and staff in the office, administrative expenses and other related expenses. Such expenses were decreased due to the policy of controlling expenses in services.
- (4) The Company had impairment losses related to goodwill, Societe Langonnaise des Vins ET Hotelleries SAS ("SLVH") in the 4<sup>th</sup> quarter of March 4, 2020.

**Financial cost**

In 2018 and 2019, the Company had financial expenses amounting to 34 Million Baht and 38 Million Baht, respectively. The Company had slightly increased financial expenses.

In 2019 and 2020, the Company had financial expenses amounting to 38 Million Baht and 84 Million Baht, respectively. The Company had increased financial expenses because the Company had borrowed more money to invest in restaurants in French.

**Net Profit/Loss**

In 2018 and 2019, the Company had net profit (loss) of (12) Million Baht and (26) Million Baht, respectively, or the net profit (loss) rate of the Company at (0.4) percent and (0.8) percent of total revenue, respectively.

In 2019 and 2020, the Company had net profit (loss) of (26) Million Baht and (420) Million Baht, respectively, or the Company's net profit (loss) rate at (0.8) percent and (18.1) percent, respectively.

Most of the key reasons for business failure related to the non-cash item expenses from the business combination, which must have a lot of amortization and depreciation. In addition, in the fourth quarter of 2020, there was a loss of impairment of total assets of 200 Million Baht, which, if you added back the transaction, the EBITDA of the Company in that period would have a positive net position.

**Earning Before Interest, Taxes, Depreciation and Amortization (EBITDA)**

In 2018 and 2019, the Company's EBITDA was 253 Million Baht and 220 Million Baht, respectively, and accounted for 7.8% and 7.2% percent of total revenue, respectively.

In 2019 and 2020, the Company's EBITDA was 220 Million Baht and 364 Million Baht, respectively. The proportion was 7.2% and 15.7% of total revenue, respectively. In 2020, the Company had depreciation and amortization expenses in the amount of 501.0 Million Baht, which increased considerably compared to the previous year, which was 207.0 Million Baht, mainly due to the Financial Reporting Standard No. 16 regarding lease agreements used for the first time at the beginning of 2020.

**Statement of Financial Position****Total Assets**

As of December 31, 2018, December 31, 2019 and December 31, 2020, the Company's total assets were 4,301 Million Baht, 4,210 Million Baht and 4,792 Million Baht, respectively.

Total assets	December 31, 2018		December 31, 2019		December 31, 2020	
	MB	%	MB	%	MB	%
Current assets	499	11.6	472	11.2	478	10.0
Non-current assets	3,802	88.4	3,738	88.8	4,314	90.0
Total assets	4,301	100.0	4,210	100.0	4,792	100.0

## 1. Current assets

The Company had total current assets of 499 Million Baht, 472 Million Baht and 478 Million Baht as of 31 December 2018, December 31, 2019 and December 31, 2020 or accounted for 11.6 percent, 11.2 percent and 10.0 percent of



total assets, respectively. Most of the total assets were cash and cash equivalents of 210 Million Baht, 148 Million Baht and 164 Million Baht as of 31 December 2018, 31 December 2019 and 31 December 2020, respectively.

In addition, the Company had account receivable of 93 Million Baht, 136 Million Baht and 130 Million Baht and had inventories of 181 Million Baht, 172 Million Baht and 150 Million Baht as of December 31, 2018, December 31, 2019 and on December 31, 2020, respectively. Most of the inventories consisted of finished goods which were the lifestyle clothing business.

## 2. Non-current assets

As of December 31, 2018, December 31, 2019 and December 31, 2020, the Company had non-current assets of 3,802 Million Baht, 3,734 Million Baht and 4,313 Million Baht, respectively, accounting for 88.4 percent, 88.8 percent and 90.0 percent of total assets, respectively. Most of them consisted of the following items:

- Building improvement and equipment as of December 31, 2018, December 31, 2019 and December 31, 2020 were 598 Million Baht, 546 Million Baht and 483 Million Baht, accounting for 13.9 percent, 13.0 percent and 10.0 percent of total assets, respectively.
- Goodwill from business mergers as of December 31, 2018, December 31, 2019 and December 31, 2020, there were 2,140 Million Baht, 2,140 Million Baht, and 1,940 Million Baht, accounting for 49.8 percent, 50.8 percent, and 40.4 percent of total assets, respectively. It was the goodwill from business mergers amounting to 2,140 Million Baht, including the goodwill of the donut shop business amounting to 484 Million Baht, the goodwill of bakery business amounting to 298 Million Baht and the goodwill of the restaurant business amounting to 1,358 Million Baht from the business combination of the Greyhound Group since 2014 and Le Grand Véfou in Q4 2017 and the goodwill from business mergers amounting to 1,940 Million Baht, comprising the goodwill of donut shop business amounting to 484 Million Baht, the goodwill of bakery shops amounting to 298 Million Baht and the goodwill of the restaurant business amounting to 1,158 Million Baht.
- Intangible assets as of December 31, 2018, December 31, 2019 and December 31, 2020 were 919 Million Baht, 897 Million Baht, and 733 Million Baht, respectively, or accounted for 21.4 percent, 21.3 percent and 15.3 percent of total assets, respectively. In 2020, the Company had adjusted the accounting policy for leasehold rights. As a result, as of December 31, 2020, the Company had assets of 1,014 Million Baht or accounted for 21.1 percent of total assets, respectively, in accordance with the Financial Reporting Standard No. 16 regarding lease agreements.

### Total Liabilities

Total liabilities	December 31, 2018		December 31, 2019		December 31, 2020	
	MB	%	MB	MB	%	MB
Current liabilities	563	37.2	558	36.9	1,237	48.4
Non-current liabilities	950	62.8	956	63.1	1,319	51.6
Total liabilities	1,513	100.0	1,514	100.0	2,556	100.0

## 1. Current Liabilities

As of December 31, 2018, December 31, 2019 and December 31, 2020, the Company's current liabilities were 563 Million Baht, 558 Million Baht and 1,237 Million Baht, respectively, accounting for 37.2 percent, 36.9 percent and 48.4 percent of total liabilities. In the second quarter of 2020, the Company had adjusted the accounting policy for leasehold rights, allowing the Company to recognize the lease liability within one year term amounting to 239 Million Baht, accounting for 19.3 percent of total liabilities in accordance with the Financial Reporting Standard No. 16 on lease agreements, including long-term bond was due within one year, amounting to 333 Million Baht as of December 31, 2020.

## 2. Non-current liabilities

As of December 31, 2018, December 31, 2019 and December 31, 2020, the Company's non-current liabilities were 950 Million Baht, 956 Million Baht and 1,319 Million Baht, or accounted for 62.8 percent, 63.1 percent and 51.6 of total liabilities, respectively. Most of non-current liabilities comprised of

- Long-term loans from financial institutions in which the Company had long-term loans from financial institutions as net from the amount falling due within one year as of December 31, 2018, December 31, 2019 and December 31, 2020 amounting to 142 Million Baht, 136 Million Baht and 293 Million Baht, respectively, or accounting for 9.4 percent, 9.0 percent and 11.4 of total liabilities, respectively.
- Long-term debentures as of December 31, 2018, December 31, 2019 and December 31, 2020 totaled 497 Million Baht, 498 Million Baht and 215 Million Baht, respectively, due in July, 2021.
- In addition, during the year 2020, the Company had adjusted the accounting policy regarding leasehold rights, resulting in the Company having liabilities in accordance with lease agreements - net from the amount falling due within one year as of December 31, 2020 in the amount of 549 Million Baht according to the Financial Reporting Standard No. 16 on lease agreements.

## Shareholders' Equity

As of December 31, 2018, December 31, 2019 and December 31, 2020, the Company had 2,788 Million Baht, 2,696 Million Baht, and 2,236 Million Baht, respectively.

## Cash flow

In 2018, 2019 and 2020, the Company had net increase (decrease) in cash and cash equivalents, with details as follows:

	2018 (MB)	2019 (MB)	2020 (MB)
Net cash from operating activities	226	168	338
Net cash used in investing activities	(208)	(155)	(242)
Net cash used in financing activities	(12)	(76)	(74)
Difference from translation of financial statements	8	2	(5)
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>14</b>	<b>(61)</b>	<b>17</b>
Cash and cash equivalents at the beginning of the year	195	209	148
Cash and cash equivalents at the end of the year	209	148	16

**Cash flows from operating activities**

The Company had net cash from operating activities of 226 Million Baht, 168 Billion Baht and 338 Million Baht in 2018, 2019 and 2020, respectively.

**Cash flows from investing activities**

The Company had net cash used for investing activities in the amount of (208) Million Baht, (155) Million Baht, and (242) Million Baht in 2018, 2019 and 2020 respectively. The most important reason was investments in building improvements and equipment, and leasehold rights.

**Cash flows from financial activities**

The Company had net cash (used) from financing activities in the amount of (12) Million Baht, (76) Million Baht, and (74) Million Baht in 2018, 2019 and 2020, respectively.

In 2018, 2019 and 2020, most of them were to repay short-term and long-term loans from financial institutions, including dividend payment.

**Financial ratios**

		Combined financial statement		
		2018	2019	2020
Liquidity ratio	times	0.9	0.8	0.4
Average collection period	days	11.6	14.3	22.4
Average product sales period	days	55.5	53.8	67.4
Payment period	days	117.4	116.9	154.3
Cash cycle	days	(50.3)	(48.8)	(64.5)
Debt to equity ratio	times	0.5	0.6	1.1
Interest bearing debt to equity ratio	times	0.3	0.3	0.8

The Company's liquidity ratios in 2018, 2019 and 2020 were 0.9 times, 0.8 times and 0.4 times, respectively. The Company had high current liabilities from short-term loans from financial institutions amounting to 70 Million Baht, 77 Million Baht and 175 Million Baht in 2018, 2019 and 2020, respectively. Long-term loans from financial institutions due within one year amounted to 49 Million Baht, 59 Million Baht and 89 Million Baht in 2018, 2019 and 2020, respectively.

However, the Company earned most of its revenues in the form of cash. The average debt collection period was 11.6 days, 14.3 days and 22.4 days in 2018, 2019 and 2020, respectively. Such average debt collection period reflected the nature of operation of the Greyhound Group and SLVH (invested in 2017), namely the Greyhound Group that had some stores that the department store would collect revenue before transferring back to the Company later in accordance with the lease agreement and had a lifestyle business sold partially non-cash. SLVH also had a partial group of customers as the Company with a post-service billing process.

The Company's average sales period was 55.5 days, 53.8 days and 67.4 days in 2018, 2019 and 2020, respectively because the inventories consisted of finished products and raw materials from the lifestyle business mainly.

The Company could maintain the debt repayment period in the range of approximately 115 - 160 days in 2018, 2019 and 2020. If considering the cash cycle of the Company in 2018, 2019 and 2020, it would find that the Company had

a cycle of cash at a reasonable level. There was a negative cash cycle at (50.3) days, (48.8) days and (64.5) days, respectively. The Company received sales income in cash from customers immediately, including inventories that were food raw materials that must have a relatively fast turnover rate, although there would be clothing inventories. For this reason, the amount of debtors and inventories of the Company was at a low level. While the Company received credit from accounts payable for purchasing raw materials and products used in production. The average duration was 115 - 160 days.

As of December 31, 2018, December 31, 2019 and December 31, 2020, the Company had a debt to equity ratio of 0.5 times, 0.6 times and 1.1 times, respectively. The ratio of interest -bearing debt to equity was 0.3 times, 0.3 times and 0.8 times, respectively. By 2020, the ratio increased due to the recognition of liabilities, according to lease agreements, it shall be in accordance with the Financial Reporting Standard No. 16 on lease agreements, which were introduced at the beginning of 2019.

## Independent Auditor's Report

### TO THE SHAREHOLDERS AND BOARD OF DIRECTORS

#### 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 2020, and the related consolidated statements of income, 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 2020, 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 Company 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 Matters

1. I draw attention to Note 1.2 to the consolidated financial statements regarding COVID-19 Pandemic. Since 22 March 2020, this situation affects the restaurant business in Thailand in terms of not being able to sell products and provide services to the customers who would like to dine in the restaurants. Foods and beverages could only be ordered and picked up from the branches or delivered to customers. Garment business could only be sold through online channel. as it had to comply with the lockdown measures that aimed prevent the spread of the disease. Subsequently, the government has eased the lockdown measures and the Group has returned to normal operation since 17 May 2020. For restaurants in overseas countries, they had to be temporarily closed since March 2020 and stores began to open for service in June 2020. However, the COVID-19 Pandemic has affected all sectors; therefore, the number of customers who come to use services has not returned to normal levels. This is significantly impacting the Group's financial position, financial performance, and cash flows at present, and is expected to do so in the future. However, the impact cannot be reasonably estimated at this stage. The Group's management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and will record the impact when it is possible to do so.

2. I draw attention to Note 3 to the consolidated financial statements. In the fourth quarter of 2020, the Company has assessed the financial impacts of the uncertainties of the COVID-19 Pandemic on the valuation of assets, provision and contingent liabilities. As a result, in preparing the consolidated and separate financial statements for the year ended 31 December 2020, the Company has decided to discontinue application of the relief measures relating to measurement of impairment of assets, goodwill and intangible assets with indefinite useful lives and recognised impairment losses of goodwill in profit or loss in the consolidated financial statements of Baht 200 million and impairment losses on investments in subsidiaries in profit or loss the separate financial statements of Baht 85 million for the year ended 31 December 2020.

However, the Company has elected to continue to apply the temporary relief measures on accounting alternatives relating to reduction in lease payment as lease. The Group is evaluating the impact on the consolidated and separate financial statements and will consider recording such impact after the relief measures expire.

My opinion is not modified in respect of the above matters.

### **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.

#### *Revenue recognition*

Revenues from sales and services are the Group's main transactions that have significant volume of transactions and amounts, and directly affect profit or loss of the Group. The Group has numerous sales and services made by cash and credit cards through a large number of branches nationwide. In addition, because of the intensified competition of the food and beverage industry including the impact of the situation of the COVID-19 Pandemic, the Group has to continually adapt its marketing strategies and promotional activities in order to boost sales. I have therefore focused on the revenue recognition of the Group.

I examined the Group's revenue recognition by assessing and testing the Group's information technology general controls and internal controls with respect to the revenue cycle by making enquires of responsible executives, gaining an understanding of controls and selecting representative samples to test the operation of the designed controls. In addition, I applied a sampling method to select sales and service transactions occurring during the year and near the end of the accounting period to examine the supporting documents. I also performed analytical procedures on disaggregated data to

detect possible irregularities in sales and service transactions throughout the period, particularly for accounting entries made through journal vouchers.

*Impairment on investments in subsidiaries, goodwill and trademark*

I have focused my audit on the consideration of impairment on investments in subsidiaries, goodwill and trademark arising from business combination, as discussed in Note 10 and 12. This is due to the risk in respect of the possible impairment due to inability to achieve the expected profits of certain entities in the Group, which might affect the recoverable amounts of the investments in subsidiaries. In addition, the Group has goodwill and trademark amounting to Baht 2,139.9 million and Baht 377.7 million, respectively. The Group has a risk of impairment of goodwill and trademark as future cash flows of the underlying business may not reach expectations, because the assessment of impairment of investments in subsidiaries, goodwill and trademark 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 investments in subsidiaries, goodwill and trademark.

In performing the impairment of investments in subsidiaries, the recoverable amounts are estimated by using the projected cash flows, approved by the management and assumptions used by the management. I assessed the process for identifying impairment indicator and gained understanding of impairment assessment. I assessed the appropriateness of the input data used in preparing cash flow projection. I also assess the appropriateness key assumption against external and internal data of the Group. I also evaluated the discount rate applied by management through analysis of the weighted average finance costs of the Company and of the industry. I considered the adequacy in disclosures of in accordance with Thai Financial Reporting Standard.

In performing the impairment review of goodwill and trademark, 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 and assessing 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 moving average finance costs of the Company and of the industry and involving internal expert to assist in the assessment of this information by comparing it to external sources based on an expert's knowledge and past experience, tested the calculation of the 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 and long-term revenue growth rates. Moreover, I reviewed the disclosures made with respect to the impairment assessment for goodwill and trademark with indefinite useful lives, as well as sensitivity of the impact of changes in key assumptions to the cash flow projections.

**Other Matter**

The consolidated statement of financial position of Mudman Public Company Limited and its subsidiaries, and the separate statement of financial position of Mudman Public Company Limited as at 31 December 2019, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, presented herein as comparative information, were audited by another auditor



who expressed an unmodified opinion on those statements and draw attention to uncertainty, under her report dated 26 February 2020.

**Other Information**

Management is responsible for the other information. The other information comprises 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.

Kamontip Lertwitworatep

Certified Public Accountant (Thailand) No. 4377

EY Office Limited

Bangkok: 24 February 2021

## Statement of Financial Position

## Mudman Public Company Limited and its subsidiaries

## Statements of financial position

As at 31 December 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	164,678,466	147,977,293	23,287,188	10,056,276
Trade and other receivables	6, 8	130,413,375	135,928,125	103,135,161	55,185,405
Short-term loans to related parties	6	-	-	776,275,384	825,364,393
Inventories	9	150,211,922	171,954,168	43,725	705,135
Other current assets		33,507,253	16,756,650	436,392	332,513
<b>Total current assets</b>		<b>478,811,016</b>	<b>472,616,236</b>	<b>903,177,850</b>	<b>891,643,722</b>
<b>Non-current assets</b>					
Restricted bank deposits	30.4.2	1,277,408	1,265,311	-	-
Investments in subsidiaries	10	-	-	2,977,073,089	3,062,048,614
Building improvement and equipment	11	483,402,901	545,519,041	12,171,367	13,700,266
Right-of-use assets	16	1,014,095,697	-	32,085,458	-
Goodwill	12	1,939,883,533	2,139,883,533	-	-
Intangible assets	13	733,934,756	897,362,471	4,921	30,172
Other non-current assets		141,012,312	153,640,033	21,399,684	21,550,516
<b>Total non-current assets</b>		<b>4,313,606,607</b>	<b>3,737,670,389</b>	<b>3,042,734,519</b>	<b>3,097,329,568</b>
<b>Total assets</b>		<b>4,792,417,623</b>	<b>4,210,286,625</b>	<b>3,945,912,369</b>	<b>3,988,973,290</b>

## Mudman Public Company Limited and its subsidiaries

## Statements of financial position (continued)

As at 31 December 2020

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short-term loans from financial institutions	14	175,395,438	77,109,300	69,300,000	54,109,300
Trade and other payables	6, 15	366,289,782	370,732,427	25,433,825	15,797,945
Short-term loans from related parties	6	-	-	206,000,000	146,700,000
Current portion of liabilities under					
finance lease agreements	19	-	16,544,141	-	1,919,678
Current portion of lease liabilities	16	238,727,645	-	4,958,303	-
Current portion of long-term loans					
from financial institutions	17	89,241,238	59,467,707	63,187,186	46,000,000
Current portion of debentures	18	332,505,529	-	332,505,529	-
Income tax payable		1,554,913	7,562,495	-	-
Other current liabilities		33,642,717	27,055,060	3,828,810	2,198,785
<b>Total current liabilities</b>		<b>1,237,357,262</b>	<b>558,471,130</b>	<b>705,213,653</b>	<b>266,725,708</b>
<b>Non-current liabilities</b>					
Liabilities under finance lease agreements -					
net of current portion	19	-	14,809,074	-	1,537,887
Lease liabilities - net of current portion	16	548,514,430	-	28,279,151	-
Long-term loans from financial institutions -					
net of current portion	17	292,781,781	136,247,181	155,345,163	92,000,000
Long-term debentures - net of current portion	18	214,912,182	498,302,195	214,912,182	498,302,195
Deferred tax liabilities	25	168,565,631	181,492,174	-	-
Provision for long-term employee benefits	20	23,185,974	43,152,324	3,353,938	16,573,140
Other non-current provisions		46,344,310	49,755,540	200,000	200,000
Other non-current liabilities		24,906,355	32,186,459	3,431,771	3,001,099
<b>Total non-current liabilities</b>		<b>1,319,210,663</b>	<b>955,944,947</b>	<b>405,522,205</b>	<b>611,614,321</b>
<b>Total liabilities</b>		<b>2,556,567,925</b>	<b>1,514,416,077</b>	<b>1,110,735,858</b>	<b>878,340,029</b>

## Statement of Comprehensive Income

### Mudman Public Company Limited and its subsidiaries

#### Statements of comprehensive income

For the year ended 31 December 2020

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
<b>Profit or loss</b>					
<b>Revenues</b>					
Sales and service income	27	2,165,829,663	2,913,268,348	7,537,997	13,422,867
Management service income		-	-	109,257,483	82,674,786
Dividend income	10	-	-	69,199,946	37,025,587
Other income		149,710,871	146,506,169	36,803,538	28,333,933
<b>Total revenues</b>		<b>2,315,540,534</b>	<b>3,059,774,517</b>	<b>222,798,964</b>	<b>161,457,173</b>
<b>Expenses</b>	24				
Cost of sales and services		871,927,145	1,199,022,986	74,347,908	84,152,488
Selling and distribution expenses		1,247,134,153	1,503,997,105	5,626,204	7,943,305
Administrative expenses		344,679,410	343,653,392	30,223,073	17,684,334
Allowance for expected credit losses		-	-	204,024,475	-
Impairment loss on assets	10, 12	200,000,000	-	84,975,525	-
<b>Total expenses</b>		<b>2,663,740,708</b>	<b>3,046,673,483</b>	<b>399,197,185</b>	<b>109,780,127</b>
<b>Profit (loss) from operating activities</b>		<b>(348,200,174)</b>	<b>13,101,034</b>	<b>(176,398,221)</b>	<b>51,677,046</b>
Finance cost	23	(84,350,986)	(37,797,697)	(50,084,061)	(39,430,127)
<b>Profit (loss) before income tax</b>		<b>(432,551,160)</b>	<b>(24,696,663)</b>	<b>(226,482,282)</b>	<b>12,246,919</b>
Income tax	25	12,775,243	(813,557)	-	-
<b>Profit (loss) for the year</b>		<b>(419,775,917)</b>	<b>(25,510,220)</b>	<b>(226,482,282)</b>	<b>12,246,919</b>
<b>Other comprehensive income</b>					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent years</i>					
Exchange differences on translation of financial statements in foreign currencies		1,496,855	(3,807,111)	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>					
Actuarial gain (loss)	20	23,702,650	(6,108,121)	14,659,776	(1,354,913)
Less: Income tax effect	25	(1,810,194)	953,474	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods: - net of income tax</i>					
		21,892,456	(5,154,647)	14,659,776	(1,354,913)
<b>Other comprehensive income for the year</b>		<b>23,389,311</b>	<b>(8,961,758)</b>	<b>14,659,776</b>	<b>(1,354,913)</b>
<b>Total comprehensive income for the year</b>		<b>(396,386,606)</b>	<b>(34,471,978)</b>	<b>(211,822,506)</b>	<b>10,892,006</b>

## Mudman Public Company Limited and its subsidiaries

## Statements of comprehensive income (continued)

For the year ended 31 December 2020

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
Profit or loss attributable to:					
Equity holders of the Company		(395,093,201)	(18,936,905)	(226,482,282)	12,246,919
Non-controlling interests of the subsidiaries		(24,682,716)	(6,573,315)		
		<u>(419,775,917)</u>	<u>(25,510,220)</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		(371,777,645)	(28,034,185)	(211,822,506)	10,892,006
Non-controlling interests of the subsidiaries		(24,608,961)	(6,437,793)		
		<u>(396,386,606)</u>	<u>(34,471,978)</u>		
Earnings (loss) per share (Baht)	26				
Basic earnings (loss) per share					
Profit (loss) attributable to equity holders of the Company		(0.375)	(0.018)	(0.215)	0.012



## Statement of Changes in Shareholders' Equity

Mudman Public Company Limited and its subsidiaries  
Statements of changes in shareholders' equity  
For the year ended 31 December 2020

(Unit: Baht)

Consolidated financial statements

Equity attributable to owners of the Company

	Equity breakdown as at 31 December 2020											
								Other component of equity				
								Other comprehensive				
								income				
								Exchange differences on translation of financial statements in foreign currencies				
Issued and paid-up share capital	Share premium	Surplus on business combination under common control	Treasury stocks	Retained earnings								
				Appropriated - statutory reserve	Reserve for treasury stocks	Unappropriated (deficit)						
Balance as at 1 January 2019	1,054,903,750	1,953,348,039	212,355,818	-	18,581,860	-	(453,695,177)	2,555,137	2,555,137	2,788,049,427	-	2,788,049,427
Loss for the year	-	-	-	-	-	-	(18,936,905)	-	-	(18,936,905)	(6,573,315)	(25,510,220)
Other comprehensive income for the year	-	-	-	-	-	-	(5,154,647)	(3,942,633)	(3,942,633)	(9,097,280)	135,522	(8,961,758)
Total comprehensive income for the year	-	-	-	-	-	-	(24,091,552)	(3,942,633)	(3,942,633)	(28,034,185)	(6,437,793)	(34,471,978)
Transferred unappropriated retained earnings to legal reserve	-	-	-	-	612,346	-	(612,346)	-	-	-	-	-
Treasury stocks (Note 21)	-	-	-	(1,397,494)	-	1,397,494	(1,397,494)	-	-	(1,397,494)	-	(1,397,494)
Dividend paid (Note 28)	-	-	-	-	-	-	(58,019,708)	-	-	(58,019,708)	-	(58,019,708)
Total Non-current Assets	-	-	-	-	-	-	-	-	-	-	1,426,643	1,426,643
Issuance of ordinary shares of subsidiary	-	-	-	-	-	-	-	-	-	-	283,658	283,658
Balance as at 31 December 2019	1,054,903,750	1,953,348,039	212,355,818	(1,397,494)	19,194,206	1,397,494	(537,816,277)	(1,387,496)	(1,387,496)	2,700,598,040	(4,727,492)	2,695,870,548
Balance as at 1 January 2020	1,054,903,750	1,953,348,039	212,355,818	(1,397,494)	19,194,206	1,397,494	(537,816,277)	(1,387,496)	(1,387,496)	2,700,598,040	(4,727,492)	2,695,870,548
Loss for the year	-	-	-	-	-	-	(395,093,201)	-	-	(395,093,201)	(24,682,716)	(419,775,917)
Other comprehensive income for the year	-	-	-	-	-	-	21,892,456	1,423,075	1,423,075	23,315,531	73,780	23,389,311
Total comprehensive income for the year	-	-	-	-	-	-	(373,200,745)	1,423,075	1,423,075	(371,777,670)	(24,608,936)	(396,386,606)
Treasury stocks (Note 21)	-	-	-	(2,543,641)	-	2,543,641	(2,543,641)	-	-	(2,543,641)	-	(2,543,641)
Dividend paid (Note 28)	-	-	-	-	-	-	(61,090,603)	-	-	(61,090,603)	-	(61,090,603)
Balance as at 31 December 2020	1,054,903,750	1,953,348,039	212,355,818	(3,941,135)	19,194,206	3,941,135	(974,651,266)	35,579	26,750	2,265,186,126	(29,336,428)	2,235,849,698

**Mudman Public Company Limited and its subsidiaries**  
**Statements of changes in shareholders' equity (continued)**  
**For the year ended 31 December 2020**

(Unit: Baht)

Separate financial statements

	Issued and paid-up share capital	Share premium	Treasury stocks	Retained earnings			Total
				Appropriated - statutory reserve	Reserve for treasury stocks	Unappropriated	
Balance as at 1 January 2019	1,054,903,750	1,953,348,039	-	18,581,860	-	132,324,808	3,159,158,457
Profit for the year	-	-	-	-	-	12,246,919	12,246,919
Other comprehensive income for the year	-	-	-	-	-	(1,354,913)	(1,354,913)
Total comprehensive income for the year	-	-	-	-	-	10,892,006	10,892,006
	-	-	-	612,346	-	(612,346)	-
Treasury stocks (Note 21)	-	-	(1,397,494)	-	1,397,494	(1,397,494)	(1,397,494)
Dividend paid (Note 28)	-	-	-	-	-	(58,019,708)	(58,019,708)
Balance as at 31 December 2019	1,054,903,750	1,953,348,039	(1,397,494)	19,194,206	1,397,494	83,187,266	3,110,633,261
Balance as at 1 January 2020	1,054,903,750	1,953,348,039	(1,397,494)	19,194,206	1,397,494	83,187,266	3,110,633,261
Loss for the year	-	-	-	-	-	(226,482,282)	(226,482,282)
Other comprehensive income for the year	-	-	-	-	-	14,659,776	14,659,776
Total comprehensive income for the year	-	-	-	-	-	(211,822,506)	(211,822,506)
Treasury stocks (Note 21)	-	-	(2,543,641)	-	2,543,641	(2,543,641)	(2,543,641)
Dividend paid (Note 28)	-	-	-	-	-	(61,090,603)	(61,090,603)
Balance as at 31 December 2020	1,054,903,750	1,953,348,039	(3,941,135)	19,194,206	3,941,135	(192,269,484)	2,835,176,511

## Cash Flow Statement

### Mudman Public Company Limited and its subsidiaries

#### Statements of cash flows

For the year ended 31 December 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Cash flows from operating activities</b>				
Profit (loss) before tax	(432,551,160)	(24,696,663)	(226,482,282)	12,246,919
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	501,005,268	207,077,565	15,663,614	4,402,943
Reduction in lease payments by lessors	(37,262,137)	-	-	-
Loss on disposals and write-off of equipment	19,815,858	6,731,727	6,367,184	150,530
Allowance for expected credit losses				
(2019: Allowance for doubtful accounts)	-	138,980	204,024,475	-
Loss on write-off of right-of-use assets	8,140,368	-	1,163,087	-
Loss on sales of investment in subsidiary	-	1,043,495	-	3,183,446
Loss on diminution in value of inventories	10,772,539	8,246,258	-	-
Impairment loss on assets	200,000,000	-	84,975,525	-
Loss on change in shareholding ratio in a subsidiary	-	3,566,592	-	-
Provision for long-term employee benefits	6,867,691	14,562,039	1,440,574	3,895,634
Amortisation of deferred costs relating to the issuance of debentures	1,362,116	1,083,333	1,362,116	1,083,333
Other expense	-	332,500	-	-
Dividend income	-	-	(69,199,946)	(37,025,587)
Interest income	(2,672,332)	(525,887)	(22,677,524)	(13,511,558)
Interest expenses	84,350,986	37,797,697	50,084,061	39,430,127
Profit from operating activities before changes in operating assets and liabilities	359,829,197	255,357,636	46,720,884	13,855,787

## Mudman Public Company Limited and its subsidiaries

## Statements of cash flows (continued)

For the year ended 31 December 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Cash flows from operating activities (continued)</b>				
Operating assets (increase) decrease				
Trade and other receivables	5,513,103	(42,899,248)	(27,857,004)	(5,146,970)
Inventories	10,969,707	1,092,491	661,410	16,414
Other current assets	(16,750,603)	152,026	(103,879)	205,783
Restricted bank deposits	(12,097)	1,162,669	-	-
Other non-current assets	12,627,721	(10,778,426)	150,832	(3,185,472)
Operating liabilities increase (decrease)				
Trade and other payables	(23,530,802)	(20,974,271)	4,637,287	(1,994,653)
Other current liabilities	6,587,657	(2,922,347)	1,630,025	(120,439)
Provision for long-term employee benefits	(2,442,656)	(5,354,552)	-	(199,542)
Other non-current liabilities	(7,280,104)	7,024,879	430,672	-
Cash from (used in) operating activities	345,511,123	181,860,857	26,270,227	3,430,908
Cash received from dividend income		-	69,199,946	75,899,308
Cash paid for income tax	(7,969,076)	(13,431,910)	-	-
<b>Net cash from operating activities</b>	<b>337,542,047</b>	<b>168,428,947</b>	<b>95,470,173</b>	<b>79,330,216</b>
<b>Cash flows from investing activities</b>				
Cash paid for short-term loans to related parties	-	-	(176,271,500)	(94,614,000)
Cash received from short-term loans to related parties	-	-	21,336,034	82,837,500
Cash paid for acquisition of investment in a subsidiary	-	(11,999,970)	-	(11,999,970)
Cash received from sale of investment in subsidiary	-	8,816,524	-	8,816,524
Cash paid for acquisitions of building improvement and equipment	(107,838,471)	(106,112,884)	(6,514,420)	(382,650)
Cash paid for right-of-use assets	(132,071,814)	-	-	-
Proceeds from disposals of equipment	627,308	1,519,341	11,366	887,851
Cash paid for leasehold rights	-	(45,588,785)	-	-
Cash paid for intangible assets	(5,273,997)	2,196,868	-	-
Cash received from interest income	2,673,979	557,678	2,584,772	6,724,832
<b>Net cash used in investing activities</b>	<b>(241,882,995)</b>	<b>(150,611,228)</b>	<b>(158,853,748)</b>	<b>(7,729,913)</b>

## Mudman Public Company Limited and its subsidiaries

## Statements of cash flows (continued)

For the year ended 31 December 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Cash flows from financing activities</b>				
Cash received from short-term loans from financial institu	214,633,733	117,109,300	102,800,000	114,109,300
Repayment of short-term loans from financial institutions	(89,500,000)	(110,000,000)	(59,500,000)	(87,000,000)
Cash received from short-term loans from related parties	-	-	231,000,000	50,000,000
Repayment of short-term loans from related parties	-	-	(171,700,000)	(4,300,000)
Repayment of lease liabilities	(296,475,939)	-	(18,490,290)	-
Cash received from issuance of debentures	214,633,400	-	214,633,400	-
Redemption of debentures	(166,880,000)	-	(166,880,000)	-
Proceeds from sale and leaseback transactions	-	30,035,927	-	-
Repayment of liabilities under financial lease	-	(21,579,335)	-	(3,119,223)
Cash received from long-term loans from financial institut	181,077,900	55,139,867	71,890,700	-
Repayment of long-term loans from financial institutions	(26,268,828)	(50,489,443)	(19,467,651)	(46,000,000)
Cash paid for treasury stocks	(2,543,641)	(1,397,494)	(2,543,641)	(1,397,494)
Cash received from non-controlling interests from issuance				
of ordinary shares of a subsidiary	-	283,658	-	-
Dividend paid	(61,090,603)	(58,019,708)	(61,090,603)	(58,019,708)
Cash paid for interest expenses	(49,322,437)	(37,756,193)	(44,037,428)	(35,565,878)
<b>Net cash from (used in) financing activities</b>	<b>(81,736,415)</b>	<b>(76,673,421)</b>	<b>76,614,487</b>	<b>(71,293,003)</b>
Exchange differences on translation of financial statements				
in foreign currencies	(4,873,260)	1,653,010	-	-
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>9,049,377</b>	<b>(57,202,692)</b>	<b>13,230,912</b>	<b>307,300</b>
Cash and cash equivalents at beginning of year	147,977,293	209,573,721	10,056,276	9,748,976
<b>Cash and cash equivalents at end of year</b>	<b>157,026,670</b>	<b>152,371,029</b>	<b>23,287,188</b>	<b>10,056,276</b>

## Notes to consolidated financial statements

### 1. General information

#### 1.1 Corporate information

Mudman Public Company Limited ("the Company") was incorporated as a limited company under Thai laws and subsequently registered the change of its status to a public limited company under the Public Limited Companies Act, and domiciled in Thailand. Its parent company and ultimate parent of the Group is Sub Sri Thai Public Company Limited. The Company is principally engaged in investment holding, management service for related parties and distribution of foods. The registered office of the Company is at 206, Soi Pattanakarn 20, Suan Luang, Suan Luang, Bangkok.

#### 1.2 The COVID-19 Pandemic

The COVID-19 Pandemic is continuing to evolve in various regions around the world, resulting in an economic slowdown and adversely impacting most businesses and industries in terms of supply chains, consumer spending, limited or suspended production, operational delays, and more.

Since 22 March 2020, this situation affects the restaurant business in Thailand in terms of not being able to sell products and provide services to the customers who would like to dine in the restaurants. Foods and beverages could only be ordered and picked up from the branches or delivered to customers. Garment business could only be sold through online channel. as it had to comply with the lockdown measures that aimed prevent the spread of the disease. Subsequently, the government has eased the lockdown measures and the Group has returned to normal operation since 17 May 2020. For restaurants in overseas countries, they had to be temporarily closed since March 2020 and stores began to open for service in June 2020. However, the COVID-19 Pandemic has affected all sectors; therefore, the number of customers who come to use services has not returned to normal levels.

This is significantly impacting the Group's financial position, financial performance, and cash flows at present, and is expected to do so in the future. However, the impact cannot be reasonably estimated at this stage. The Group's management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and will record the impact when it is possible to do so.

## 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 notes on accounting policies.

## 2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Mudman Public Company Limited ("the Company") and its subsidiaries ("the subsidiaries") as follows:

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2020	2019
			Percent	Percent
<b><u>Subsidiaries (held by the Company)</u></b>				
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 Co., Ltd.	Production and distribution of ready-made clothing and leather goods	Thailand	100	100
Greyhound Café Co., Ltd.	Restaurant	Thailand	100	100
<u>Mudman International Limited</u>	Holding company	Republic of Mauritius	100	100
<b><u>Subsidiaries (held by Greyhound Café Company Limited)</u></b>				
GHC CAFÉ (UK) Co., Ltd.	Restaurant	United Kingdom	100	100
<b><u>Subsidiaries (held by <u>Mudman International Limited</u>)</u></b>				
<u>Societe Langonnaise des Vins et Hotelleries SAS</u>	Restaurant	France	100	100
MM FR SAS	Restaurant	France	67	67
<b><u>Subsidiaries (held by MM FR SAS)</u></b>				
MAISON MM1	Restaurant	France	100	100
MAISON MM2	Restaurant	France	100	-
MAISON MM3	Restaurant	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) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
- f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.
- g) The excess of the fair value of net assets at the date of the acquisition of the subsidiaries over related cost of investment is accounted as "Goodwill" in the consolidated statement of financial positions.

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 Group has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements. However, the new standard involves changes to key principles, which are summarized below:

#### Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

#### Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

#### Accounting standard:

TAS 32	Financial Instruments: Presentation
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#### Financial Reporting Standard Interpretations:

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

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments.

These standards do not have any significant impact on the Group's financial statements.

#### **TFRS 16 Leases**

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases.

The Group adopted these financial reporting standards using the modified retrospective method of initial adoption of which the cumulative effect is recognized as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 4.

#### **Accounting Guidelines on Temporary Relief Measures for Accounting Alternatives Dealing with the Impact of COVID-19 Pandemic**

The Federation of Accounting Professions issued the Accounting Guidelines on Temporary Relief Measures for Accounting Alternatives Dealing with the Impact of COVID-19 Pandemic. The objective is to relieve the impact from adoption on certain financial reporting standards and provide clarification on accounting treatments during the uncertainty situation.

The accounting guidelines was announced in the Royal Gazette on 22 April 2020 and effective for the financial statements periods ending between 1 January 2020 and 31 December 2020.

During the period from the first quarter to the third quarter of 2020, the Group elected to apply the temporary relief measures on accounting alternatives relating to impairment of assets, testing of impairment of goodwill and intangible assets with indefinite useful lives.

In the fourth quarter of 2020, the Group has assessed some of the financial impacts of the uncertainties of the COVID-19 Pandemic on the valuation of impairment of assets, testing of impairment of goodwill and intangible assets with indefinite useful lives. As a result, in preparing the financial statements for the year ended 31 December 2020, the Group has decided to discontinue application of the temporary relief measures on accounting alternatives relating to impairment of assets, goodwill and intangible assets with indefinite useful lives and recognised impairment losses of goodwill in profit or loss in the consolidated financial statements of Baht 200 million and impairment on investments

in subsidiaries in profit or loss in the separate financial statements of Baht 85 million for the year ended 31 December 2020.

However, the Group elected to continue to apply the following temporary relief measures on accounting alternatives:

- Not to account for any reduction in lease payments by lessors resulting from the COVID-19 situation as a lease modification, with the lease liabilities that come due in each period reduced in proportion to the reduction and depreciation of right-of-use assets and interest on lease liabilities recognised in each period reversed in proportion to the reduction, with any differences then recognised in profit or loss.

The Group is evaluating the impact on the financial statements and will consider recording the impact after the relief measures expire.

**b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2021**

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

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

**4. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards**

As described in Note 3 to the financial statements, during the current period, the Group has adopted financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards is recognised as an adjustment to retained earnings as at 1 January 2020. Therefore, the comparative information was not restated.

The impacts of changes in accounting policies on the statements of financial position at the beginning of 2020 due to the adoption of these standards are presented as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		
	31 December 2019	The impacts of TFRS 16	1 January 2020
<b>Statement of financial position</b>			
<b>Assets</b>			
<b>Non-current assets</b>			
Building improvement and equipment	545,519	(47,337)	498,182
Right-of-use assets	-	1,136,869	1,136,869
Intangible assets	897,363	(133,145)	764,218
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities</b>			
Current portion of liabilities under finance lease agreements	16,544	(16,544)	-
Current portion of lease liabilities	-	271,588	271,588
<b>Non-current liabilities</b>			
Liabilities under financial lease agreements - net of current portion	14,809	(14,809)	-
Lease liabilities - net of current portion	-	716,152	716,152

(Unit: Thousand Baht)

	Separate financial statements		
	31 December 2019	The impacts of TFRS 16	1 January 2020
<b>Statement of financial position</b>			
<b>Assets</b>			
<b>Non-current assets</b>			
Building improvement and equipment	13,700	(3,935)	9,765
Right-of-use assets	-	107,226	107,226
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities</b>			
Current portion of liabilities under finance lease agreements	1,920	(1,920)	-
Current portion of lease liabilities	-	11,547	11,547
<b>Non-current liabilities</b>			
Liabilities under financial lease agreements - net of current portion	1,538	(1,538)	-
Lease liabilities - net of current portion	-	95,202	95,202

#### 4.1 Financial instruments

As at 1 January 2020, the Group's financial assets are measured at amortised cost and the Group has not designated any financial liabilities at fair value through profit or loss.

#### 4.2 Leases

Upon initial application of TFRS 16, the Group recognised lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at 1 January 2020. For leases previously classified as finance leases, the Group recognised the carrying amount of the right-of-use assets and lease liabilities based on the carrying amounts of the lease assets and lease liabilities immediately before the date of initial application of TFRS 16.

Upon initial application of TFRS 16, the Group recognized lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at 1 January 2020. For leases previously classified as finance leases, the Group recognized the carrying amount of the right-of-use assets and lease liabilities based on the carrying amounts of the lease assets and lease liabilities immediately before the date of initial application of TFRS 16.

		(Unit: Thousand Baht)	
		Consolidated	Separate financial
		financial statements	statements
Operating lease commitments as at 31 December 2019		701,860	26,040
Add: Option to extend lease term		481,967	104,310
Less: Short-term leases and leases of low-value assets		(90,065)	-
Deferred interest expenses		(137,375)	(27,059)
Increase in lease liabilities due to TFRS 16 adoption		956,387	103,291
Liabilities under finance lease agreements as at	31		
December 2019		31,353	3,458
Lease liabilities as at 1 January 2020		987,740	106,749
Weighted average incremental borrowing rate	(percent per annum)	4.5 - 5.2	4.5 - 5.2
Comprise:			
Current lease liabilities		271,588	11,547
Non-current lease liabilities		716,152	95,202
		987,740	106,749

The adjustments of right-of-use assets due to TFRS 16 adoption as at 1 January 2020 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Right-of-use building space	1,118,529	103,291
Motor vehicles	18,340	3,935
<b>Total right-of-use assets</b>	<b>1,136,869</b>	<b>107,226</b>

## 5. Significant accounting policies

### 5.1 Revenue and expense recognition

#### *Sales and service income - food and beverage and restaurant business*

Sales of foods and beverages which are recognized upon goods being delivered and services being rendered. Sales and service income are the invoiced value, excluding value added tax, of goods supplied and services rendered after deducting discounts and allowances.

#### *Sales of goods - production and distribution of ready-made clothing and leather goods business*

Sales of goods are recognized when the significant risks and rewards of ownership of the goods have passed to the buyer. The Group does not recognize consignment sales when delivering the goods, but when the goods are sold. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

#### *Management service income*

Management service income is recognized over the period of management agreement in accordance with terms and conditions stipulated in the agreements.

#### *Interest income*

Interest income is calculated using the effective interest method and recognized on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

#### *Dividends*

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

#### *Other income*

Other income is recognized on an accrual basis.

### 5.2 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.

### 5.3 Inventories

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

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

### 5.4 Investments in subsidiaries

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

### 5.5 Building improvement and equipment and depreciation

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

Depreciation of 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 construction in progress and equipment under installation.

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

### 5.6 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 recognized as gain in profit or loss.

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

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Group's cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Group estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the



carrying amount, an impairment loss is recognized in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

## 5.7 Intangible assets

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

Intangible assets with finite lives are amortized 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 amortization period and the amortization method of such intangible assets are reviewed at least at each financial year end. The amortization expense is charged to the profit or loss.

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

	<u>Useful lives</u>
Franchise	7 - 28 years
Trademark	40 years
Computer software	3 - 5 years

## 5.8 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 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.

## 5.9 Leases

At inception of contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### **The Group as a lessee**

The Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognizes right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

### **Right-of-use assets**

Right-of-use assets are measured at cost, less any accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognized, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their costs [or the revalued amount], on the straight-line basis over the shorter of their estimated useful lives and the lease term.

Right-of-use building space	3 - 9 years
Building improvement	10 years
Equipment	5 years
Furniture and office equipment	5 years
Motor vehicles	2 - 5 years
Leasehold right	Lease term

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

#### ***Lease liabilities***

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs.

The Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

#### ***Short-term leases and leases of low-value assets***

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognized as expenses on a straight-line basis over the lease term.

#### ***Accounting policies adopted before 1 January 2020***

Leases of property, plant or equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included

in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease period.

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

#### **5.10 Foreign currencies**

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

#### **5.11 Impairment of non-financial assets**

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment, right-of-use asset and intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognized 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 Group 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 recognized in the income statement.

In the assessment of asset impairment (except for goodwill), if there is any indication that previously recognized impairment losses may no longer exist or may have decreased, the Group estimates the asset's recoverable amount.

A previously recognized 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 recognized. 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 recognized for the asset in prior years. Such reversal is recognized 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.

#### **5.12 Employee benefits**

##### ***Short-term benefits***

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

##### ***Post-employment benefits***

##### ***Defined contribution plans***

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

#### *Defined benefit plans*

The Group has obligations in respect of the severance payments they must make to employees upon retirement under labor law. The Group 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 recognized immediately in other comprehensive income.

### **5.13 Provisions**

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

### **5.14 Income tax**

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

#### **Current tax**

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

#### **Deferred tax**

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

The Group recognises deferred tax liabilities for all taxable temporary differences while 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 Group reviews 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 Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

### **5.15 Financial instruments**

#### Accounting policies adopted since 1 January 2020

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

**Classification and measurement of financial assets**

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI), or fair value through profit or loss (FVTPL). The classification of financial assets at initial recognition is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

***Financial assets at amortised cost***

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

**Classification and measurement of financial liabilities**

Except for derivative liabilities, at initial recognition the Group's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any discounts or premiums on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

**Derecognition of financial instruments**

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

**Impairment of financial assets**

For trade receivables the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Accounting policies adopted before 1 January 2020**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.

**5.16 Fair value measurement**

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

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

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

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

## 6. Significant accounting judgements and estimates

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

### Leases

#### *Determining the lease term with extension and termination options - The Group as a lessee*

In determining the lease term, the management is required to exercise judgement in assessing whether the Group is reasonably certain to exercise the option to extend or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Group to exercise either the extension or termination option.

#### *Estimating the incremental borrowing rate - The Company as a lessee*

The Group cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

### Allowance for expected credit losses of trade receivables

In determining an allowance for expected credit losses of trade receivables, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Group's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

### Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercises judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk (both bank and counterparty), liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the disclosures of fair value hierarchy.

### Building improvement and equipment and depreciation

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

In addition, the management is required to review building improvement and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the

carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

#### **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.

#### **Allowance for impairment of non-financial assets**

In determining allowance for impairment of a non-financial asset, the management is required to exercise judgements regarding determination of the recoverable amount of the asset, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next 5 years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the cash-generating unit being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group. The key assumptions used to determine the recoverable amount for the different cash-generating units, including a sensitivity analysis, are disclosed and further explained in Note 12.

#### **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 plans**

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



(Unit: Thousand Baht)					
	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	2020	2019	2020	2019	
<u>Transactions with parent company</u>					
Dividend paid	39,320	37,287	39,320	37,287	Announced rate
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Dividend income	-	-	69,200	37,026	Announced rate
Management service income	-	-	109,257	82,675	At the higher of the 2.5% of sales and the cost plus margin of 5%
Rental income	-	-	8,107	8,561	Contract rate
Service income	-	-	5,125	5,401	Contract rate
Interest income	-	-	22,658	13,442	3.80% - 5.03% p.a. (2019: 3.75% - 5.63% p.a.)
Interest expenses	-	-	6,178	4,998	3.50% - 4.15% p.a. (2019: 3.65% - 5.38% p.a.)

As at 31 December 2020 and 2019, the balances of the accounts between the Company and its subsidiaries and those related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Trade and other receivables - related parties (Note 8)</b>				
Subsidiaries	<u>3</u>	<u>-</u>	<u>38,555</u>	<u>53,912</u>
<b>Short-term loans to related parties</b>				
Subsidiaries	-	-	1,042,300	887,364
Less: Allowance for expected credit losses (2019: Allowance for doubtful accounts)	<u>-</u>	<u>-</u>	<u>(266,025)</u>	<u>(62,000)</u>
Short-term loans to related parties - net	<u>-</u>	<u>-</u>	<u>776,275</u>	<u>825,364</u>
<b>Trade and other payable - related parties (Note 15)</b>				
Parent company	18	28	-	-
Subsidiaries	<u>-</u>	<u>-</u>	<u>1,222</u>	<u>4,272</u>
Total trade and other payable - related parties	<u>18</u>	<u>28</u>	<u>1,222</u>	<u>4,272</u>
<b>Short-term loans from related party</b>				
Subsidiary	<u>-</u>	<u>-</u>	<u>206,000</u>	<u>146,700</u>

#### Short-term loans to related parties

As at 31 December 2020, these represent short-term loans in form of promissory notes, carrying interests between 3.80 and 6.05 percent per annum (2019: between 3.65 and 5.28 percent per annum). The loans have no collateral and are repayable on demand.

#### Short-term loans from related parties

As at 31 December 2020, these represent short-term loans in form of promissory notes, carrying interests between 3.80 and 5.03 percent per annum (2019: between 3.65 and 4.15 percent per annum) and repayable on demand.

Movements of loans to and loans from related parties for the year ended 31 December 2020 are as follows:

		(Unit: Thousand Baht)			
		Separate financial statements			
Loan to / Loan from	Related by	Balance as at 1 January 2020	Increase	Decrease	Balance as at 31 December 2020
<b>Short-term loans to related parties</b>					
ABP Café (Thailand) Co., Ltd.	Subsidiary	60,000	-	(5,000)	55,000
Golden Scoop Co., Ltd.	Subsidiary	31,900	-	-	31,900
Greyhound Café Co., Ltd.	Subsidiary	194,363	57,000	(10,500)	240,863
Greyhound Co., Ltd.	Subsidiary	172,851	-	(3,900)	168,951
Mudman International Ltd.	Subsidiary	428,250	119,272	(1,936)	545,586
		887,364	176,272	(21,336)	1,042,300
Less: Allowance for expected credit losses		(62,000)	(204,025)	-	(266,025)
<b>Total</b>		<b>825,364</b>	<b>(27,753)</b>	<b>(21,336)</b>	<b>776,275</b>
<b>Short-term loans from related party</b>					
Golden Donuts (Thailand) Co., Ltd.	Subsidiary	146,700	231,000	(171,700)	206,000
<b>Total</b>		<b>146,700</b>	<b>231,000</b>	<b>(171,700)</b>	<b>206,000</b>

#### Directors and management's benefits

During the years ended 31 December 2020 and 2019, the Group had employee benefit expenses payable to their directors and management as below.

		(Unit: Thousand Baht)			
		Consolidated		Separate	
		financial statements		financial statements	
		2020	2019	2020	2019
Short-term employee benefits		50,439	90,728	16,940	22,822
Post-employment benefits		2,838	6,583	1,901	5,849
<b>Total</b>		<b>53,277</b>	<b>97,311</b>	<b>18,841</b>	<b>28,671</b>

During the year 2020, the Group has paid post-employment benefits to its directors and management of approximately Baht 15.27 million.

#### Guarantee obligations with related parties

The Group has outstanding guarantee obligations with its related parties, as described in Note 29.4.1 to the financial statements.

## 7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Cash	14,349	17,944	33	42
Bank deposits	150,329	130,033	23,254	10,014
Total	164,678	147,977	23,287	10,056

As at 31 December 2020, bank deposits in savings accounts carried interests between 0.05 and 0.125 percent per annum (2019: 0.15 and 0.38 percent per annum).

## 8. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
<u>Trade accounts receivable - related parties</u>				
Aged on the basis of due dates				
Not yet due	3	-	21,003	9,018
Past due				
Up to 3 months	-	-	5,339	4,639
3 - 6 months	-	-	6,099	250
6 - 12 months	-	-	6,100	-
Total trade accounts receivable - related parties	3	-	38,541	13,907
<u>Trade accounts receivable - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	40,945	67,345	558	574
Past due				
Up to 3 months	5,918	11,242	606	3
3 - 6 months	478	207	-	-
6 - 12 months	419	-	-	-
Over 12 months	5,595	5,591	-	-
Total	53,355	84,385	1,164	577

Less: Allowance for expected credit losses (2019: Allowance for doubtful accounts)	(5,592)	(5,592)	-	-
Total trade accounts receivable - unrelated parties - net	47,763	78,793	1,164	577
Total trade accounts receivable - net	47,766	78,793	39,705	14,484
<u>Other receivables</u>				
Other receivables - related parties	-	-	60,068	40,005
Other receivables - unrelated parties	30,693	32,951	109	7
Prepaid expenses	51,954	24,184	3,253	689
Total other receivables	82,647	57,135	63,430	40,701
Total trade and other receivables - net	130,413	135,928	103,135	55,185

## 9. Inventories

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Finished goods	70,103	66,771	-	-
Work in process	2,715	4,581	-	-
Raw materials	80,825	94,790	32	37
Packing materials	10,521	11,104	5	661
Goods in transit	3,105	-	-	-
Others	19,630	20,622	7	7
Total	186,899	197,868	44	705
Less: Reduce cost to net <u>realisable value</u>	(36,687)	(25,914)	-	-
Total inventories	150,212	171,954	44	705

During the current year, a subsidiary reduced cost of inventories by Baht 10.8 million (2019: Baht 8.3 million), to reflect the net realisable value. This was included in cost of sales and services.

## 10. Investments in subsidiaries

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

											(Unit: Thousand Baht)	
Company's name	Paid-up capital		Shareholding percentage		Cost		Allowance for impairment loss		Carrying amount		Dividend received	
									based on cost		during the year	
	method - net		ended									
											31 December	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	(Thousand Baht)	(Thousand Baht)	(Percent)	(Percent)								
Golden Donut (Thailand) Co., Ltd.	300,000	300,000	100	100	842,447	842,447	-	-	842,447	842,447	16,200	12,000
ABP Café (Thailand) Co., Ltd.	40,000	40,000	100	100	382,147	382,147	-	-	382,147	382,147	20,000	10,000
Golden Scoop Co., Ltd.	125,000	125,000	100	100	125,000	125,000	(84,000)	-	41,000	125,000	-	-
Greyhound Café Co., Ltd.	10,784	10,784	100	100	1,492,606	1,492,606	-	-	1,492,606	1,492,606	33,000	15,000
Greyhound Co., Ltd.	96,990	96,990	100	100	361,14	361,194	(142,321)	(142,321)	218,873	218,873	-	-
	(Thousand US dollar)	(Thousand US dollar)										
Mudman International Limited	30	30	100	100	976	976	(976)	-	-	976	-	-
Total					3,204,370	3,204,370	(227,297)	(142,321)	2,977,703	3,062,049	69,200	37,000

During the current year, the Company assessed the recoverable amount of investments in Golden Scoop Co., Ltd. and Mudman International Limited and it was concluded that the recoverable amount is lower than the carrying amount. The Company therefore recognised allowance for impairment loss on such investments amounting to Baht 84 million and Baht 1 million, respectively, in profit or loss in the separate financial statements for the current year.

#### **Establishment of new subsidiaries**

##### **MM FR SAS**

On 26 March 2019, Mudman International Limited ("the subsidiary") invested in a new subsidiary named MM FR SAS, incorporated legally in France with a registered capital of USD 24,000, which operates restaurant business in France. The subsidiary holds 67 percent of total ordinary shares of such company and made a full payment of the share subscriptions of USD 16,000.

**MAISON MM1**

On 18 November 2019, MM FR SAS, a subsidiary indirectly owned by the Company invested in a new subsidiary named MAISON MM1, incorporated legally in France with a registered capital of EUR 10,000, which operates restaurant business in France. MM FR SAS holds 100 percent of total ordinary shares of such company and made a full payment of the share subscriptions of EUR 10,000. MAISON MM1 started its commercial operations on 4 December 2019.

**MAISON MM2**

On 23 January 2020, MM FR SAS, a subsidiary indirectly owned by the Company, invested in a new subsidiary named MAISON MM2, incorporated in France with a registered capital of EUR 10,000, to operate restaurant business. MM FR SAS holds 100 percent of total ordinary shares of such company and made full payment of the share subscriptions of EUR 10,000. MAISON MM2 started its commercial operations on 30 January 2020.

**MAISON MM 3**

On 6 July 2020, MM FR SAS, a subsidiary indirectly owned by the Company, invested in a new subsidiary named MAISON MM3, incorporated in France with a registered capital of EUR 10,000, to operate restaurant business. MM FS SAS holds 100 percent of total ordinary shares of such company and made full payment of the share subscriptions of EUR 10,000. MAISON MM3 started its commercial operation on 9 July 2020.

**Sale of investment in subsidiary****Kad Kokoa Company Limited**

On April 2, 2019, the Company invested in a new subsidiary registered in Thailand, Kad Kokoa Company Limited, to support the business expansion. This new subsidiary is engaged in distribution of food and beverage business in Thailand and has a registered capital of Baht 20 million. The Company held 60 percent of the total shares of such company.

On 9 September 2019, the Company entered into an agreement to divest all of the ordinary shares it held in Kad Kokoa Company Limited to the previous shareholder according to the resolution of the Board of Directors' meeting No. 4/2019 held on 27 August 2019. The Company received the money from sale of the shares of Baht 8.8 million and transferred the ownership in the shares to the buyer on 11 September 2019. The Company recognised loss on sale of the investment in subsidiary in the consolidated statements of comprehensive income of Baht 1.0 million and in the separate financial statements of Baht 3.2 million.

## 11. Building improvement and equipment

(Unit: Thousand Baht)

	Consolidated financial statements					
	Building improvement	Equipment	Furniture and office equipment	Motor vehicles	Construction in progress and equipment under installation	Total
<b>Cost</b>						
1 January 2019	764,298	288,397	279,408	11,345	5,044	1,348,492
Additions	58,682	17,965	19,176	2,969	5,427	104,219
Disposals/write-off	(53,016)	(11,629)	(10,272)	(3,073)	-	(77,990)
Transfers in (out)	3,174	1,848	22	-	(5,044)	-
31 December 2019	773,138	296,581	288,334	11,241	5,427	1,374,721
Adjustments	32,600	13,443	2,673	-	-	48,716
Reclassify to right-of-use assets	(52,708)	(467)	(1,200)	(8,782)	-	(63,157)
Additions	51,803	12,228	40,542	2,565	16,656	123,794
Disposals/write-off	(62,121)	(5,037)	(12,310)	-	-	(79,468)
Transfers in (out)	6,382	-	4,488	-	(10,870)	-
31 December 2020	749,094	316,748	322,527	5,024	11,213	1,404,606
<b>Accumulated depreciation</b>						
1 January 2019	378,143	172,722	183,602	4,746	-	739,213
Depreciation for the year	75,697	29,826	35,466	1,772	-	142,761
Reclassify to right-of-use assets	(11,854)	(150)	(606)	(3,210)	-	(15,820)
Depreciation for the year	56,702	28,213	35,436	731	-	121,082
Depreciation on disposals/write-off	(43,458)	(4,293)	(11,273)	-	-	(59,024)
31 December 2020	445,372	230,864	238,251	1,989	-	916,476
<b>Translation adjustment</b>						
31 December 2019	(5,293)	(450)	(1,290)	-	-	(7,033)
31 December 2020	1,279	321	1,177	-	174	2,951
<b>Allowance for impairment loss</b>						
1 January 2019	(7,668)	(10)	-	-	-	(7,678)
31 December 2019	(7,668)	(10)	-	-	-	(7,678)
31 December 2020	(7,668)	(10)	-	-	-	(7,678)
<b>Net book value</b>						
31 December 2019	350,858	104,817	77,660	6,757	5,427	545,519
31 December 2020	297,333	86,195	85,453	3,035	11,387	483,403
<b>Depreciation for the year</b>						
2019 (Baht 17.92 million included in cost of sales and services, and the balance in selling and administrative expenses)						142,761
2020 (Baht 14.45 million included in cost of sales and services, and the balance in selling and administrative expenses)						121,081



(Unit: Thousand Baht)

	Separate financial statements					Total
	Building improvement	Equipment	Furniture and office equipment	Motor vehicles	Construction in progress and equipment under installation	
<b>Cost</b>						
1 January 2019	10,934	501	8,717	8,599	-	28,751
Additions	-	-	40	-	-	40
Disposals/write-off	-	-	-	(1,686)	-	(1,686)
31 December 2019	10,934	501	8,757	6,913	-	27,105
Reclassify to right-of-use assets	(200)	-	-	(6,913)	-	(7,113)
Additions	1,438	-	225	-	9,309	10,972
Disposals/write-off	(9,040)	-	(108)	-	-	(9,148)
31 December 2020	3,132	501	8,874	-	9,309	21,816
<b>Accumulated depreciation</b>						
1 January 2019	2,103	290	5,110	2,196	-	9,699
Depreciation for the year	1,265	86	1,412	1,590	-	4,353
Depreciation on disposals/write-off	-	-	-	(647)	-	(647)
31 December 2019	3,368	376	6,522	3,139	-	13,405
Reclassify to right-of-use assets	(40)	-	-	(3,139)	-	(3,179)
Depreciation for the year	1,079	46	1,064	-	-	2,189
Depreciation on disposals/write-off	(2,707)	-	(63)	-	-	(2,770)
31 December 2020	1,700	422	7,523	-	-	9,645
<b>Net book value</b>						
31 December 2019	7,566	125	2,235	3,774	-	13,700
31 December 2020	1,432	79	1,351	-	9,309	12,171
<b>Depreciation for the year</b>						
2019 (Baht 3.79 million included in cost of sales and services, and the balance in selling and administrative expenses)						4,353
2020 (Baht 1.92 million included in cost of sales and services, and the balance in selling and administrative expenses)						2,189

As at 31 December 2020 and 2019, certain equipment items of the Group have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets amounted to approximately Baht ... million and Baht 641 million, respectively (the Company only: Baht 11.35 million and Baht 7.72 million, respectively).

## 12. Goodwill

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
1 January 2020	484,370	298,192	1,357,322	2,139,884
Impairment loss and assets	-	-	(200,000)	(200,000)
31 December 2020	484,370	298,192	1,157,322	1,939,884

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 4.5 year period.

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

	(Unit: percent per annum)		
	Donuts unit	Bakery unit	Restaurant unit
Long-term revenue growth rate	1.8	1.8	1.6 - 1.8
Discount rate	11.0	11.0	7.1 - 11.0

During the year 2020, the Company assessed the recoverable amount of goodwill for the restaurant business and it was concluded that the recoverable amount is lower than the carrying amount. The Company therefore recognised allowance for impairment loss on such goodwill amounting to Baht 200 million in profit or loss in the consolidated financial statements for the current year.

### 13. Intangible assets

	(Unit: Thousand Baht)						
	Consolidated financial statements						Separate financial statements
	Franchise	Trademark	Computer software	Leasehold right	Other	Total	Computer software
1 January 2019	421,858	379,324	12,316	104,051	1,446	918,995	79
Additions	735	-	1,462	45,589	-	47,786	-
Disposals	-	-	(83)	(2,000)	-	(2,083)	-
Amortization for the year	(45,954)	(479)	(3,761)	(12,675)	(1,446)	(64,315)	(49)
Translation adjustment	-	(1,188)	(13)	(1,820)	-	(3,021)	-
31 December 2019	376,639	377,657	9,921	133,145	-	897,362	30
Reclassify to right-of-use assets	-	-	-	(133,145)	-	(133,145)	-
Reclassification	3,301	(3,301)	-	-	-	-	-
Additions	3,755	1,029	490	-	-	5,274	-
Disposals	-	-	-	-	-	-	-
Amortization for the year	(33,813)	-	(2,962)	-	-	(36,775)	(25)
Translation adjustment	-	1,178	41	-	-	1,219	-
31 December 2020	349,882	376,563	7,490	-	-	733,935	5

**14. Leasehold rights**

	(Unit: Thousand Baht)
	Consolidated financial statements
Net book value as at 1 January 2019	104,051
Additions	45,589
Adjustment	(2,000)
Amortisation for the year	(12,675)
Translation adjustment	(1,820)
Net book value as at 31 December 2019	133,145
Reclassify to right-of-use assets	(133,145)
Net book value as at 1 January 2020	-

**15. Short-term loans from financial institutions**

Short-term loans from financial institutions consisted of:

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Short-term loans from financial institutions	175,395	77,109	69,300	54,109

The interest rates of short-term borrowings are as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	(percent)	(percent)	(percent)	(percent)
Short-term loans from financial institutions	2.00 - 3.55,	3.70 - 4.25,	2.20 - 3.55	3.70 - 4.25
	MLR - 2.50	MLR - 2.50		

As at 31 December 2020, the Group had short-term credit facilities, which have not yet been drawn down, of Baht 136 million (2019: Baht 288 million), of which Baht 131 million (2019: Baht 273 million) are guaranteed by the Group as described in Note 29.4.1 to the financial statements.

**16. Trade and other payables**

	(Unit: Thousand Baht)			
			Consolidated	Separate
	financial statements		financial statements	
	2020	2019	2020	2019
Trade payables - unrelated parties	144,965	153,419	831	1,061
Other payables - related parties	18	28	1,222	4,272
Other payables - unrelated parties	74,948	50,097	6,240	1,734
Payables for purchase of assets	31,524	16,845	4,458	-
Accrued expenses	89,071	107,368	12,670	8,731
Deferred income	25,176	42,975	-	-
Others	588	-	13	-
Total	366,290	370,732	25,434	15,798

**17. Liabilities under lease agreements****The Group as a lessee**

The Group has lease contracts for various items of property, plant, and equipment used in its operations. Leases generally have lease terms between 1 - 15 years.

**a) Right-of-use assets**

Movement of right-of-use assets for the year ended 31 December 2020 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements						
	Right-of- use building space	Building improvement	Equipment	Furniture and office equipment	Motor vehicles	Leasehold right	Total
1 January 2020	941,506	40,853	317	594	20,454	133,145	1,136,869
Additions	220,326	2,304	-	-	2,437	132,072	357,139
Disposals/write-off - net book value at disposal/write-off date	(137,772)	(4,513)	(27)	(9)	(3,102)	(3,215)	(148,638)
Depreciation for the year	(287,751)	(4,205)	(63)	(267)	(10,063)	(40,799)	(343,148)
Translation adjustment	5,503	-	-	-	-	6,371	11,874
31 December 2020	741,812	34,439	227	318	9,726	227,574	1,014,096

(Unit: Thousand Baht)

	Separate financial statements			
	Right-of-use building space	Furniture, fixture and office equipment	Building improvement	Total
<b>1 January 2020</b>	102,974	4,091	160	107,225
Additions	21,396	-	-	21,396
Disposals/write-off during the period - net book value at disposal/write-off date	(79,984)	(3,102)	-	(83,086)
Depreciation for the year	(12,599)	(831)	(20)	(13,450)
<b>31 December 2020</b>	<u>31,787</u>	<u>158</u>	<u>140</u>	<u>32,085</u>

The subsidiaries have mortgaged leasehold rights with total net book value as at 31 December 2020 amounting to Baht 6.55 million (2019: Baht 9.56 million) as collateral for long-term loans from financial institutions, as disclosed in Note 1 to the financial statements.

#### b) Lease liabilities

Lease liabilities as at 31 December 2020 are presented below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Lease payments	886,453	39,746
Less: Deferred interest expenses	(99,211)	(6,509)
Total	787,242	33,237
Less: Portion due within one year	(238,728)	(4,958)
Lease liabilities - net of current portion	<u>548,514</u>	<u>28,279</u>

A maturity analysis of lease payments is disclosed in Note 31 under the liquidity risk.

Movements in lease liabilities during the year ended 31 December 2020 are summarised below.

(Unit: Thousand Baht)		
	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2020	987,740	106,749
Add: Additions during the period	224,041	21,396
Accretion of interest	43,986	5,506
Less: Payments during the period	(296,476)	(18,490)
Decrease from cancelation of lease agreements	(140,498)	(81,923)
Reduction in lease payments by lessors	(37,262)	-
Translation adjustment	5,711	-
Balance as at 31 December 2020	787,242	33,238

**c) Expenses relating to leases that are recognised in profit or loss**

(Unit: Thousand Baht)		
For the year ended 31 December 2020		
	Consolidated	Separate
	financial statements	financial statements
Depreciation expense of right-of-use assets	343,148	13,450
Interest expense on lease liabilities		
Expense relating to short-term leases		-
Expense relating to leases of low-value assets		-
Expense relating to variable lease payments	165,076	-

The Group has lease contracts for building space that contains variable payments based on sales. The lease term is 1-3 years.

**d) Others**

The Group had total cash outflows for leases for the year ended 31 December 2020 of Baht 539 million and at the Company amount to Baht 18 million, including the cash outflow related to short-term lease, leases of low-value assets and variable lease payments that do not depend on an index or a rate. Moreover, the Group had non-cash additions to right-of-use assets and lease liabilities of Baht 224 million and of the Company amounting to Baht 21 million.

**18. Long-term loans from financial institution**

			(Unit: Thousand Baht)	
<b>Loan</b>	<b>Interest rate (%)</b>	<b>Repayment schedule</b>	<b>2020</b>	<b>2019</b>
<u>The Company</u>				
1.	MLR - 1.00 to 1.50	Quarterly installments as from February 2019 to November 2023	126,500	138,000
2.	2.00 to 2.50	Monthly installments as from January 2020 to February 2024	92,032	-
			<u>218,532</u>	<u>138,000</u>
<u>Subsidiaries</u>				
3.	MLR - 1.75 to 2.00	Monthly installments as from April 2013 to March 2021	90	3,743
4.	1.00%	Quarterly installments as from August 2019 to May 2026	24,259	15,661
5.	1.30%	Quarterly installments as from August 2019 to June 2026	27,660	7,661
6.	1.23%	Monthly installments as from July 2019 to June 2026	3,235	3,665
7.	1.30%	Monthly installments as from January 2019 to December 2026	45,500	26,985
8.	1.45%	Monthly installments as from October 2020 to September 2027	42,747	-
9.	2.00%	Monthly installments as from April 2022 to April 2025	20,000	-
			<u>163,491</u>	<u>57,715</u>
Total			382,023	195,715
<u>Less: Current portion</u>			<u>(89,241)</u>	<u>(59,468)</u>
Long-term borrowings - net of current portion			<u>292,782</u>	<u>136,247</u>

Movements of long-term loans from financial institution during the year ended 31 December 2020 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2020	195,715	138,000
Add: Convert from short-term loans	28,109	28,109
Add: Additional borrowings	181,078	71,891
Less: Repayment during the period	(26,269)	(19,468)
Translation adjustment	3,390	-
Balance as at 31 December 2020	382,023	218,532
Less: Current portion	(89,241)	(63,187)
Long-term loans - net of current portion	292,782	155,345

During the year, the Group entered into the Amendment Agreement with financial institutions to the Credit Facility Agreement to extend the repayment period of the outstanding principal for 6 months and one year, starting from 1 April 2020. Therefore, the loans shall be repaid in April 2021.

In December 2020, the Company received a waiver letter from two financial institutions, approving a waiver for certain financial conditions including a waiver maintenance of the interest bearing debt to EBITDA plus extraordinary items and non-cash items ratio and debt to equity ratio for the year ended 31 December 2020.

The loans are secured by the mortgage of leasehold rights of subsidiaries, as described in Note 16 to the financial statements.

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

#### 19. Long-term debentures

	(Unit: Thousand Baht)	
	Consolidated/ Separate financial statements	
	2020	2019
Face value	550,820	500,000
Less: Deferred transaction costs relating to the issuance of debentures	(3,403)	(1,698)
Total	547,417	498,302
Less: Current portion	(332,505)	-
Long-term debentures - net of current portion	214,912	498,302

Movement in debentures during the year ended 31 December 2020 and 2019 are summarised below:



(Unit: Thousand Baht)		
	Consolidated/ Separate financial statements	
	2020	2019
Balance at beginning of year	498,302	429,219
Add: Net cash received from issuance of debenture during the year	214,633	-
Amortisation of transaction costs during the year	1,362	1,083
Less: Redemption of debenture during the year	(166,880)	-
Balance at end of year	547,417	498,302

The outstanding balances of debentures of the Company as at 31 December 2020 and 2019 as follows:

No.	Debentures period		Number of unit (Thousand unit)	Amount (Million Baht)	Coupon rate (%)	Outstanding balance (Million Baht)	
	Issue Date	Maturity Date				2020	2019
MM217A	26 Jul. 2018	26 Jul. 2021	500,000	500	5.00%	333	500
MM237A	1 Oct. 2020	1 Jul. 2023	217,700	218	5.80%	218	-
						551	500

On 1 October 2020, the Company issued 217,700 units of debentures by way of private placement to specific institutional investors and/or major investors at a par value of Baht 1,000 each, totaling Baht 217.7 million. The term of the debentures is 2 years and 9 months with the redemption date on 1 July 2023 and the fixed interest at 5.8 percent per annum. The Company is required to maintain the interest bearing debt to shareholders' equity ratio in the consolidated financial statements as at the end of each quarter, at not more than 3 : 1 throughout the entire debenture term.

## 20. Liabilities under financial lease agreements

Liabilities under financial lease agreements as at 31 December 2019 are shown below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Liabilities under financial lease agreements	33,006	3,602
Less: Deferred interest expenses	(1,653)	(144)
Total	31,353	3,458
Less: Portion due within one year	(16,544)	(1,920)
Liabilities under financial lease agreements - net of current portion	14,809	1,538

The Group entered into finance lease agreements with a company for lease of equipments and motor vehicles for use in its operation, whereby it is committed to pay rental on a yearly basis. The terms of the agreements are generally 5 years.

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

	(Unit: Thousand Baht)		
	Consolidated financial statements		
	As at 31 December 2019		
	Less than		
	1 year	1 - 5 years	Total
Future minimum lease payments	17,709	15,297	33,006
Deferred interest expenses	(1,165)	(488)	(1,653)
Present value of future minimum lease payments	16,544	14,809	31,353

	(Unit: Thousand Baht)		
	Separate financial statements		
	As at 31 December 2019		
	Less than		
	1 year	1 - 5 years	Total
Future minimum lease payments	2,034	1,568	3,602
Deferred interest expenses	(114)	(30)	(144)
Present value of future minimum lease payments	1,920	1,538	3,458

## 21. Provision for long-term employee benefits

### 21.1 Defined contribution plans

The Group and their permanent employees have jointly registered a provident fund scheme under Provident Fund Act B.E. 2530. Such fund is monthly contributed by both the employees and the Group at rates of 2 percent of the employees' basic salaries. The fund, which is managed by Bualuang Asset Management Company Limited and Tisco Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the year 2020, the contributions of the Group amounting to Baht 4.96 million (2019: Baht 7.41 million) and of the Company amounting to Baht 1.21 million (2019: Baht 1.53 million) were recognised as expenses.

**20.2 Defined benefit plans**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Provision for long-term employee benefits</b>				
at beginning of year	43,152	27,837	16,573	11,522
Included in profit or loss:				
Current service cost	5,833	7,859	1,089	494
Past service cost	-	5,964	-	3,193
Interest cost	1,035	739	352	208
Included in other comprehensive income:				
Actuarial loss (gain)				
Demographic assumptions changes	(3,959)	4,294	(801)	(175)
Financial assumptions changes	(3,762)	(633)	(1,109)	(1,023)
Experience adjustments	(15,982)	2,447	(12,750)	2,553
Benefits paid during the year	(2,443)	(5,355)	-	(199)
Translation adjustment	(688)	-	-	-
<b>Provision for long-term employee benefits</b>				
at end of year	<u>23,186</u>	<u>43,152</u>	<u>3,354</u>	<u>16,573</u>

On 5 April 2019, The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law is effective from 5 May 2019. This change is considered a post-employment benefits plan amendment and the Group has additional long-term employee benefit liabilities of Baht 5.96 million (the Company only: Baht 3.19 million) as a result. The Group has reflected the effect of the change by recognising past service costs as expenses in the comprehensive income statement for the year 2019.

The Group expects to pay Baht 1.1 million for long-term employee benefits during the next year (separate financial statements: nil) (2019: Baht 1.78 million, separate financial statements: Baht 0.21 million).

As at 31 December 2020, the weighted average duration of the liabilities for long-term employee benefits of the Group is 9 - 15 years (Separate financial statements: 9 years) (2019: 6 - 17 years, separate financial statements: 6 years).

Significant actuarial assumptions are summarised below.

	(Unit: % per annum)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Discount rate	1.35 - 1.71	1.97 - 3.51	1.35	1.97
Future salary increase rate	2.50 - 3.96	3.79 - 8.16	2.50	6.14
Future salary increase rate	0 - 73	0 - 69	0 - 50	0 - 33

The results of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2020 and 2019 are summarised below.

#### 2020

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	Increase	Decrease	Increase	Decrease
	0.5%	0.5%	0.5%	0.5%
Discount rate	(837)	894	(120)	127
Future salary increase rate	864	(817)	120	(115)
Future salary increase rate	(949)	936	(144)	117

#### 2019

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	Increase	Decrease	Increase	Decrease
	0.5%	0.5%	0.5%	0.5%
Discount rate	(838)	948	(419)	407
Future salary increase rate	903	(770)	428	(446)
Future salary increase rate	(1,576)	1,696	(153)	162

## 22. Other non-current provisions

Other non-current provisions are provision for dismantling and restoring cost.

Movements in the provision for dismantling and restoring cost for the years ended 31 December 2020 and 2019 are as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Balance as at 1 January	49,756	51,904	200	200
Add: Increase during the year	2,199	3,769	-	-
Less: Disposal/written-off during the year	(5,611)	(5,917)	-	-
Balance as at 31 December	46,344	49,756	200	200

### 23. Treasury stocks

On 23 May 2019, the meeting of the Company's Board of Directors approved the share repurchase program for financial management purpose in the maximum amount not exceeding Baht 100 million or approximately 20 million shares, which is approximately 1.9% of total issued shares at par value of Baht 1 per share by repurchasing in the Stock Exchange of Thailand, which the repurchase price shall not be exceeding 115 percent of the average closing stock price prior to 5 working days on the date of sale of treasury stocks.

The Company has to disclose the proposed share repurchase not later than 14 days prior to the date on which the shares will be repurchased. The implementation period shall not exceed 6 months. The Company's Board of Directors has delegated the Executive Committee to disclose the share repurchase period. The Executive Committee determined the repurchase period from 24 September 2019 to 24 March 2020. The Board of Directors would reconsider the periods of stocks resell within 6 months from the date of complete repurchasing the stocks but not more than 3 years. The reselling price would not be less than 85 percent of the average closing stock price prior to 5 working days on the date of sale of treasury stocks.

As at 24 March 2020, the share repurchase period approved by the Company's Board of Directors was expired. The Company had an outstanding treasury stocks of 1,615,500 shares in the account with an average cost of Baht 2.44 per share. The total cost was Baht 3,941,136. The treasury stocks of 1,615,500 shares have a par value of Baht 1.00 per share with retained earnings of Baht 3,941,136 being appropriated as reserve for treasury stocks. The Company can hold treasury stocks not longer than three years after repurchasing the stocks.

### 24. Statutory reserve

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

### 25. Expenses by nature

Significant expenses classified by nature are as follows:

	Consolidated		(Unit: Thousand Baht)	
			Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Salaries and wages and other employee benefits	752,476	1,039,441	67,172	70,087
Depreciation and amortization	501,005	207,209	15,664	4,403
Allowance for expected credit losses (2019: Allowance for doubtful accounts)	-	139	204,024	-
Impairment loss on assets	200,000	-	84,976	-
Rental and related service expenses	328,914	567,823	-	14,689
Franchise fees	47,684	61,144	-	-
Transportation expenses	30,726	62,071	225	190
Utilities expenses	82,610	99,371	592	1,482
Marketing expenses	37,324	43,845	351	8
Maintenance expenses	18,550	26,658	683	854
Raw materials and consumables used	595,708	750,629	2,991	5,440
Changes in finished goods and work in process	12,587	2,194	-	-
Finance costs	84,351	37,798	50,084	39,430
Other operating expenses	225,091	186,149	22,518	12,627

## 26. Finance cost

	Consolidated		(Unit: Thousand Baht)	
			Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Interest expenses on borrowings	46,099	35,530	44,616	39,174
Interest expenses on lease liabilities	38,252	2,268	5,468	256
<b>Total</b>	<b>84,351</b>	<b>37,798</b>	<b>50,084</b>	<b>39,430</b>

## 27. Income tax

Income tax expenses for the years ended 31 December 2020 and 2019 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Current income tax:</b>				
Current income tax charge	(1,962)	(14,342)	-	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	14,737	13,528	-	-
<b>Income tax expenses reported in profit or loss</b>	<u>12,775</u>	<u>(814)</u>	<u>-</u>	<u>-</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2020 and 2019 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Deferred tax relating to actuarial (gain) losses	(1,810)	953	-	-
<b>Income tax charged to other comprehensive income</b>	<u>(1,810)</u>	<u>953</u>	<u>-</u>	<u>-</u>

The reconciliation between accounting profit (loss) and income tax expenses for the years ended 31 December 2020 and 2019 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Accounting profit (loss) before tax	<u>(432,551)</u>	<u>(24,967)</u>	<u>(226,482)</u>	<u>12,247</u>
Applicable tax rate	20%	20%	20%	20%
Accounting profit (loss) before tax multiplied by income tax rate	-	-	(45,296)	2,499
Effects of:				
Income not subject to tax		-		-
Non-deductible expenses		(14,342)		(2,499)
Unrecognized tax losses of subsidiaries				
Additional expense deductions allowed				-
Deferred income tax income		13,528		-
Total		<u>(814)</u>		<u>(2,499)</u>
Income tax expenses reported in profit or loss	<u>12,775</u>	<u>(814)</u>		<u>-</u>

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



	(Unit: Thousand Baht)	
	Statements of financial position as at	
	31 December	
	Consolidated	
	financial statements	
	<u>2020</u>	<u>2019</u>
<b>Deferred tax assets</b>		
Provision for long-term employee benefits	3,502	5,023
Deferred income	563	2,789
Provision for decommissioning	1,915	1,765
Leases	2,233	-
Others	179	170
Total	<u>8,392</u>	<u>9,747</u>
<b>Deferred tax liabilities</b>		
Depreciation	1,200	2,725
Amortization	29,475	29,475
Fair adjustment of intangible assets arises in business acquisition	146,283	159,039
Total	<u>176,958</u>	<u>191,239</u>
Net deferred tax assets (liabilities)	<u>(168,566)</u>	<u>(181,492)</u>

As at 31 December 2020, the subsidiary has deductible temporary differences and unused tax losses totaling Baht 911.1 million (2019: Baht 682.2 million), on which deferred tax assets have not been recognized as the subsidiary considers that future taxable profits may not be sufficient to allow utilization of the temporary differences and unused tax losses.

The unused tax losses of the subsidiary amounting to Baht 53.8 million will expire by 2023.

## 28. Earnings (loss) per share

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

### 28.1 Weighted average number of ordinary shares

	(Unit: Thousand shares)	
	Consolidated financial statements /	
	Separate financial statements	
	<u>2020</u>	<u>2019</u>
Balance brought forward	1,054,341	1,054,904
Add: The weighted average number of treasury stocks during the period	(987)	(83)
Weighted average number of ordinary shares	<u>1,053,354</u>	<u>1,054,821</u>

## 28.2 Reconciliation of earnings (loss) per share

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

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Profit (loss) for the year (Thousand Baht)	(395,093)	(18,937)	(226,482)	12,247
Weighted average number of ordinary shares (Thousand shares)	1,053,354	1,054,821	1,053,354	1,054,821
Basic earnings (loss) per share (Baht/share)	(0.375)	(0.018)	(0.215)	0.012

## 29. Operating segment information

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

For management purposes, the Group and its subsidiaries are organized into business units based on their products and services. The Group 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 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.

The table presents revenue and loss information regarding the Group's operating segments for the years ended 31 December 2020 and 2019 are as follows:

	Food and beverage segment		Garment segment		(Unit: Million Baht) Consolidated financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Revenue</b>						
Sales and service income	2,017	2,768	149	145	2,166	2,913
<b>Operating results</b>						
<b>Segment loss</b>	(276)	(98)	(22)	(36)	(298)	(134)
Other income					149	147
Impairment loss on assets					(200)	-
Finance cost					(84)	(38)
Loss before income tax					(433)	(25)
Income tax					13	(1)
<b>Loss for the year</b>					<u>(420)</u>	<u>(26)</u>

### Geographic area information

Financial information by geographic area for the years ended 31 December 2020 and 2019 of the Group is as follows:

(Unit: Million Baht)

	Domestic		Overseas		Total	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenue from external customers	2,054	2,724	112	189	2,166	2,913

### Disaggregation of revenue

The Group derives its revenue from the sales of goods and services over time and at a point in time in the following major product lines. This is consistent with the revenue information that is disclosed for each reportable segment under TFRS 8 "Operating Segments".

	Food and beverage segment		Garment segment		(Unit: Million Baht) Consolidated financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Timing of revenue recognition</b>						
At a point in time	1,957	2,716	149	145	2,106	2,861
Overtime	60	52	-	-	60	52
<b>Total revenue</b>	<u>2,017</u>	<u>2,768</u>	<u>149</u>	<u>145</u>	<u>2,166</u>	<u>2,913</u>

### Major customers

For the years 2020 and 2019, the Group has no major customer with revenue of 10 percent or more of an entity's revenues.

### 30. Dividends

Dividend declared for the years ended 31 December 2020 and 2019 consist of the following:

	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)	Paid on
<u>Year 2020</u>				
Final dividend on 2019 profit	Annual General Meeting of the shareholders on 28 April 2020	61	0.058	20 May 2020
<u>Year 2019</u>				
Final dividend on 2018 profit	Annual General Meeting of the shareholders on 23 April 2019	58	0.055	21 May 2019

### 31. Commitments and contingent liabilities

#### 31.1 Capital commitments

As at 31 December 2020, the Group had capital commitments of Baht 15.8 million (2019: Baht 2.7 million), relating to the improvement of buildings and acquisitions of equipment.

#### 31.2 Operating lease commitments

The Group has entered into several lease agreements in respect of the leases of building space and equipment and other service agreements. The terms of the agreements are generally between 3 and 5 years.

As at 31 December 2020, future minimum payments required under these non-cancellable operating lease and service contracts were as follows:

	(Unit: Million Baht)	
	Consolidated financial statements	Separate financial statements
Payable within:		
Less than 1 year	30.7	-
1 to 5 years	9.4	-
Total	40.1	-

#### 31.3 Franchise agreements

31.3.1 On 10 March 1981, a subsidiary entered into a master franchise agreement with Dunkin' Donuts of America Inc. Under the agreement, the subsidiary has been granted the franchise to open bakery shops in Thailand. Such agreement will be terminated on 15 December 2021. Under such agreement, the subsidiary has been granted the franchise to operate bakery shops for 20 years after the opening date of each shop and the right to extend the agreement period for another 20 years. The subsidiary is obliged to pay the franchisor a franchise fee calculated at a percentage of sales as stipulated in the agreement.

On 22 October 2019, the subsidiary entered into a supplement agreement to revise the content of the master franchise agreement with Dunkin' Donuts of America Inc. which determines the expiration date of the master franchise agreement to be the last shop operated under the former agreement and those shops have been granted to operate for 20 years after the opening date of each shop.

31.3.2 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.

31.3.3 On 2 July 2012 a subsidiary entered into a master franchise agreement with Baskin-Robbins Franchising LLC. in the United States of America for a period of 10 years. Under the agreement, the subsidiary, which has been granted the franchise to operate ice cream shops in Thailand, is obliged to pay the franchisor a franchise fee.

### 31.4 Guarantees

31.4.1 As at 31 December 2020, the Company and its subsidiaries have jointly guaranteed the revolving credit facilities of the Group in an amount not exceeding Baht 365 million (2019: Baht 350 million).

31.4.2 As at 31 December 2020, there were outstanding letters of guarantee of Baht 14 million issued by banks on behalf of the subsidiaries to guarantee rental payments and electricity use (2019: Baht 13 million). Such amounts included the letters of guarantee of Baht 1.28 million which were guaranteed by the pledge of the subsidiaries' bank deposits (2019: Baht 2.42 million).

## 32. Fair value hierarchy

				(Unit: Million Baht)
Consolidated/Separate financial statements				
As at 31 December 2020				
Level 1	Level 2	Level 3	Total	
<b>Liabilities measured at fair value</b>				
Long-term debentures	-	553	-	553

				(Unit: Million Baht)
Consolidated/Separate financial statements				
As at 31 December 2019				
Level 1	Level 2	Level 3	Total	
<b>Liabilities measured at fair value</b>				
Long-term debentures	-	505	-	505

### **33. Financial instruments**

#### **33.1 Financial risk management objectives and policies**

The Group's financial instruments principally comprise cash and cash equivalents, trade accounts receivable, financial assets and lease liabilities. The financial risks associated with these financial instruments and how they are managed is described below.

##### **Credit risk**

The Group is exposed to credit risk primarily with respect to [trade accounts receivable, loans, deposits with banks and financial institutions and other financial instruments]. Except for derivatives, the maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position. The Group's maximum exposure relating to derivatives is noted in the liquidity risk topic.

##### **Market risk**

There are two types of market risk comprising currency risk and interest risk

##### ***Financial instruments and cash deposits***

The Group manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Group's Executive Committee. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The credit risk on debt instruments and derivatives is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

##### ***Foreign currency risk***

The Group's exposure to the foreign currency risk relates primarily to purchasing goods, the payment of franchise fees and the receipt of franchise income that are denominated in foreign currencies. The Group seeks to reduce this risk by entering into foreign exchange forward contracts when it considers appropriate.

As at 31 December 2020, the Group has no outstanding of foreign exchange forward contracts.

##### ***Interest rate risk***

The Group's exposure to interest rate risk relates primarily to its cash and cash equivalents, short-term loans from. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Group's policy is to maintain borrowings at fixed rates of interest of not more than 50%, excluding borrowings that relate to discontinued operations. To manage this, the Group enters into interest rate swaps and cross currency

swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

As at 31 December 2020 and 2019, significant financial assets and liabilities classified by type of interest rate are summarized 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.

Significant financial assets and liabilities classified by type of interest rate are summarized in the table below.

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2020

	Fixed interest rates		Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1 - 12 years				
<b>Financial assets</b>						
Cash and cash equivalents	-	-	48	117	165	0.05 - 0.125
Trade and other receivables	-	-	-	150	150	-
Restricted bank deposits	1	-	-	-	-	0.05 - 0.2
	<u>1</u>	<u>-</u>	<u>48</u>	<u>267</u>	<u>315</u>	
<b>Financial liabilities</b>						
Short-term loans from financial institutions	175	-	-	-	175	2.00 - 3.55, MLR - 2.50
Trade and other payables	-	-	-	366	366	-
Lease liabilities	238	549	-	-	787	4.5 - 5.2
Long-term loan from financial institutions	55	200	127	-	382	1.00 - 2.50, MLR -1.00 to 2.00
Long-term debentures	-	547	-	-	547	5.00 - 5.80
	<u>468</u>	<u>1,296</u>	<u>127</u>	<u>366</u>	<u>2,257</u>	

(Unit: Million Baht)

## Consolidated financial statements as at 31 December 2019

	Fixed interest rates		Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1 - 12 years				
<b>Financial assets</b>						
Cash and cash equivalents	-	-	64	84	148	0.15 - 0.38
Trade and other receivables	-	-	-	136	136	-
Restricted bank deposits	1	-	-	-	1	0.38 - 1.40
	1	-	64	220	285	
<b>Financial liabilities</b>						
Short-term loans from financial institutions	77	-	-	-	77	3.70 - 4.25, MLR - 2.5
Trade and other payables	-	-	-	371	371	-
Liabilities under financial lease agreements	17	15	-	-	32	2.50 - 2.90
Long-term loans from financial institutions	-	-	195	-	195	MLR - 1, MLR - 2
Long-term debentures	-	498	-	-	498	5.00
	94	513	195	371	1,173	

(Unit: Million Baht)

## Separate financial statements as at 31 December 2020

	Fixed interest rates		Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1 - 8 years				
<b>Financial assets</b>						
Cash and cash equivalents	-	-	15	8	23	0.02 - 0.13
Trade and other receivables	-	-	-	103	103	-
Short-term loans to related parties	776	-	-	-	776	3.80 - 5.03
	776	-	15	111	902	
<b>Financial liabilities</b>						
Short-term loans from financial institution	69	-	-	-	69	2.00 - 3.50
Trade and other payables	-	-	-	25	25	-
Short-term loans to related parties	206	-	-	-	206	3.8
Lease liabilities	5	28	-	-	33	4.5 - 5.2 MLR-1.0 - 1.50, 2.0 -
Long-term loans	-	92	127	-	219	2.5
Long-term debentures	-	547	-	-	547	5.0 - 5.8
	280	667	127	25	1,030	



(Unit: Million Baht)

## Separate financial statements as at 31 December 2019

	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1 - 8 years				
<b>Financial assets</b>						
Cash and cash equivalents	-	-	10	-	10	0.10 - 0.85
Trade and other receivables	-	-	-	55	55	-
Short-term loans to related parties	825	-	-	-	825	3.65 - 5.28
	825	-	10	55	890	
<b>Financial liabilities</b>						
Short-term loans from financial institutions	54	-	-	-	54	3.70 - 4.25
Trade and other payables	-	-	-	16	16	-
Short-term loans to related parties	147	-	-	-	147	3.65 - 4.15
Liabilities under financial lease agreements	2	2	-	-	4	2.50
	-	-	138	-	138	MLR - 1, MLR - 2
Long-term loans from financial institutions	-	-	-	-	-	5.00
Long-term debentures	-	498	-	-	498	
	203	500	138	16	857	

*Interest rate sensitivity*

The following table demonstrates the sensitivity of the Group's profit (loss) before tax to a reasonably possible change in interest rates on that portion of loans from and derivatives affected as at 31 December 2020, with all other variables held constant.

Currency	Consolidated financial statements/ financial statements	Separate financial statements
	Interest rate	Effect on profit before tax
	Increase/decrease	Increase/decrease
	(%)	(Thousand Baht)
Baht	0.5	635

A of the floating rate loans to and loans from and all other variables remain constant over one year. Moreover, the floating legs of these loans to and loans from are assumed to not yet have set interest rates. As a result, a change in interest rates affects interest receivable/payable for the full 12-month period of the sensitivity calculation. This information is not a forecast or prediction of future market conditions and should be used with care.

**Liquidity risk**

The Group monitors the risk of shortage of liquidity position by maintain level of cash and cash equivalent and has credit lines with various banks. As at 31 December 2020, the Group has assessed the sufficient of the Group's net working capital to refinancing its debt in financial statements and concluded it to be low.

The table below summarizes the maturity profile of the Group's non-derivative financial liabilities financial instruments as at 31 December 2020 based on contractual undiscounted cash flows:

(Unit: Million Baht)

	Consolidated financial statements		
	2020		
	Within		
	1 year	1 - 12 years	Total
<b>Non-derivatives</b>			
Short-term loans from financial institutions	175	-	175
Trade and other payables	366	-	366
Lease liabilities	269	617	886
Long-term loans from financial institutions	89	293	382
Long-term debentures	332	215	547
<b>Total non-derivatives</b>	<b>1,231</b>	<b>1,125</b>	<b>2,356</b>

(Unit: Million Baht)

	Separate financial statements		
	2020		
	Within		
	1 year	1 - 8 years	Total
<b>Non-derivatives</b>			
Short-term loans from financial institutions	69	-	69
Trade and other payables	25	-	25
Lease liabilities	7	33	40
Long-term loans from financial institutions	63	156	219
Long-term debentures	332	215	547
<b>Total non-derivatives</b>	<b>496</b>	<b>404</b>	<b>900</b>

### 33.2 Fair values of financial instruments

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

### 34. Capital management

The primary objective of the Group's capital management is to ensure that it has an appropriate capital structure in order to support its business and maximize shareholder value. As at 31 December 2020, the Group's debt-to-equity ratio was 1.14:1 (2019: 0.56:1) and the Company's was 0.39:1 (2019: 0.28:1).

**35. Events after the reporting period**

35.1 On 12 January 2021, the meeting of the Board of Directors of the Company No. 1/2021 passed the following resolutions.

- To approve the reselling of 98,500 treasury shares which are shares repurchased before the commencement of the project and could not be registered for capital reduction. The shares were resold on the Stock Exchange of Thailand, with incurred loss of Baht 43,120.
- To approve the reduction in the Company's registered share capital of Baht 1,517,000 from Baht 1,054,903,750 (1,054,903,750 ordinary shares of Baht 1 each) to Baht 1,053,386,750 (1,053,386,750 ordinary share of Baht 1 each) in order to cut the Company's registered shares that had been repurchased.

35.2 On 24 February 2021, the meeting of the Board of Directors of the Company No. 2/2021 passed the following resolutions.

- To approve the increase in the Company's registered share capital from Baht 1,053,386,750 million (1,053,386,750 ordinary shares of Baht 1 each) to Baht 1,685,418,800 million (1,685,418,800 ordinary shares of Baht 1 each) by issuing 632,032,050 million new ordinary shares with a par value of Baht 1 each.
- To approve the change the Company's name from "Mudman Public Company Limited" to "Mud & Hound Public Company Limited"

**36. Approval of financial statements**

These financial statements were authorized for issue by the Company's Board of Directors on 24 February 2021.

**Appendix 1: Details of Directors, Management team, Controlling person, and Company secretary of the Company and its subsidiaries operating core business. (as of December 31, 2019)**

Name	Age	Education / Training	% Holding /1	Family relationship between a management	Working experience in past 5 years			
					Period	Position	Company	Type of the Company
1) POL. LT. COL. THAWEESIN RAKKATANYU <i>(Independent Director/ Chairman of the Board Director / Chairman of Audit Committee / Chairman of the Nomination and Remuneration Committee)</i>	69	<ul style="list-style-type: none"> <li>- Certificate, Management of Government and Private Sectors Class No.8, King Prajadhipok's Institute</li> <li>- B.Ss. (Engineering) Hons. Royal Military College of Science (SHRIVENHAM)</li> <li>- M.Sc. (Soil Mechanics), Imperial College University of London</li> <li>- D.I.C. (Diploma of Membership of Imperial College) Imperial College University of London</li> <li>- Director Certification program (DCP) Class 124/2006</li> <li>- Advanced Audit Committee Program (AACP) Class 23/2016</li> </ul>	None	None	2008 - 2011	Governor	The Expressway Authority of Thailand	Government service

Name	Age	Education / Training	% Holding <sup>1)</sup>	Family relationship between a management	Working experience in past 5 years			
					Period	Position	Company	Type of the Company
2) MR. SUPASITH SUKHANINDR <sup>12</sup> <i>(Vice - Chairman Director/ Chairman of the Board of Executive Director/ Director/ VP – Supply Chain Management (Acting) / VP – Human Resource Development (Acting))</i>	46	- 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	0.952	None	2001 – Present	Executive Committee	Super Enterprises Co., Ltd.	Real Estate Rental
					2012 – Present	Director	Golden Donut (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.	Life style
					2016 – Present	Director	GHC Café (UK) Co., Ltd.	Food & Beverage
					2017 – Present	Director	Mudman International Ltd.	Holding Company
3) MR. PILUNCHAI PRADUBPHONG <sup>12</sup> <i>(Vice - Chairman of the Board of Executive Director/ Director)* Passed away on 16 April 2019</i>	65	- Bachelor of Laws, Ramkhamhaeng University - Certificate of Business Administration National Institute of Development Administration - Director Accreditation Program (DAP) Class 49/2005	0.0002	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

Name	Age	Education / Training	% Holding <sup>1/1</sup>	Family relationship between a management	Working experience in past 5 years			
					Period	Position	Company	Type of the Company
					2009 – Present	Director	SST Warehouse Co., Ltd	Warehouse Service
					2016 – Present	Director	Golden Donut (Thailand) Co., Ltd.	Food & Beverage
					2016 – Present	Director	ABP Café (Thailand) Co., Ltd.	Food & Beverage
					2016 – Present	Director	Golden Scoop Co., Ltd.	Food & Beverage
					2017 – Present	Director	Mudman International Ltd.	Holding Company
4) MR. NADIM XAVIER SALHANI <i>(Board of Director / Nomination and Remuneration Committee / Chairman of the Board of Executive Directors /CEO)</i>	61	<ul style="list-style-type: none"> <li>- Starbucks Coffee University Certification, Seattle USA</li> <li>- Sales &amp; Marketing Course, Dust Thani College</li> <li>- Accounting for Non-Accountant, Dusit Thani College</li> <li>- Workshop, Paradigm Prism, Robert Perry</li> </ul> <p>Bachelor degree of Hospitality and Recreation MKTG-OPS, School of Hotel Administration at Cornell University</p>	0.001	None	1997 – 2003	Manager	Starbucks Coffee (Thailand) Co., Ltd.	Food & Beverage
					1992 – 1997	Manager	Dusit Thani Public Company Limited	Hotel
					2003 – Present	Director	Golden Donut (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.	Life style

Name	Age	Education / Training	% Holding <sup>1)</sup>	Family relationship between a management	Working experience in past 5 years			
					Period	Position	Company	Type of the Company
		- Director Accreditation Program (DAP) Class 104/2013			2016 - Present	Director	GHC Café (UK) Co.,Ltd.	Food & Beverage
					2017 - Present	Director	Mudman International Ltd.	Holding Company
					2018 - Present	Director	Societe Langonnaise des Vins et Hotelleries SAS	Food & Beverage
					2019 - Present	Director	MM FR SAS	Holding Company
					2019 - Present	Director	Maison MM1 SAS	Food & Beverage
5) MR. SOMYOD SUTEERAPORNCHAI (Board of Director / Board of Executive Directors)	55	- Master of Law, New South Wales, Australia - Bachelor of Law, Chulalongkorn University - Director Accreditation Program (DPA) Class 119/2015	0.019	None	2017 – Present	Audit Committee	AP (Thailand) PCL	Property
					2015 – Present	Director	AP (Thailand) PCL and its JVs	Property
					2010 – Present	Director	Green Partners Holding Co., Ltd.	Rent, sell and buy of property
					2010 – Present	Director	Wayu and Partners Co., Ltd.	Advisory
6) MISS NONGLUCK PHINAINITSART (Board of Director / Board of Executive Directors))	61	- Doctorate Degree in Electrical Engineering, Chulalongkorn University	None	None	2004 – Present	Independent Director / audit Committee	Khon Kaen Sugar Industry PCL	Sugar
					2012 – 2014	Independent Director / Chairman	Government Saving Bank	Bank

Name	Age	Education / Training	% Holding /1	Family relationship between a management	Working experience in past 5 years			
					Period	Position	Company	Type of the Company
		<ul style="list-style-type: none"> <li>- Master Degree in Electrical Engineering, University of Missouri, U.S.A.</li> <li>- Bachelor Degree in Electrical Engineering, Chulalongkorn University</li> <li>- Director Accreditation Program (DAP) 4/2003, Thai Institute of Directors</li> <li>- Director Certification Program (DCP) 7/2000, Thai Institute of Directors</li> <li>- Executive Program, Harvard University, USA</li> <li>- Stanford Executive Program, Stanford University, USA</li> </ul>				of Risk Management Committee		
					2009 – 2014	Chairman of Board of Director / Independent Director	Thailand Post Co., Ltd.	State Enterprise
					2007 – 2014	Chief Commercial Officer	Thaicom PCL	Tele-communication
7) MISS KAMORNWAN CHINTHAMMIT (Board of Director)	44	<ul style="list-style-type: none"> <li>- Master of Law, Southern Methodist University, USA</li> <li>- Master of Law, Case Western Reserve University, USA</li> <li>- Bachelor of Law, Chulalongkorn University,</li> </ul>	0.267	None	2008 – 2019	Senior Manager	Khon Kaen Sugar Industry PCL	Sugar



Name	Age	Education / Training	% Holding /1	Family relationship between a management	Working experience in past 5 years			
					Period	Position	Company	Type of the Company
		- Director Accreditation Program (DAP) Class 137/2017						
8) POL. GEN. RUANGSAK JRITAKE, PH.D (Independent Director)	66	- 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
					2012 - 2014	Assistant	Royal Thai Police	Government
					2014 - 2015	Deputy Commissioner General	Royal Thai Police	Government
9) ASST. PROF. TIPPAWAN PINC VANICHKUL, PH.D (Independent Director / Audit Committee)	55	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	None	None	2010 – Present	Vice President for Property and Finance	King Mongkut's University of Technology Thonburi	การศึกษา
					2016 – Present	Director / Executive	Small and Medium Enterprise Development Bank of Thailand (SME Bank)	Financial Institution

Name	Age	Education / Training	% Holding	Family relationship between a management	Working experience in past 5 years			
					Period	Position	Company	Type of the Company
		Program (DAP) Class 104/2013 - Advanced Audit Committee Program (AACP) class 23/2016 - Capital Market Academy Class 25						
10) MR. PISIT JEUNGPRADITPHAN <i>(Independent Director/ Audit Committee)</i>	49	- 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	None	None	2006 – 2019	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
11) MISS HANSA SEMSRI <i>(Vice President – Accounting &amp; Finance)</i>	65	- Master degree of Management, Monash University	0.078	None	2006 - 2019	VP – Accounting & Finance	Golden Donuts (Thailand) Co., Ltd.	Food & Beverage
					2006 - 2019	VP – Accounting &	ABP Café (Thailand)	Food & Beverage

Name	Age	Education / Training	% Holding	Family relationship between a management	Working experience in past 5 years			
					Period	Position	Company	Type of the Company
<i>Retired on 1 July 2020</i>		- Bachelor degree of Accounting, Ramkhamhaeng University				Finance	Co., Ltd.	
					2012 - 2019	VP – Accounting & Finance	Golden Scoop Co., Ltd.	Food & Beverage
12) MISS WIMONRAT ASAWACHAVISIT (Vice President – Supply Chain Management) <i>Retired on 1 July 2020</i>	62	- Bachelor degree of Education Program, Silpakorn International Collage	0.073	None	2012 - 2019	VP – Supply Chain	Golden Donuts (Thailand) Co., Ltd.	Food & Beverage
					1996 - 2019	Management	ABP Café (Thailand) Co., Ltd.	Food & Beverage
					2012 - 2019	VP – Supply Chain	Golden Scoop Co., Ltd.	Food & Beverage
13) MR. BENJAPOL BENJAPALAKORN (Independent Director)	43	- Bachelor of Education, Faculty of Education, Chulalongkorn University - Master of Education, Faculty of Education, Chulalongkorn University - Master of Art, Bio-behavioral Sciences Columbia University, Teachers College - Doctor of Education, Bio-behavioral Sciences, Columbia University, Teachers College	None	None	2015 - 2018	Head of Conditioning coaches	Vajiravudh College	Education
					2014 - Present	Lecture	Faculty of Sports Sciences, Chulalongkorn University	Education
					2013 - Present	Senior Exercise Specialist	Samitivej Sukumvit Hospital	Hospital

Note: /1 The %Holding was as of March 16, 2020 which includes shares held by the spouse and minor children

/2 The Secretary Company