

ONE REPORT 2021
JCK HOSPITALITY PUBLIC COMPANY LIMITED





วิสัยทัศน์ I Vision

Continuous Improvement
พัฒนาองค์กรอย่างต่อเนื่อง

พันธกิจ I Mission

6 Missions Toward Continuous Improvement พันธกิจเพื่อมุ่งเน้นการพัฒนาองค์กรอย่างต่อเนื่อง



- | | |
|------------------------|--------------------------|
| 1. Ownership | รับผิดชอบ |
| 2. Focus | มุ่งเน้นความสำเร็จ |
| 3. Productive | ประสิทธิผล |
| 4. Dedication | อุทิศสาคและเพียรพยายาม |
| 5. Team work | การทำงานเป็นทีม |
| 6. Integrity and trust | ความซื่อสัตย์และไว้วางใจ |



ค่านิยมขององค์กร I Core Values

- | | |
|----------------|-------------------------|
| Credible | น่าเชื่อถือและไว้วางใจ |
| Creative | ความคิดสร้างสรรค์ |
| Caring | ความห่วงใย |
| Courage | มีกำลังใจและความกล้าหาญ |
| Customer Focus | มุ่งเน้นที่ลูกค้า |
| Change | กล้าที่จะเปลี่ยนแปลง |

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Investor can study additional details of issuer from the Company's Annual Report (Form 56-1 One Report) on SEC's website at www.sec.or.th or the Company's website at www.jckhgroup.com

Message from Chairman

Dear shareholders,

The Company would like to inform that in year 2021, the Company still faced several challenges caused by the situation of the pandemic of COVID-19 virus since the beginning of the year which has greatly affected to the economy both domestically and globally. This situation caused the Company to spend a lot of effort in management the cash flow, pay attention to the management of the expenses to be in line with the current situation to get through the crisis. As the situation has affected the customers' behavior to change to "new normal". However, the Company has adjusted its strategy and its marketing and sale plans to be able to generate the sales to be close to prior one as quickly as possible such as improving the image of the stores under brand Hot Pot, change the image of Daidomon brand to be Korean style which is modern and suitable for the young people and working group, selling frozen products and the Company's signature sauces as well as selling through delivery channels through partners. In addition, the Company emphasizes to cleanliness and hygiene including the safety inside the store.

The Company has contributed to the society (CSR) by donating drinking water to the community, food box to Bamrasnaradura Institute, Department of Disease Control, Nonthaburi Province, to support the work and create morale for medical personnel who are at high risk to infect the COVID-19 virus from taking care of the patients.

For the year 2022, the Company aims the target to expand Daidomon stores, improve brand image and ready to strongly return to the grilled food market. In order to create the long term brand strength, the Company therefore significantly emphasizes on the branch management especially the customers' needs (Consumer insight) continuously to reach more target customers and cover all price levels as the Company believes that understanding the customers' needs will help maintaining the existing customers and also expand to new customer base as well as create opportunities to increase the sales continuously and stably. Moreover, the Company still looking for the business partners to help supporting the existing business.

On behalf of the Board of Directors, we would like to thank the Directors, management, shareholders, financial institutions, customers, business partners and all stakeholders for their trust and confidence in the Company's potential including all employees who work together in their commitment and dedication to work and are an important force to drive the Company's business to grow. We would like all of you to believe that the Company will step up to become a leader in the restaurant business according to the goals which set by adhering to the good governance, transparency and preparation of business risk assessment plan. The Company sincerely hopes to earn your trust and support like this forever so that the Company can grow forward in a sustainable way.




(Dr. Apichai Techaubol)
Chairman

1. Structure and Operations of the Company's group



1.1 Policy and Business Overview

The JCK Hospitality Pcl. ("The Company") operates a suki and shabu-shabu restaurant business with great recipe sauce in the traditional style of Hot Pot, a Korean style BBQ and Shabu-shabu restaurant, and a Chinese restaurant. Most of the restaurants are buffet restaurants but there are also restaurants in a la carte style as well as restaurants with a comfortable atmosphere (Casual Dining) such as Suki Shabu Buffet restaurant under the concept of "All you can eat" under the brand "Hot Pot Inter Buffet" and "Hot Pot Gold" brands and grill buffet restaurants and Korean-style grilling under the brands "Daidomon" and "Daidomon Korean Grill", a la carte suki-shabu restaurant serving roast duck and dipping sauces in the traditional style of Hot Pot under the brand "Hot Pot Suki Shabu", the "Zheng Dou Grand" restaurant by Hong Kong Chef serving Chinese food, seafood and dim sum, selected from fresh ingredients, a friendly atmosphere inside the restaurant.

In 2021, the Company operated restaurants under 7 brands as follows;

Restaurant/Brand	Service mark	Concept
1) Hot Pot Inter Buffet		The international buffet restaurants serve Suki Shabu and wide variety of international food over 100 menus plus desserts, ice cream and soft drinks on the counter bar providing the foods that customers can select by themselves or served to the table at the price of Baht 299 / 379 per person to let the customers enjoy the meal unlimited within 1 hour and 30 minutes. In some branches, the customers can add a roaster to have both boiling pot and grill roaster at their table with additional charge of Baht 40 per person and in case of refill the soup other than the clear soup, it will be charged 40 Baht per the kind of soup

2) Hot Pot Gold		<p>Shabu and grill buffet restaurant in a premium, modern style, emphasize on the carefully selected ingredients. The service is delivered to the table with only a bar of sauces, snacks, desserts and self-serving drinks at a price of 399/499 Baht per person for all-you-can-eat for 1 hour and 30 minutes. In some branches, customers can ask for a grill to be added so they can eat in style of boiled and grilled on the same table with an additional charge of 40 Baht per person and in the case of adding soups other than clear soup, additional charge of 40 Baht per soup will be added.</p>
3) Hot Pot Suki Shabu		<p>The restaurants offer A La Carte (ordering meal from the menu) Suki Shabu, roast duck and superb “authentic recipe” dipping sauce.</p>
4) Daidomon		<p>Japanese grilled buffet restaurants that are popular among locals for a long time with special marinated sauce and unique taste of dipping sauce which is perfectly matched with fresh ingredients. The service is delivered to the table with only a bar of sauces, snacks, desserts and self-serving drinks at a price of 399/499 Baht (including drinks) per person for all-you-can-eat for 1 hour and 30 minutes.</p>
5) Daidomon Korean Grilled		<p>The Korean grilled buffet style which focus on special premium ingredients and imported meat of the highest quality together with a variety of Korean dishes to taste. The service is delivered to the table</p>

		with only a bar of sauces, snacks, desserts and self-serving drinks at a price of 359/459/538 Baht (including drinks) per person at the Ayutthaya city park and 339/459/538 Baht per person (including drinks) at the Future Park Rungsit Branch which customers can eat for all-you-can-eat for 1 hour and 30 minutes.
6) Zheng Dou		The restaurants offer A La Carte Hong Kong Dim Sum and traditional Chinese dishes, all freshly prepared to order. This casual dining concept offers great value for money experience and is becoming a popular destination.
7) Zheng Dou Grand Central World Branch		Zheng Dou Grand, Central World Branch is a Chinese restaurant, seafood and Dim sum at the premium grade which is an A La Carte restaurant (which can order the food in the menu) and also serves the Dim sum buffet which focuses on the freshness of food while allow the customers in a friendly atmosphere which attracts everyone to come to experience.

As of December 31, 2021, the Company has restaurants including its branches which are operated of total 65 branches which comprises of Hot Pot 59 branches (divided to 40 Hot Pot Inter Buffet branches, 15 Hot Pot Inter Buffet with the grilling menus branches, 2 Hot Pot Gold branches and 2 Hot Pot Suki Shabu branches), 2 Daidomon branches, 2 Daidomon Korean grill branches, 1 Zheng Dou branches and 2 Zheng Dou Grand branches.

More than 90% of the Company's restaurants are buffet style restaurant, spread in Bangkok and its vicinities including other provinces covering all regions of the country which will be located in the deptmenttes, modern trade, various shopping centers to facilitate the accessibility of the target customers.

The main target customer groups of the Company are mainly the teenagers, students, office workers and family who have busy lifestyle, freedom lovers, enjoy to dine in group and emphasize on the

value of spending which customers can choose to scoop the food they like from the counter bar by themselves with varieties of food to choose or if they prefer the A La Carte or the restaurants which provide the food as A La Carte in their menu. The Company also expand the brands to support the demand of the customers in each group such as Zheng Dou and Bonsai which is a Japanese restaurant. The Company emphasizes its target group to those of the middle-class to high-end customers.

Our factory or central kitchen is located at Lam Lukka District, Pathumthani Province on the area of 13-0-96 rai. The factory has been inspected and certified for production with quality standard in food industry such as GMP (Good Manufacturing Practice) and HACCP (Hazard Analysis and Critical Control Points) from Intertek Industry and Certification Services (Thailand) Ltd. The factory or central kitchen's functions are raw materials procurement, semi-finished food production such as different types of meat balls, stuffed squids, and seasoning pork especially the sauces which are the major seasoning of Suki Shabu for delivering to all branch restaurants. The quality of foods and raw materials, flavors of food and sauces have been controlled to have the same standard at all branches. New dishes, recipes and several semi-finished foods have been developed in order to be prepared easily by branches and have the same standard quality.

The Company has a logistics system to transport the raw materials and foods from the factories or central kitchens to all branches throughout the country by using the transportation of the Company and external transport companies which provides the Company the ability to control the quality, freshness, timing and cost efficiently, including the supply of the utensils, equipment and kitchenware to all branches to keep control of the standard and its unique identity of the Company. However, since 2018, the Company has used the outsourcing services to deliver the goods and raw materials from the factories to some branches which resulting in more convenience.

In addition, the factory or central kitchen is also the storage facility for preserving both fresh and dried raw materials, semi-finished foods, ingredients, kitchen appliances and utensils in restaurant etc. with adequate preparation and reservation plan to meet the requirement of each branch.

The Company controls quality and standard of services in every branch. All restaurant staffs will be trained regularly as they are considered as critical factor to deliver successful customer services which is satisfying and maintaining good relationship with our customers to keep them coming back to our restaurants.

1.1.1 Visions, objectives, goals or strategies for the Company's operations

The Company requires that the vision, mission and strategy be reviewed annually. The Board of Directors' meeting reviewed and determined the vision, mission, objectives and strategy of the Company as follows:

Vision

Continuous Improvement Continuous improvement of the organization.

Mission

6 mission to focus on continuous organizational development

- | | |
|-------------------------|----------------------|
| 1. Ownership: | Responsible |
| 2. Focus: | Focus on success |
| 3. Productive: | Productive |
| 4. Dedication: | Effort and diligence |
| 5. Team work: | Working as a team |
| 6. Integrity and trust: | Integrity and trust |

Corporate Values

<u>C</u> redible	Reliable and trustworthy
<u>C</u> reative	Creative
<u>C</u> aring	Caring
Courage	Spirit and courage
Customer Focus	Focus on the customers
Change	Dare to change

Business goals for the next 3-5 years

The Company is determined to expand its branches to cover potential areas, adjust the appearance of the front of the store to make it look modern and create a variety of choices through experiences in new brands to enable the Company to expand its customer base and new target groups.

The Company has implemented business expansion strategies as follows:

1. Branch expansion:

The Company has considered the trend and demands of the market by open the new brand to serve the different target group of customers which the Company would like to expand the brand of restaurants which are well-known and well-accepted by the customers in every area in the significant economic zone to serve for the future growth. The new branches will be considered by locations,

size of area, rental cost to match with the selling price and to attract target customers which will help the Company to expand its customer base and increase its target group.

2. Storefront improvements and/or change brand identity

The Company has modified the store layout to look more modern , beautiful and focus on cleanliness to increase and build confidence for the consumers who come to use the service and increase the premium both for the food image and arranging the food menu to suit the selling price in branches that are in locations with high potential and purchasing power. By doing so, the Company will consider the suitability of each place of sale including target customer groups and competition as well as renovating the branch to modern, clean and safe in accordance with the change in consumer behavior to build confidence for consumers who come to the restaurants.

3. Develop and create new product of the Company :

The Company possesses its own expertise which can be used to develop new products to differentiate from the existing core business in order to find new opportunities to generate other revenue such as the Company now develops varieties of flavors of ready-made sauces and places them to sell at its branches, supermarkets, department stores including the on-line channel. The Company has invented and developed various new products to be in line with the consumers' behavior which always change rapidly . However, the Company emphasizes on the quality and safety of the products so as to build the confidence to the consumers which will bring to the increase in revenue in the future.

4. Expanding into new businesses related to food business

In order to increase distribution channels and generate income for the business by relying on the expertise that the Company already possesses to build on and develop new products to mainly meet the needs of consumers such as food delivery services (Delivery) via Grab food, Lineman, Food Panda, Robinhood and shopee, retail food businesses such as Ready to Cook such as sauces and ready-to-eat food products (Ready to Eat) as well as frozen food business (Frozen Foods)

5. Maintain the quality of the food and services.

The Company emphasizes on the selection of quality raw materials, fresh, clean and the taste that meets the standards specified by the Company through audit and efficient management, along with the providing of First Class Service with continuous training in terms of products and services standards to make the best impression.

6. Society and environment

The Company focuses on CSR activities for society and the environment such as donations, giving social opportunities and campaigns to reduce food waste to give back to society and create long-term sustainability.

The Company also emphasizes the importance of personnel development to support the growth while providing the quality of services to be at the First Class Service as the Company realizes that the service industry is related to the people, so the continuous training and the necessary support for employees will enable the employees to perform their duties at their best capability.

1.1.2 Major Changes and Developments

Background and Major Changes

JCK Hospitality Public Company Limited has incorporated on January 28, 2004, formerly as Hot Pot Company Limited with initial capital of Baht 16 million, to operate Suki Shabu restaurants. The business was started from Suki Shabu restaurant cooked to order or A La Carte (ordering food from the menu) and the very first branch was named as “Coca Fresh Suki”, located at East Complex Shopping Mall in Chachoengsao province. The targeted customers were family groups. The 300 square-meter restaurant became very popular and the sole famous Suki restaurant in Chachoengsao province. Later, the Company expanded its branches at the shopping malls in upcountry such as Saraburi, Surin, Buriram, Kamphangphet, and Phitsanulok etc. At that time, branch expansion was operated by establishing other companies to control branch restaurants in each region.

In 2001, the Company changed its restaurant brand from “Coca Fresh Suki” to “Hot Pot Suki Shabu Restaurant”.

In 2004, the Company changed its administrative method by establishing Hot Pot Company Limited to centralize the administration and management of all branch restaurants. In October 2004, the Company increased its registered capital by Baht 40 million to Baht 56 million in order to transfer assets of other branches from their former companies to the new establishing company.

In 2005, the Company altered its strategy by penetrating into Suki restaurant in large department branch through opening international buffet restaurants focusing on Suki Shabu at Central Plaza Rama II which is the first branch in May 2005. The “Hot Pot Inter Buffet” consists of Suki Shabu and international food more than 100 items. Since the fact that none of other Suki restaurant entrepreneur operated this style of restaurants and, as a result, the Company’s business was successful, boosting its sales, gaining better brand recognition and acceptance from our customers. It was a good starting point of our roll-out in big

department branches. The Company also significantly changed its strategy on the concept that not only delicious food and good services but also “value for money”. The Company, hence, decided to expand its business into “buffet” or “all-you-can-eat” by gradually adjusted almost all of the a la carte restaurants to be the buffet ones. After modifying to the international buffet restaurants which are different from other competitors, as well as commitment thoroughly ongoing to improve food quality and services, restaurant style and a variety of food, the Company gained good response from the customers.

In 2006, Aureos South East Asia Fund (“Aureos Fund”) and Private Fund of Government Savings Bank managed by ING Asset Management (Thailand) Co., Ltd. (since June 17, 2011 onwards, it has been changed to be Private Fund of Government Savings Bank managed by One Asset Management Limited) entered into joint venture with the Company for financial support.

In February 2007, the Company invested in constructing the factory in total area of 13-0-96 rai, located at 11/1 Bueng Kham Phroi Sub-district, Lamlukka District, Pathumthani Province as the food production factory and central kitchen for all branches of the Company.

In July 6, 2011, the Company was converted from Company Limited to be Public Company Limited as well as reduced par value from Baht 10 per share to Baht 0.25 per share and increased its registered capital by Baht 15,346,160 from Baht 86,153,840 to Baht 101,500,000 by issuing new ordinary shares of 61,384,640 shares at par value of Baht 0.25 per share.

In December 15, 2011, the Company bought and transferred rights on the restaurant business of Daidomon Group Plc. (“Daidomon”), which is the buffet Japanese style grill restaurant, including the transfer of assets involved in all operations and other assets such as food formulas and sauces, customer bases, members, business partners, employees of Daidomon as well as its trademarks and trade names related to food and restaurant business such as Daidomon, Umami, Yasuki and Mitake to be continuously operated and managed by the Company.

In September 2012, the Company’s increased ordinary shares of 61,384,640 shares were initial public offering (IPO) at par value of Baht 0.25 per share with the objective to use the fund for new branch expansion, branch renovation, loan repayment and working capital. At this time, Aureos Fund also offered to sell its existing ordinary shares to the Company in the amount of 40,600,260 shares or 10% of paid-up capital. All ordinary shares of the Company have been listed in Market for Alternative Investment (MAI) on September 18, 2012.

In 2013, the Company continually expanded new branches. As of December 31, 2013, there were 153 active branches, compared with 138 branches in 2012. The 27 newly opened branches consisting of 23 branches under “Hot Pot” brand and 4 branches under “Daidomon” brand. In 2013, the Company launched new strategy which was additional serving roaster in some Hot Pot branches (extra service charge of Baht 30 per person for serving both boiling pot and roaster). The new strategy was successfully received good feedback from customers and more than 70% of customers order both boiling pots and roasters. As of December 31, 2013, the Company additionally opened 14 branches of Hot Pot with Grill, comprising 9 newly opening branches and 5 rebranding branches.

For Daidomon branches bought from Daidomon Group Plc. (“Daidomon”), the Company renovated almost all of the remaining branches which have not been renovated yet, totaling 10 out of 12 outlets. There were 6 renovated branches which have been additionally served Suki Shabu and 4 branches which have rebranded to Hot Pot with Grill.

In 2014, the Company opened 18 new branches, consisting of 16 branches of Hot Pot Inter Buffet which 15 out of 16 branches served both boiling and grilling styles, and 2 branches of Suki Shabu with small size. The Company also closed 27 branches which most of them had loss from operating results so that the Company’s overall performance will be regained in the future. Therefore, as of December 31, 2014, the Company had totally 144 active branches.

The Company renovated all branches of Hot Pot Buffet Value to be modern and then rebranded to Hot Pot Inter Buffet. Along with that, the Company renovated the only one branch of Hot Pot Ramen Buffet at Central Plaza Rama 2 and then rebranded to a new brand created by the Company under the name of Signature, opening on December 25, 2014.

In addition, the Company has increased distribution channels of Suki sauce in Tesco Lotus starting on November 2014, onwards.

In 2015, the Company established expansion plan on cautious basis, focusing only outlets located in potential area. The Company has opened 11 new branches, including a branch located in Star Plaza, Sa Kaeo province, which is totally invested by the shopping center. The 5 New branches consist of Hot Pot Inter Buffet which 3 of them serve both boiling and grilling styles and 6 branches of Signature, which 4 branches are newly opened and 2 branches are Hot Pot branches which have large branch size and split area into 2 branches under Hot Pot and Signature Brands.

The Company closed 12 branches which comprising 10 branches due to their loss from operating results and 2 branches which their rental contracts were expired and the Company did not want to renew the contracts. As of December 31, 2015, the Company, hence, had totally 143 active branches.

In 2016, the Company remained carefully opening new branches by primary consideration in potential of shopping center. Capital expenditure for new branches was reduced and assets of closed branches were reused. In addition, some branches were partly invested by the shopping centers. The Company opened totally 8 branches consisting of 2 branches of Hot Pot Inter Buffet (one branch serving both boiling and grilling styles), 5 branches of Signature, and 1 branch of Daidomon. The Company rebranded 7 branches of Hot Pot Inter Buffet which 4 of them were rebranded to Signature, and the rest branches was rebranded to Shabu Suki, Daidomon and Pot Jung accordingly. Meanwhile, the Company closed 10 branches comprising 7 branches which had loss from operating results, 2 branches which the shopping centers did not renew the rental contracts and 1 branch which was closed for renovation by the shopping center. Consequently, as of December 31, 2016, the Company had totally 141 active branches.

The Company had, for the first time, expanded its business abroad by sell the franchise of the Brand Hot Pot Inter Buffet to one of the operator in The Lao People's Democratic Republic which has started the operation on June 6, 2016, however at present, the restaurant had closed down. In addition, the Company has expand its distribution channels for the sale of the Suki dipping sauce through the Tesco Lotus Express which has almost 600 branches since June 2016 onwards, however the Company had given up this sale.

The Company's shareholders' structure has been changed in 2016, which Mr. Apichai Taechaubol held 65,900,000 shares (equals to 16.23 % of total shares sold) and JCK International Public Company Limited (formerly named Thai Factory Development Public Company Limited) held 9,100,000 shares (or 2.24 % of total shares sold).

In 2017, the Company found an opportunity to expand its business by launching a new brand category apart from buffet restaurants to vary different kinds of restaurants serving new customer groups as well as fill in the gap of the market of hi spending customers. The Company opened "Toomato Italian Kitchen", casual dining Italian restaurant, selecting premium ingredients directly from Napoli, Italy since November 1, 2017 at G floor, MBK Center.

However, as a policy, the Company had closed 36 branches mainly due to operating losses. As a result, at December 31, 2017, the Company had totally 106 active branches.

In addition, the Company had relocated its headquarters from 350 Ramintra Road, Tha Raeng, Bang Khen, Bangkok 10230, telephone number 0-2943-8448, facsimile number 0-2943-8458 to 18 Soi Sathorn 11 Yaek 9, TFD Building, Yannawa, Bangkok 10120 telephone number 0-2286-9959, facsimile number 0-2286-9960. Moreover, the Company increased its capital by issuing 40,600,000 new ordinary shares offering to the existing shareholders in proportion to the number of shares held by each shareholder (Right Offering) and issuing 40,600,000 new ordinary shares to the private placement. Therefore, as of December 29, 2017, the Company had registered capital of Baht 121,800,000 and paid-up capital of Baht 121,800,000 consisting of 487,200,000 ordinary shares at the par value of Baht 0.25 per share.

In 2018 the Company increased its capital by Baht 73,080,000 from the registered capital of Baht 121,800,000 to be Baht 198,880,000 by issuing 292,320,000 new ordinary shares at par value of Baht 0.25 per share. The Company registered the change of the increase of registered capital with the Department of Business Development, Ministry of Commerce on May 10, 2018. As a result, the Company has 779,520,000 shares at the par value of Baht 0.25 per share. The Company has allocated the ordinary shares by specific purpose for 243,600,000 shares at the par value of Baht 0.25 per share by offering to the existing shareholders (Right Offering) at the ratio of 2 existing shares to 1 new capital increase ordinary share at the offering price of Baht 1.30 per share. As the result, 138,077,672 shares have been exercised at the offering price of Baht 1.30 per share in the amount of Baht 179,500,974. As a result, the total registered and paid-up capital is 625,277,672 shares in the amount of Baht 156,319,418. The Company has registered the change of paid-up capital to Department of Business Development on June 27, 2018. In addition, to allocate the ordinary shares increase by General Mandate for 48,720,000 shares at the par value of Baht 0.25 per share by offering to the existing shareholders by private placement, as at December 31, 2018, the Company has not allocated to private placement. The Company has registered capital at Baht 194,880,000 with paid-up capital of Baht 156,319,418 comprising of 779,520,000 ordinary shares at the par value of Baht 0.25 per share.

The Company's name and the ticker symbol were changed from "HOT POT PUBLIC COMPANY LIMITED" to "JCK HOSPITALITY PUBLIC COMPANY LIMITED" with the Ministry of Commerce on June 27, 2018 and changed the ticker symbol from "HOTPOT" to "JCKH" with effective from May 16, 2018 onwards.

In addition, the Company has closed down 14 branches which had operating loss, including the Super Pot too. On the contrary, the Company has launched several new brands restaurants which includes 3 branches of "Zheng Dou", 1 branch of "Zheng Dou Grand", 3 branches of "Zheng Dou Express" and Bonsai restaurant. As of December 31, 2019, the Company has all operating branches of 93 branches.

In 2019, the Company still has a plan to carefully expand the branches and also to close the unprofitable branches. The Company also focus on the negotiating of rental price and services fees from the lessor, including the plan to open the new brand restaurant in the potential area such as the expansion of the brand “Zheng Dou” to the Central World and the opening of Bonsai, the Japanese style restaurant on Lung Suan Road.

After the submission of the financial statements of the second quarter, the securities of the Company has been posted with the “C” sign (Caution) by the Stock Exchange of Thailand as the operating results of the Company has the shareholders’ equity less than 50% of total paid-up capital which was considered based on the audited / reviewed financial statements by auditors which did not make any adjustment. The Company had to call for the meeting to provide information and explain the guideline to correct the cause which it was posted “C” to the shareholders, investors and other related parties by organizing the Public Presentation. The Company has prepared the guideline to resolve the situation by focusing on the increase of annual revenue through the speed up in sales and marketing to be in line with the predetermined plan, to expedite its business partners to increase the capability to reach more customers, to increase business opportunity and also the distribution channels which will lead to the ability to reach more customers. For the expenses which incurred, the Company will increase the rigid measures to control the costs and expenses to improve the efficiency including to improve the branch management to be more efficient to reduce the branch’s cost.

In 2019, the Company had closed down 14 branches as a result of the accumulated operating and continuous loss to comply with the cost management policy for maximize the efficiency.

In 2020, according to the resolution of the Board of Directors’ meeting of 3/2020, on May 15, 2020, the Board of Directors has approved the Company to allocate and offer to sell the newly issued ordinary shares of the Company under the general mandate to existing shareholders (Right Offering) at the ratio of 5 existing shares to 1 new share of total 125,055,534 shares at the selling price of 0.35 Baht each during 22-26 June 2020 for total amount of fund of 43,769,436.90 Baht. Afterward, on August 18, 2020, according to the resolution of the Board of Directors of 5/2020 has approved the allocation of 21,000,000 newly ordinary shares to investors on a private placement basis at a price of Baht 0.50 each. Total fund received is 10,500,000 Baht by made the sale on August 18, 2020. Subsequently on December 22, 2020, according to the resolution of the Board of Directors of 7/2020 has approved the allocation of the newly ordinary shares to the investors on a private placement basis at a price of 0.28 Baht of 41,527,766 shares, total fund equaled to 11,627,774.48 Baht by selling on 23-24 December 2020 which then made the total registered share of the

Company at December 31, 2020 equaled to 203,215,243 Baht and paid up shares equaled to 203,215,243 Baht comprised of ordinary shares of 812,860,972 shares at the par value of 0.25 Baht each.

The Company has expanded numbers of branches of Zheng Dou to 3 branches which the Company has considered to expand in the area where there are lots of potential buyers to serve the quick lifestyles which were along the line of BTS stations such as Rama IX, Jatujak and Sukhumvit. However, when there was the outbreak of the virus COVID-19, in concern about the safety and reduce the risk of contamination, where several companies had allowed their staffs to work from home thus the people traveled via BTS had decreased significantly so the sales of Zheng Dou was not as expected, so when considered the sales and cost of sales, the Company then decided to closed down all three Zheng Dou express within the year 2020. However, after the Company has considered the expansion of branches in the current situation, it has changed the policy to emphasize on cost and as such explored the location and area to open the branch out of the shopping mall to decrease the rental cost. In December 2020, the Company has opened the new branch under brand Hot Pot Inter Buffet in the Nava Nakorn Industrial Estate.

From the situation of the spread-out of COVID-19 pandemic, the political situation and the slowdown in economy thus the Company has been affected by all these factors so that in 2020, the Company incur losses from operation which caused the shareholders' equity to be less than 50% of the paid up share capital. As a result, the stock of the Company in the SET was remarked "C" (Caution) which the Company had then arranged the meeting to provide the information and also to present the solution plan to shareholders, investors and other stakeholders (Public Presentation). For the rehabilitation plan, the Company emphasized on the increase of revenue by developing the quality of food, services, cleanliness in the shop and also provided the option of set A La Carte, promotion of sales in line with the festival and also sell the ready-made sauce to increase new channels of other income. The Company not only emphasizes on the revenue but also concerns on the reduction in cost of foods and also the policy to restructure management policy so that the manpower are proper while not affecting the standard of foods and customers' satisfaction and also adjusts the strategy to expand the branch outside the department store to decrease the rental cost and also adjusts the selling price to expand the target customer base to be more able to access dining at the restaurant.

The Company has its policy to close down the branches which have accumulated loss continuously. In 2020, the Company had closed 15 branches which resulted in total stores operated as of December 31, 2020 of only 82 branches, in total.

In year 2021, according to the resolution of the Board of Directors' meeting No. 1/21 on February 25, 2021, it was resolved to approve the capital increase by increase the registered capital of the Company from 203,215,243 Baht to 264,179,815.50 Baht by issuing 243,858,290 new ordinary shares at a par value of 0.25 Baht per share, total amount of 60,964,572.50 Baht divided into for sale to the existing shareholders (Right offering) under a general power of attorney (General Mandate) amounting to 162,572,194 shares and to offer to private placement under a general power of attorney (General Mandate) of 81,286,096 shares. The Company has registered the change in the registered capital of the Company with the Department of Business Development, Ministry of Commerce on March 29, 2021 thus te Company now have a total registered capital of 1,056,719,262 shares with a par value of 0.25 Baht per share with the details of the allocation and offering of new ordinary shares as follows :

- (1) On March 30, 2021, the Board of Directors' Meeting No. 2/2021 resolved to approve the allocation and offering of newly issued ordinary shares to a private placement of 18,750,000 shares at a price of 0.80 Baht per share, totaling 15,000,000 Baht by offering shares on March 31, 2021.
- (2) On April 7, 2021, the Board of Directors' meeting No. 3/2021 resolved to approve the allocation and offering of newly issued ordinary shares to a private placement of 30,000,000 shares at a price of 0.80 Baht per share, totaling 24,000,000 Baht by offering shares on April 8, 2021
- (3) On April 20, 2021, the Board of Directors' meeting No. 4/2021 resolved to approve the allocation and offering of newly issued ordinary shares to a private placement of 32,250,000 shares at a price of 0.80 Baht per share, totaling 25,800,000 Baht by offering shares on April 20,2021.

In 2021, according to the resolution of the Board of Directors Meeting No. 5/21 on May 5, 2021, it was resolved to approve the reduction of the Company's registered capital from the amount of 264,179,815.50 Baht to 223,465,243 Baht by canceling 162,858,290 unsold ordinary shares with a par value of 0.25 Baht per share, divided into shares issued to support the allocation to the existing shareholders under a

General Mandate amounting to 162,572,194 shares and shares issued for allocation to private placement (Private Placement) under a General Mandate amounting to 286,096 shares that have not been sold. The Company has registered the change of registered capital reduction of the Company with the Department of Business Development, Ministry of Commerce on June 16, 2021, causing the Company to have a registered capital of 893,860,972 shares with a par value of 0.25 Baht per share. Moreover, the Board of Directors Meeting No. 5/21 on May 5, 2021 also resolved to approve the issuance and offering of warrants to purchase ordinary shares of the Company No.1 (“JCKH-W1”) in the amount not exceeding 223,465,243 units at the ratio of 4 existing ordinary shares to 1 unit of JCKH-W1 warrants (in case of fractions will be discarded) free of charge with the exercise price equal to 0.25 Baht per share by specifying the names of shareholders who are entitled to receive the allocation of JCKH-W1 warrants on June 21, 2021 (Record Date). The term of the warrants is not more than 3 years counting from the date of issue and the date of offering and approved the issuance and offering of newly issued convertible debentures of the Company (“Convertible Bonds”) with a total offering value of not more than 300,000,000 Baht to specific investors, namely Advance Opportunities Fund (“AO Fund”) and Advance Opportunities Fund 1 (“AO Fund 1”) which these investors are not a person connected with the Company.

In addition, the Board of Directors Meeting No. 5/21 on May 5, 2021 also resolved to approve the increase of the registered capital of the Company in the amount of 178,749,847.75 Baht from 223,465,243 Baht to 402,215,090.75 Baht by issuing 714,999,391 new ordinary shares at a par value of 0.25 Baht per share divided for offering to the existing shareholders (Right Offering) under a General Mandate amounting to 178,772,194 shares and to be offered to a specific person (Private Placement) under a General Mandate amounting to 89,386,097 shares to support the exercise of the warrants JCKH-W1 amount of 223,465,243 shares and to support the exercise of the convertible debentures to AO Fund and AO Fund 1 with a total offering value of not more than 300,000,000 Baht to specific investors, namely Advance Opportunities Fund (“AO Fund”) and Advance Opportunities Fund 1 (“AO Fund 1”) which these investors are not a person connected with the Company, amounting to 223,375,857 shares. The Company has registered the change in the registered capital of the Company with the Department of Business Development, Ministry of Commerce on June 17, 2021, causing the Company to have a total registered capital of 1,608,860,363 shares, with details of the allocation and offering of new ordinary shares as follows

- (1) On June 25, 2021, the Board of Directors Meeting No. 7/2021 resolved the allocation and offering of newly issued ordinary shares to a specific person (Private Placement) in the amount

of 16,760,900 shares at a price of 0.80 Baht per share, totaling 13,408,720 Baht by offering shares on June 25, 2021.

- (2) On August 25, 2021, the Board of Directors Meeting No. 9/2021 resolved the allocation and offering of newly issued ordinary shares to a specific person (Private Placement) in the amount of 56,604,000 shares at a price of 0.53 Baht per share, totaling 30,000,120 Baht by offering shares during August 26-27, 2021.
- (3) Between July 27, 2021 and October 4, 2021, the Company has issued and offered the sale of the newly issued convertible debentures of the Company 5 times (No.1/2021 – No. 5/2021) with the total number of bonds that issued and offered for sale of 100,000 units by convertible bond holders exercised their rights of 95,000 units, the remaining 5,000 units of debentures that had not exercised conversion rights. The ordinary shares arising from the exercise of convertible rights total 211,596,597 shares.
- (4) On October 19, 2021, the Board of Directors Meeting No. 10/2021 resolved the allocation and offering of newly issued ordinary shares to a specific person (Private Placement) in the amount of 15,061,447 shares at 0.48 Baht per share and 959,750 shares at 0.80 Baht per share, totaling 7,997,294.56 Baht by offering shares on October 19-20, 2021
- (5) During October 22-29, 2021, the holders of JCKH-W1 warrants exercised 149,997 units of convertible rights at the exercise price of 0.25 Baht per share to 149,997 ordinary shares of the Company.

In 2021, according to the resolution of the Board of Directors Meeting No. 10/2021 on October 19, 2021, it was resolved to approve the reduction of the Company's registered capital from 402,215,090.75 Baht to 357,522,042.25 Baht by canceling the unsold ordinary shares of 178,772,194 shares with a par value of 0.25 Baht, which is the share that issued to support the allocation to the existing shareholders according to the General Mandate. The Company has registered the change of registered capital reduction of the Company with the Department of Business Development, Ministry of Commerce on November 23, 2021 thus the Company has a total registered capital 1,430,088,169 shares with a par value of 0.25 Baht per share.

In addition, the Board of Directors Meeting No. 10/2021 on October 19, 2021 also resolved to approve the increase of registered capital of the Company in the amount of 179,926,382.75 Baht from 357,522,042.25 Baht to 537,448,425 Baht by issuing 719,705,531 new ordinary shares with a par value of 0.25

Baht per share to be offered to Existing shareholders (Right Offering) under a General Mandate of 238,998,732 shares and a private placement under a General Mandate of 119,499,366 shares and to support the exercise of convertible debentures issued and offered for sale to specific investors, namely Advance Opportunities Fund (“AO Fund”) and Advance Opportunities Fund 1 (“AO Fund 1”) as approved by the extraordinary General Meeting of shareholders No. 1/2021 on June 15, 2021, where AO Fund and AO Fund 1 are not connected persons with the Company, amounting to 361,207,433 shares with the details of the allocation and offering of new ordinary shares as follows :

- Between November 26, 2021 to December 24, 2021, the Company has issued and offered for sale the newly issued convertible debentures of the Company 5 times (No. 6/2021 – No. 10/2021) with the total number of bonds issued and offer for sale of 75,000 units.
- Between November 30, 2021 to December 20, 2021, the convertible debenture holders exercised 45,000 units of the Convertible shares 122,369,056 ordinary shares resulting from the exercise of the convertible shares

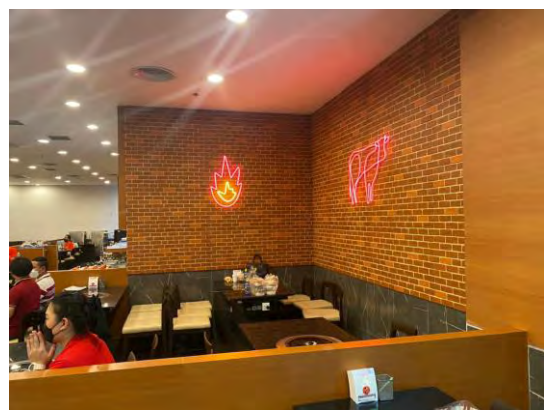
As of December 31, 2021, the Company has registered capital of 537,448,425 Baht and paid-up capital of 329,340,679.75 Baht comprising of 1,317,362,719 shares with a par value of 0.25 Baht per share.

In addition, in 2021 in order to increase the channel of income in the future and expand customer base, the Company has invested in the total business in Chiang Rai Province by purchasing 100% of ordinary shares of the registered capital of 2 subsidiaries, namely 1. CPT Hotel and Resort Company Limited with the paid up capital of 120,000,000 Baht so the Company wholly own 100% of the subsidiary and 2. ASP Hotel and Resort Company Limited with paid up capital of 1,000,000 Baht, 100% investment proportion. Therefore in 2021, the Company has to prepare the consolidated financial statements for the first time.

For the Company’s financial statements in Q1/2021 and Q2/2021, the Company still has operating losses which is a result of the situation of the epidemic of the Corona virus (COVID-19) that persists throughout the year resulted in the shareholders’ equity less than 50% of the paid up capital. The Company was posted by the Stock Exchange of Thailand the “C” (Caution) sign. The Company has organized a meeting to provide information and explained solutions to the cause of the “C” sign posted to the shareholders, investors and related parties (Public Presentation). As a result, the Company focuses on expanding potential branches by changing some branches to be the brand DAIDOMON, focusing on the selection of raw materials

and food quality including the services in the restaurant to meet the same standards, expanding investments to various projects to increase the Company's revenue, find food and beverage partners for joint investment as well as organizing promotional programs to stimulate sales to increase. However, for the Company's financial statements for the third quarter of 2021, the Stock Exchange of Thailand has removed the "C" (Caution) as the Company's shareholders' equity has exceeded 50% of total paid-up capital which was caused by the Company has invested in other business by acquiring 100% of the ordinary shares of 2 companies thus both companies become the Company's subsidiaries and the Company recognized land and buildings at fair value based on the land and building appraisals of independent appraisers. Therefore the surplus on asset revaluation is recognized in other comprehensive income amounting to 122 million Baht (net of income Tax)

In 2021, the Company has a policy to improve the image of Daidomon restaurant to be Korean style by changing the logo and the restaurant style to be modern to reach a group of teenagers who want the atmosphere of the shop for customers to feel the fun in grilling activities coupled with the taste of delicious food. The Future Park Rangsit branch is the first branch that the Company has adjusted its image according to the Company's policy.



For the Hot Pot restaurant, the Company also improve the image of the restaurant to look warm and modern, suitable for customers group such as family, friends and working people. The logo has also been changed, the service style was changed to be a buffet served and focus on the premium meat ingredients with the Central Rayong branch being the first branch that the Company has renovated.



1.1.3 The use of fundraising according to the objectives.

According to JCK Hospitality Public Company Limited (“the Company”) has issued and offered convertible debentures to investors in the amount of 175,000,000 Baht and exercised the Convertible rights into common shares in the amount of 140,000,000 Baht, the Company would like to report the use of the proceeds received from the capital increase, ending on December 31, 2021 as follows :

Objectives of using the funds	Amount (Baht)
Proceeds from the conversion of debentures	140,000,000
Less offering and other expenses	(19,631,000)
Working capital and debt payment of goods and services	(120,369,000)
Balance	-0-

1.1.4 The Commitment that made by the Company in the registration statement

In 2021, the Company has no other type of fundraising except the offering of new ordinary shares to the existing shareholders (Right Offering) and Private Placement under a General Mandate to support the exercise of the JCKH-W1 Warrants and to support the exercise of the Convertible Debentures.

1.1.5 General Information

Company	:	JCK Hospitality Public Company Limited
Nature of Business	:	operate a restaurant business, buffet restaurant business under the concept of “All you can eat” which comprises of Suki-Shabu restaurants under the brand “Hot Pot Inter Buffet”, the grilled restaurants under the brand “Daidomon” and Hong Kong style Chinese restaurant, seafood and Dim Sum, selected fresh ingredients by experienced Hong Kong Chef (A la carte) under the brand “Zheng Dou”
Office Location	:	Head Office is located at 18 Soi Sathon 11 Yeak 9 TFD Building, Yannawa, Sathon, Bangkok 10120
Registered Number	:	0107554000160
Registered Capital	:	2,149,793,700 ordinary shares at par value of 0.25 per share, Total amount of Baht 537,448,425
Paid-up Capital	:	1,317,362,719 shares at par value of 0.25 per share, Total amount of Baht 329,340,679.75
Accounting Period	:	January 1 – December 31
Website	:	www.jckhgroup.com
Telephone	:	(662) 286-9959
Facsimile	:	(662) 286-9960
Investor Relations	:	Company Secretary Office (662) 286-9959 ต่อ 8807 cs@jckhgroup.com

1.2 Nature of Business

1.2.1 Revenue Structure

Type of Revenue	As of December, 31					
	2019		2020		2021	
	Million Baht	%	Million Baht	%	Million Baht	%

Type of Revenue	As of December, 31					
	2019		2020		2021	
	Million Baht	%	Million Baht	%	Million Baht	%
1. Revenue from sale						
(a) From branches						
1) Hot Pot Inter Buffet	763.78	54.66	398.53	56.82	249.09	56.47
2) Hot Pot Inter Buffet and grilled	357.82	25.61	179.25	25.56	103.78	23.53
3) Hot Pot Suki and Shabu	14.70	1.05	9.59	1.37	7.98	1.81
4) Daidomon	102.89	7.36	41.01	5.85	31.47	7.13
5) Signature ^{1/}	9.82	0.70	0.69	0.10	-	-
6) Toomato Italian Kitchen ^{2/}	9.03	0.65	0.57	0.08	-	-
7) Zheng Dou	44.65	3.20	43.57	6.21	32.15	7.29
8) Signor Sassi ^{3/}	39.67	2.84	4.47	0.64	-	-
9) Bonsai ^{4/}	3.90	0.28	7.86	1.12	2.23	0.51
10) Joe ka To	-	-	-	-	0.91	0.21
Total revenues from branches	1,346.26	96.35	685.54	97.75	427.61	96.94
(b) Others sales	2.83	0.20	0.26	0.03	-	-
Total sales revenue	1,349.09	96.55	685.80	97.78	427.61	96.94
2. Other income	48.16	3.45	15.57	2.22	13.51	3.06
Total Revenue	1,397.25	100.00	701.37	100.00	441.12	100.00

Remark: ^{1/} Signature closed in March 2020

^{2/} Tumato Italiano Kitchen closed in February 2020

^{3/} Signor Sassi closed in February 2020

^{4/} The Company has opened Bonsai on Lang Suan Road on August 9, 2019

1.2.2 Product Information

(1) Product Characteristics

(1.1) Restaurant Business

The JCK Hospitality Pcl. ("The Company") operates a suki and shabu-shabu restaurant business with great recipe sauce in the traditional style of Hot Pot, a Korean style BBQ and Shabu-shabu restaurant, and a Chinese restaurant. Most of the restaurants are buffet restaurants but there are also restaurants in a la carte style as well as restaurants with a comfortable atmosphere (Casual Dining) such as

Suki Shabu Buffet restaurant under the concept of “All you can eat” under the brand “ Hot Pot Inter Buffet” and “Hot Pot Gold” brands and grill buffet restaurants and Korean-style grilling under the brands “Daidomon” and “Daidomon Korean Grill” , a la carte suki-shabu restaurant serving roast duck and dipping sauces in the traditional style of Hot Pot under the brand “Hot Pot Suki Shabu” , the “Zheng Dou Grand” restaurant by Hong Kong Chef serving Chinese food, seafood and dim sum, selected from fresh ingredients, a friendly atmosphere inside the restaurant.

As of December 31, 2021, the Company has restaurants including its branches which are operated of total 65 branches which comprises of Hot Pot 59 branches (divided to 40 Hot Pot Inter Buffet branches, 15 Hot Pot Inter Buffet with the grilling menus branches, 2 Hot Pot Gold branches and 2 Hot Pot Suki Shabu branches), 2 Daidomon branches, 2 Daidomon Korean grill branches, 1 Zheng Dou branches and 2 Zheng Dou Grand branches.

With details each restaurant type and brand that are open for service in 2021 as follows:

(a) Restaurants under the main brand “Hot Pot”



Hot Pot Inter Buffet

Hot Pot Inter Buffet is an international buffet restaurant which focuses on Suki and Shabu food and there are more than 100 international dishes of various styles added to make it more special such as hot dishes, sushi, fried food, dim sum, salad bar, fruits, desserts, ice cream and a wide variety of beverages including a special recommended menu that will be changed regularly at each time or in special festivals at a price of 399 / 499 Baht per person and for children under 130 centimeters height will be charged at 199 Baht per person (children under 110 centimeters will be treated free of charge). The price will include drinks and limiting eating time to 1 hour and 30 minutes with some branches serving both boiling pots and grills. The customers who choose to eat both styles will be charged an additional of 40 Baht per person. This price can only be eaten with the clear soup only, if the customers want another kind of soups, they will be charged 40 Baht per soup, limited eating time will be 1 hour and 30 minutes.

As of December 31, 2021, there are 57 restaurants under the Hot Pot Inter Buffet brand, most of them located in the department store, the leading supermarkets such as Central, The Mall, Big C, Tesco

Lotus , Home Pro etc. which are the shopping centers for middle to high income customers. The Hot Pot Inter Buffet now has 42 branches as follows :

Region	Number	Location
1. Bangkok and its vicinities	17 branches	Central Chaengwattana Fashion Island Central Rama 2 Central Rattathibet Seacon Bangkhue The Mall Bang Imperial Ladprao Big C Ratchdamri Khae HomePro Big C Mahachai Lotus Phutthamonthon Sai 5 Mega Bangna Chaengwattana HomePro Petchkasem Navanakorn HomePro Nakhon Bon Marche' Commercial Bldg. Pathom Lotus Sukhaphiban 3
2. Central Region (excluding Bangkok and its vicinities	3 branches	Ayutthaya Park HomePro Lopburi V Square Nakhon Sawan
3. Northern region	6 branches	Central Plaza Chiang Rai Lotus, Phrae Central Plaza Phitsanulok, Lotus Tha Thong Phitsanulok Central Festival Chiang Mai, Central airport Chiang Mai
4. Eastern Region	4 branches	Central Plaza Chonburi HomePro Sriracha HomePro Chanthaburi Pacific Park Sriracha
5. Northeastern Region	10 branches	Central Plaza Khon Kaen HomePro Loei Central Plaza Ubon Ratchathani Lotus Sisaket Central Plaza Udon Thani Lotus Khon Kaen Sermthai Complex HomePro Chaiyaphum Robinson Sakon Nakhon Big C Udon Thani
6. Western Region	2 branches	Robinson Suphanburi HomePro Ratchaburi

Note : Regions are divided according to the regional classification of National Economic and Social Development Board but separated Bangkok and its vicinities from the central region.

As of December 31, 2021, there are 15 branches of restaurants under the brand of Hot Pot Inter Buffet that can be grilled, most of which are located in shopping malls and leading supermarkets such as Central, Robinson, Big C, Tesco Lotus etc. which are shopping centers for middle and high income customers with location of branches as follows :

Region	Number	Locations
1. Bangkok and its vicinities	6 branches	Robinson Samut Prakarn HomePro Bangna HomePro Lamlukka Central Plaza Salaya Central Plaza Bangna Central Plaza Westgate
2. Central Region (excluding Bangkok and its vicinities)	1 branch	Lotus Nakhon Nayok
3. Northern region	1 branch	Jamfa Shopping Mall Lampoon
4. Eastern Region	2 branches	Central Plaza Rayong Big C Srimahapho Prachinburi
5. Northeastern Region	4 branches	Robinson Surin The Mall Korat Robinson Burirum Robinson Mukdahan
6. Southern Region	1 branch	HomePro Chumporn

Note : Regions are divided according to the regional classification of National Economic and Social Development Board but separated Bangkok and its vicinities from the central region.



Hot Pot GOLD

The shabu and grill buffet restaurant in a premium, modern style, emphasizing on carefully selected ingredients. The service is delivered to the table with only a bar of source, snacks, desserts and self-serving drinks at a price of 399 / 499 Baht per person and for children under 130 in height, the price will be charged at 199 per child (children under 110 cm will be free of charge) . This price include drinks and All-you-can-eat for 1 hour and 30 minutes. In some branches, customers can add a grill so they can eat both boiled and grilled at the same time with an additional charge of 40 Baht per person and in the case of adding soups other than the clear soup, additional cost will be 40 Baht per soup.

Region	Number	Location
Eastern region	1branch	Central Rayong
Northern region	1branch	HomePro Petchaboon



Hot Pot Suki Shabu

Hot Pot Suki Shabu is an a la carte style of Suki Shabu restaurant (ordering food available on the menu) Main featured dishes include roasted duck and dipping sauces, a traditional Hot Pot “recipe” before all restaurants were changed to buffet style. At present, there are still only 2 branches of Suki Shabu in the aforementioned form as follows :

Region	Number	Location
Northeastern region	2 branches	Theweekij Super center Burirum Lotus surin

(b) Restaurants under the brand “Daidomon”



Daidomon is a grilled buffet restaurant which the Company has acquired and accepted the entire business transfer of the aforementioned restaurant from Daidomon Group Public Company Limited on December 15, 2011 with 25 branches, where 23 branches haven continuously opened (on the day of the transfer , 2 branches were already closed) and the Company has gradually renovated the Daidomon shop to have a modern look including adding a food bar to allow customers to choose their favorite menu from the food bar such as salad, sushi, tempura and hot dishes, desserts, ice cream etc. while maintaining the original delicious taste of Daidomon. With the current situation that grill restaurants have a lot of competitors causing the existing restaurant to have to improve both the appearance of the restaurant and the food menu. For the branches that do not make a profit, the Company therefore had to close the operation and return the space area to the shopping center and focusing only on the branch with the profitable operators.

Daidomon restaurant is a grilled buffet that have been popular for a long time with the special recipe marinated sauce and a delicious unique dipping sauce of the restaurant which can imply perfectly with fresh ingredients of good quality. The service is arranged to the table with a self-service bar with sauces, snacks, desserts and beverages for 399/499 Baht per person (including the beverages). For the children under

130 centimeters of height, the charge will be 199 Baht per person (children at height less than 110 centimeters can eat free of charge) . Customers can choose to eat unlimited for 1 hour and 30 minutes.

As of December 31, 2021, there are 4 branches open under the Daidomon brand as follows :

Region	Number	Location
1. Bangkok and vicinity	1 branch	The Mall Bangkok
2. Northern area	1 branch	Central Chiang Mai Airport



(c) Restaurants under the brand “Daidomon Korean Grill”

The Korean BBQ Buffet restaurant focusing on premium ingredients and premium quality imported meat, it is served with a variety of Korean dishes to taste and service is served to the table. There is only a self-service bar with sauces , snacks desserts and beverages in 3 price levels : 359/459/538 baht per person for the Ayutthaya City Park branch and 339/439/549 Baht per person for a branch at Future Park Rangsit (The price includes the beverages) and for children under 130 centimeters of height will be charged at half price of adults (children under 110 centimeters will be free of charge) and the customers can choose to eat all-you-can-eat for 1 hour and 30 minutes.

As of December 31, 2021 , there are 2 branches that are open under the Daidomon Korean Grill brand as follows:

Religion	Number	Location
1.Bangkok and vicinity	1branch	Future Park Rangsit (Floor B)
2. Central Region (excluding Bangkok and its vicinities)	1branch	Ayutthaya Park Daidomon

(d) Restaurant under the brand “Zheng Dou”



Hong Kong style Chinese restaurant and dim sum in A La Carte style where the chefs make it fresh for the customers in the comfortable atmosphere with a worthwhile price and is a restaurant that every people want to use the service. The first branch was opened at HomePro Rama 3, G Floor and the latest branch at Central World Shopping Center.

Religion	Number	Location
1 . Bangkok and its vicinity	1 branch	HomePro Rama 3



(e) Restaurant under the brand “Zheng Dou Grand”

Is a premium grade Chinese, seafood and dim sum restaurant in the style of A La Carte (ordering food that is included in the menu) and serves dim sum buffet by focusing on freshness of food and provide the friendly atmosphere to customers which everyone wants to experience.

Region	Number	Location
1 . Bangkok and its vicinity	1 branch	Central World

In addition, the Company also sells bottled of seasoning sauces which is the original recipe of Daidomon including Hot Pot's bottled of sukiyaki sauce, which is sold both retail and wholesale and starting a frozen food business under the name of Hotpot Shabu GO as well as selling membership cards to customers to use for food discounts and other benefits.

Number of branches in operation by type of restaurant or Company brand as of December 31, 2018-2021

แบรนด์	As of December 31			
	2018	2019	2020	2021

	Number of branch	Increase/ decrease	Number of branch	Increase/ decrease	Number of branch	Increase/ decrease	Number of branch	Increase/ decrease
1) Hot Pot Inter Buffet	55	(7)	51	(4)	50	(1)	42	(10)
2) Hot Pot Inter Buffet with Grill	27	(2)	25	(2)	22	(3)	15	(7)
3) Hot Pot Suki Shabu	2	-	2	-	2	-	2	-
4) Daidomon	5	(1)	5	-	4	(1)	2	-
5) Daidomon Korean Grill	-	-	-	-	-	-	2	(2)
6) Zheng Dou	3	3	3	-	1	(2)	1	-
7) Zheng Dou Grand	-	-	2	2	2	-	1	(1)
Total	97	(9)	93	(4)	82	(11)	67	(20)

(1.2) Hotel Business

In August 2021, the Company has invested in the hotel business by entering into an agreement to purchase ordinary shares of CPT Hotel and Resort Co.,Ltd (CPT) and ASP Hotel and Resort Co.,Ltd (ASP) at a price of 30 million Baht and 1 million baht consecutively representing 100 percent of the registered capital of the said company. The Company has a policy for the management of its subsidiaries as follows :

(a) CPT Hotel and Resort Co.,Ltd (CPT)

The project is under development as a four-star to four-star plus hotel located on Khwae Wai Road, next to Kok Tong Road and next to Rim Kok Soi 6, separated from Phaholyothin Road, Rob Wiang Subdistrict, Mueang Chiang Rai District, Chiang Rai Province, total area of 1-0-29.5 rai comprise of land and one building (100% complete construction) which is a 7 storey hotel building with swimming pool. The building has 79 rooms with total usable area of 3,927 square meters, with complete and sufficient public utilities system. However, due to the ongoing pandemic of COVID situation during 2-3 years continuously, the project was abandoned. Therefore some more repairment will be required which currently the Company is in the process of procuring contractors to repair and renovate the hotel building. It is expected that the service will be available at the end of 2022.

(b) ASP Hotel and Resort Co.,Ltd (ASP)

The project is under development as a four-star to four-star plus hotel and Chain Hotel is located on Phaholyothin Road (Thor Lor 1) Ban Du Subdistrict, Muang Chiang Rai

District, Chiang Rai Province, total area of 1-0-84.4 rai, the project type is land with 2 buildings (100% construction completed) divided into an 8-storey hotel building with 105 rooms and total usable area of 5,609 square meters and a two-storey clubhouse building with swimming pool. The total usable area is 245.15 square meters. At present, the ownership of the land and hotel buildings has been vested by the bank creditors. The said assets were placed as collateral from the auction. This is a transaction that occurred before the Company entered into the purchase agreement of ordinary shares of ASP. The Company is in the process of negotiating with bank creditors to buy back the abovementioned land and hotel building.

(2) Marketing and Competition

2.2.1 Marketing

1) Marketing policy in the past year

In 2021, the restaurant market is still highly competitive from the number of restaurants continuously increasing and also because the purchasing power has not recovered as it should. The Company has continued to conduct marketing activities and organize the promotional campaigns to encourage their customers to come to use the service at the Company's restaurants as follows :

- Improvements and adding new menus to attract the interest of the customers including improving the food bar format and improving the service image to be better and also aiming to sell in the delivery system and shopping application etc.
- Provide more advertising, public relation and marketing activities through various online media via Facebook, Instagram, Line@, Website including Mobile Application
- Organizing promotional activities with the organization partners such as credit cards, shopping centers, telephone companies and mobile phone accessories etc. by giving a discount on using the service at Hot Pot restaurants or organization partners including participating in the prize draw.
- Arrangement of discounts and promotions to meet the declining purchasing power of consumers by considering the selection of promotions to suit each area and target customers such as come 4 pay 3, come 3 pay 2 etc. including discounts and marketing activities during festivals such as Chinese New Year, Valentine's Day and the opening of a new branch. etc.
- Organize a promotion for membership at a price 99 Baht from the normal price of 129 Baht to expand the member's customer base and provide special privileges for member customers in addition to discounts such as collecting points to redeem rewards, discounts

when spending via credit cards 5% and 10% for cash payment , promotion on birthday 50% discount one time in the month of birth or come 4 pay 3 package one time each month.

2) Characteristics of customers and target customers

The Company's customers are teenagers-students, undergraduates, working people and family groups with a lifestyle like eating a variety of foods and focus on value. Most of the customers are in the middle to high income levels. The Company has an idea to develop its business in order to add new market segments to meet customers at all levels. Therefore , the Company has increase in types of restaurants and brands that are diverse to create the differentiation and the selling points for the Company. This allows the Company to penetrate, reach and meet the needs of more target customers.

In addition, the Company has also positioned the location of the restaurants that are located in shopping malls, shopping centers or modern trades to facilitate the accessibility of the target customers. The details of the target customers of each type of restaurant or brand are as follows:

Type of Restaurant		Target group of customers		
Brand	Price per head	Target groups	Lifestyles	Income level
1. Hot Pot Inter Buffet and Hot Pot Inter Buffet plus grill	399 / 499 Baht	teenagers-students, undergraduates, working people and family groups	Like to eat a variety of food and focus on value	Moderate to high (C+)
2. Hot Pot Suki Shabu	Price according to menu	working people and family groups		Moderate to high (C+)
3. Daidomon	399 / 499 Baht	teenagers-students, undergraduates, working people and family groups		Moderate to high (C+)
4. Hot Pot Gold	399 / 499 Baht	teenagers-students, undergraduates, working people and family groups	Prefer to eat a variety of premium food and emphasizing on value for money,	Moderate to high (C+)
5. Daidomon Korean Grill	359/459/538 Baht at the Ayutthaya	teenagers-students, undergraduates, working people and family	Prefer premium Korean food	Quite high(C+)

Type of Restaurant		Target group of customers		
Brand	Price per head	Target groups	Lifestyles	Income level
	branch and 339/439/549 Baht at Future Branch	groups	grilling menu and focus on value	
4. Zheng Dou	Price according to menu	working people and family groups		Quite high(B)
5. Zheng Dou Grand	Price according to menu	working people and family groups		High (A)

Due to the nature of the Company's business as a chain restaurant with branches spread across the country, as of December 31, 2021, the Company has 67 branches in operation and has a turnover of customers come and take a service in restaurant in large numbers with an average number of customers in 2021 about 116,690 customers per month.

3) Distribution and distribution channels

The Company sells products through the Company's restaurant branches which located in the department stores, shopping mall, modern trade, community mall or community shopping centers in Bangkok and its vicinity and leading department stores in major provincial cities which are distributed in different areas all over the country to provide customers convenience that will be easier to get service at each branch shop

2.2.2 Competition

1) Competition conditions in the industry in the past year

Overall restaurant business in 2021 has a contraction of 11%, a value of 360 billion Baht due to economic problems, both domestic and international trade that has continuously slowed down. As a result of the epidemic situation of the COVID-19 virus around the world that has spread a new wave coupled with high competition and the purchasing power of customers that have not yet recovered well. During the last quarter of the year, the government has measures to relax the lockdown and reduce the curfew time. The overall situation of the restaurant tends to be recover and the business is expected to recover gradually

However, from the spread of the virus COVID-19, as a result, it has affected the consumers' behavior explicitly changed and increased to the New Normal style. The consumers prefer to order food online with 61% preferring to order fast food. It was also found that the Gen X people (people born during 1965 – 1979

) was the group with the highest spending per time at a value of 501-1,000 Baht which cause the restaurant operators to adjust their strategy to cope with all challenges .

Currently, the Company operates the restaurant business which main style of restaurants are international buffet style, Suki Shabu under the brand “Hot Pot” and the Japanese grilling style under brand “Daidomon”. In addition,, the Company also has the A La Carte in Chinese style, Zheng Dou Chinese food and Classic Japanese style in brand Bonsai. Though there are several competitors in the restaurant industry which some of them have the style and layout of the restaurant very similar to the Company’s restaurantthe competitors which have the style and type of food similar to the Company’s restaurants are as follows:

- The A La Carte Suki restaurants such as MK. Restaurant, Coca Suki, Neo Suki, Ruen Phet Suki, Earw Thai Suki, Suki Dara and Texas Suki.
- The restaurant in style of Suki and Shabu Buffet such as Shabushi, Sukichi buffet, You & I Premium Suki Buffet, Teenoi Suki, Shabu Nangnai , Shabu Indy.
- The grilled restaurants such as BBQ Plaza, Seoul Grill (Grilled Sukishi), Hong Dae Buffet, Giant Yakiniku, Tohkai Yakiniku, Kingkong Buffet, AKA and stand-alone grilled buffet in the price range of 199-300 Baht.
- Hong Kong Dim sum style Chinese restaurants such as Ho kitchen, Hong Bao, Wang jia sha and Chefman, HONGMIN, Hua Seng Hong and Four Seasons.

2) Industrial trend and future competition

Under the business circumstances where the Company still has to face with surrounding negative factors including the intense competition, while the target customers are still limited, thus the restaurant operators have to adapt their operation to deal with all challenges factors. In addition, the online platform operators are also actively seeking the opportunities to expand their markets to the restaurant business. Together with the risk from the outbreak of COVID -19 in the future thus the procedures to survive in this business situation where the customers’ behavior have changed to new normal style, the entrepreneurs need to downsize their business to be more compact and move toward the target group faster and with mobility and also more flexibility than the old style. However, the chance of success is still depending on other specific factors of each restaurant which includes the standard of how to prevent the COVID-19 in every steps of services from raw materials, cooking, delivery because as from now the consumers choose to buy foods from the restaurants that can be reliable for the safety as a key major.

However, due to the spread of the COVID-19 virus, as a result, the restaurant business has to continually adjust both adjusting the business model to be small (compact size) that can move into the

target group quickly and comprehensively such as the Pop-up restaurant, Food Truck and central kitchens (Cloud kitchen) with flexibility in management the restaurants, the reduce in size of the restaurants to reduce unnecessary costs and increase online sales channels.

In summary, it is expected that the restaurant business in 2022 is expected that the full-service restaurant market will become back to normal. This was driven by large service providers which were slowed down from 2021 and accelerated expansion of food portfolios with more types of food while small-medium restaurant operators still continue to operate cautiously and waiting for the return of the MASS customers. Though the food business direction is improving but operators still have to face important business challenges such as the increase in raw material prices and utility costs. Not to mention the additional expenses regarding the cleaning and disease screening which these factors likely to put pressure on net profit, liquidity and financial position. Therefore, the full-service restaurant operators need to adjust the business model to match with the changes in circumstances together with the combination of the sales and marketing channels through online and offline channels so that the customers can access to products and services through a variety of channels.

3) Marketing Strategy

From the epidemic situation of COVID-19 and the country's economy including changing in consumer behavior (New Normal) , the Business sectors must prioritize on professional store management and creating interesting marketing campaigns at the right time to deal with many challenging problems.

However, with more than 20 years of experience and expertise in restaurant business, the Company has developed a business under the concept of creating consumer's recognition by making differentiation from other competitors, offering customer value, varieties and deliciousness to customers, and renovating branches to present modern image. The Company also give importance to new marketing research relating to in-depth studying and customer behaviors and needs' analysis in order to improve and develop products and services responding to customer needs effectively. The research includes customers' perception towards the brand of Hot Pot in order to aware of our brand's strength and weakness. Consequently, the Company is enable to establish efficient strategies for brand management in order to maintain existing customer base, widely expand to new customer bases, attract returning customers, and create sustainable business growth. The Company's marketing strategies are as follows;

1. Offering varieties of food menus with great taste and service at reasonable prices

The quality of food is our main focus. The Company offers over 100 varieties of food menus with excellent taste, particularly the special Hot Pot's Suki sauce and Daidomon's original recipe sauce. The Company implements process of selection and quality control of raw materials, products and production to

offer standardized products with fresh and hygienic quality. Thus, the Company established its own food processing factory and central kitchen to control the standardization of raw materials and food quality before delivery to several branches. The Company also implements its own logistic system to distribute raw material and food from the factory or central kitchen to various branches nationwide so that the Company can control quality, freshness, timeliness and cost efficiently. Recently, the Company has launched a new innovation which is the first time “4 flavors hot pot” with the concept of tasteful challenge times by four favors by adding 2 new special flavored of “Japanese Suki soup” with its sweet aroma taste and the “Super soup” flavor with its hot and sour heart-beaten taste coming-out for stimulating and interesting to draw customers to enter the branches.

Moreover, the Company places its importance in providing good service to customers in terms of convenience and safety in the Company restaurants, taking good care of customers, continuously developing branch staffs’ customer service quality and skills to reach the highest customer satisfaction with reasonable price.

2. Creating restaurant segmentation for every consumer group

The Company is developing its business under the concept of creating new market segment by developing different styles of restaurant under different brands. This also includes offering a variety dining styles, consisting of Suki-Shabu, Grill or Suki-Shabu and Grill concept within the same restaurants. The Company also operates brand “Signature”, which is an A La Carte restaurant offer steak and fusion food. The Company opened a new restaurant under brand of Toomato Italian Kitchen, Zheng Dou serving Hong Kong style Dim Sum and Chinese food, Soupper Pot brand to serve the premium Shabu and Sushi, and the Company acquired Signor Sassi brand serving premium Italian food. The company recognized and response to the demand of different customer groups in terms of purchasing power, lifestyle and preference. In addition, this is to provide new choices to customer and fill in the gap of the market.

3. Continuously branches expansion to cover different target areas

As of December 31, 2021, there are totaling 68 active branches operated under the brands of “Hot Pot”, “Daidomon”, “Zheng Dou” and “Bonsai” mainly located in large leading department branches, modern trade, community malls or community trade center within Bangkok, Metropolitan Areas and large local department branches in major provinces in order to reach customers easily and widely which will increase sales revenue and expand the customer base.

4. Producing signature dishes and continuously offering new menus

Despite the fact that there is a variety of menu offering, the Company continues to develop and invents new recipes under the unique styles of “Hot Pot” and “Daidomon”. The Company has produced several semi-finished food to serve on food bar with the Company’s special recipes such as Stuffed seaweed, Hot

Pot meatball, Hot Pot marinated pork and Hot Pot spring pork, etc. Furthermore, special sauces created by research and development department are customers' favorites, for example spicy sauce, Sukiyaki sauce, BBQ sauce, and soy sauce for steamed fish. In part of Signature, the Company has developed various menu of steak, fusion foods, appetizers, desserts and beverage. Meanwhile, the Company continuously improves existing products to be more qualified such as clear soup to be more delicious and savory, Suki sauce to be more rich, etc.

The Company has developed and created new recipes as well to the customers continuously. There are a launch of the new recommended menus at least every 3 months in average to create exotic experience to customers and as well as serving seasonal foods during the festive.

The Company has also adjusted food menus to be more suitable and responding to the customers' requirement in addition to adjustment on the food presentation such as food bar area to be capable for placing food beautifully, inviting and better food quality control.

5. Focusing on buffet serving or providing food on food bar

The Company serves or places varieties of food on bar and allow customers to select types and quantity of food as they like. The customers will not waste their time to wait for a service attendant or food conveyor to serve food, which is in line with the Company's marketing strategy focusing on the new generation such as students, office workers, and families whom prefer quick, free lifestyle and usually comes in large group. Buffet restaurants are, therefore, suitable for those who prefer self-service and adding more orders when customers need them for convenience, freshness, cleanliness, and more safety.

6. Focus on marketing to reach target customers

The Company has used integrated marketing communication strategies both offline, such as decorating the storefront to look attractive, use of advertising media with the department stores and business partners including online via Facebook fan page, Line official and online media of partners for quick and widespread access to target customers and to publicize the Company's news to cause brand awareness and recognition including building a good relationship with customers.

7. Creating opportunity to increase sales through ongoing promotion

Market Differentiation Activities are arranged to attract customers into the restaurants and continuously increase sales such as 20% discount on Wednesday, special privilege and discount for members, discount promotion of Baht 299 per person or come 4 pay 3 buffet for general customers and targeted customers, arrangement of activities via social medias and activities during various festivals, including co-promotion with business alliances including corporations, branches or credit cards company so that customers or credit card holders are entitled to special privilege or discounts, etc.

(3) Procurement of products and services

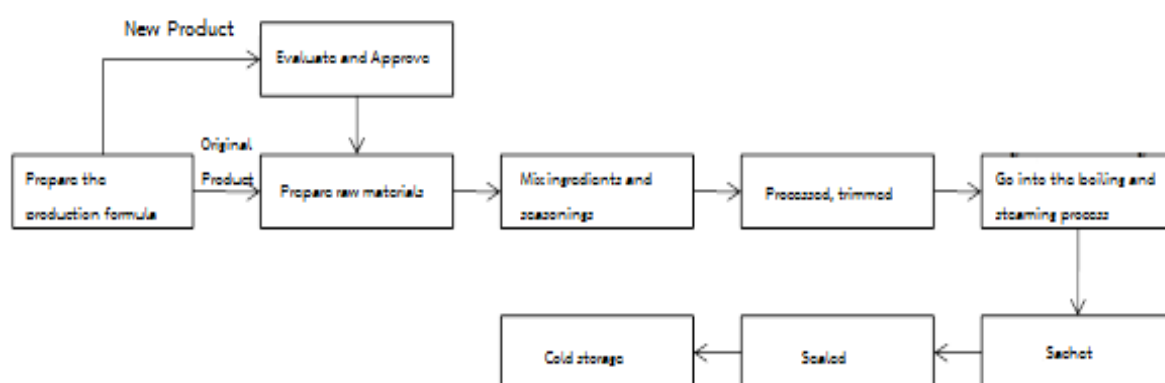
2.3.1 The nature of procurement of product

1) Production

The factory of central kitchen of the Company serves in the production of dipping sauces which are the main seasoning for the Company's Suki, Shabu and grilled food and also produces semi-finished food such as various types of meatballs and frozen processed meat dishes such as marinated pork, marinated chicken etc. with quality control, freshness, cleanliness, standard and taste which is the Hot Pot's unique recipe.

The factory or the central kitchen of the Company located at 11/1 Bueng Kham Phroi Sub-district, Lam Lukka District Pathum Thani Province on an area of 13-0-96 rai. The factory consists of office buildings, food factory, fresh and dry goods warehouse and the furniture and equipment manufacturing building for the branch stores. The Company received a factory business license from the Provincial Industrial Office, Ministry of Industry and a food production license from the Provincial Public Health Office as well as passing the inspection and certification of production quality standards in the food industry, such as GMP (Good Manufacturing Practice) and the standard HACCP (Hazard Analysis and Critical Control Points) from Intertek Industry and Certification Services (Thailand) Ltd.

The overall production process is as follows :



The Company's production process starting from the preparation of the production recipe which the Product Development department is responsible for various production recipes. In case that it is new recipe, the Product Development department will have to test, evaluate with the Factory Manager, Product Development Manager, Quality Assurance Manager, Marketing Manager, Purchasing Manager, and Operations

Manager. All these managers have to jointly test and evaluate together both in terms of taste, production process and production cost (Some of which are actually tested with customers at the branch stores). After all the results have passed, it will be presented to the Chief Executive Officer for consideration and approval before proceeding with the production of the Company's products. For the process from raw material preparation, production to packaging, the Factory Department will be responsible for the operation by preparing the raw materials according to the production recipe, mixing, processing, trimming and undergoing the ripening process before packing , sealing and placing in containers for freezing and storing in the temperature-controlled cold room to maintain product quality before gradually sending to various branch stores nationwide in the final step. The production of the Company's products has a production control according to the GMP HACCP quality system which the factory or the central kitchen of the Company is certified for the GMP & HACCP quality system according to the international standards.

Capacity and the utilization rate is measured by the number of production staff and the amount of food that the production staff has ever produced each day. This is because the food that is produced will be labor-intensive. The tools used will be labor-saving machines such as cutters and mixers. Therefore, the measurement of the capacity of the tools cannot reflect the total production capacity. In 2018-2021, the Company has used the capacity rates as follows :

Capacity	2018	2019	2020	2021
Maximum production capacity per year (kg per year)	4,000,000	1,846,110	1,069,200	748,800
Production Volume (kg per year)	1,735,843	1,580,768	1,023,980	746,450
Capacity utilization rate (%)	43.40	86.00	95.77	99.69

Note : * Calculated from the average date that can produce a maximum of 2,400 kg per day by employing 21 employees, producing 1 shift daytime and 26 working days per month.

In addition, the supply of furniture, decoration and maintenance of the branch store, the Company will operate by themselves with the Project Department responsible for the design, decoration and production of the furniture for use in the branch store. There is also the maintenance department who will be responsible for various repair work within the branch store. This is to control the operations to meet the standards and image that the Company has set including for convenience, speedy and on time including cost saving in various operations.

2) Purchasing of raw materials or products for sale

The factory or the central kitchen is responsible for the preparation of food and raw materials. Almost all of the restaurants including as a storage facility for raw materials or products including fresh

ingredients, dry food, semi-finished food, condiments, kitchen equipment, tableware, consumables and supplies in the restaurants etc.

Products and raw materials can be divided into 3 main categories.

(1) *Fresh meat products* such as pork, chicken and seafood such as squid. Some of these goods will be stored in warehouses or cold rooms to prepare for delivery to the branch for serving customers at the food bar or bring it to cook at the branch store and some portions the factory will use it to produce semi-finished products that are the Company's recipe, such as stuffed squid, marinated pork and marinated kitchen etc. to be served on the bar at the branch.

For fruit and vegetable products for the branch in Bangkok and vicinities, the products will be stored in warehouses or cold rooms to prepare for delivery to the branch store for cutting and serving to customers on the food bar. For the branches in the provinces that are far from the factory or the central kitchen, the Company will let the branches carry out their own purchases using the price negotiated by the purchasing department. This is to get products that are fresher than being shipped from the factory or central kitchen.

(2) *Dried foods, semi-finished goods and various seasonings* such as vermicelli, dim sum, sausage, bacon, fish tofu, tom yum sauce etc. The Company will purchase these goods according to usage. The amount of purchase will be appropriate for amount of use to be stock at the warehouse first and gradually delivered to branch stores to be used as food or ready to serve at the food bar and only a small fraction of them are used as ingredients or seasonings in the manufacturing process of the factory.

(3) *Drinking water, beverages and ice cream*, which the Company directly orders from manufacturers and distributors such as Serm Suk Co., Ltd (Soft drink "EST"), Unilever Thai Trading Co., Ltd (Wall ice cream) etc. By the manufacturers and/or distributors of such products will deliver products directly to the Company's branch stores.

In the purchase of goods and raw materials, mostly the purchasing department will order for delivery to the food factory and warehouse on a daily basis as most of the products and raw materials used in the production and use in branch store are fresh food, short shelf life or a product with a fast turnover rate. However, the principle of ordering products and raw materials takes into account the selection of quality products and raw materials that the standards, are clean and safe in order to obtain the quality products before sending them to the branch stores including paying attention to the price in order to effectively control and manage costs, the Purchasing Department must monitor market conditions, price trends, quantity, and quality of goods at each period of time or each season closely as well as to monitor the potential impacts on goods or raw materials both directly and indirectly in order to evaluate the risks

which arise from shortages or the fluctuations of products or raw materials in order to prepare to quickly resolve and deal with any potential risk situations as well as may order in advance or purchase large quantities of goods and have a clear delivery time as agreed to ensure that the Company will not have any shortage of products, to get the product at the good price or get an increased discount from ordering large quantities of products.

In the supply of food and raw materials for each branch, the management of each branch will count the remaining stock and raw materials and assesses the demand for goods and raw materials on a daily basis and almost all goods and raw materials are taken from the branch's ordering system except for the branches in the provinces where there is a very long distance from the factory or the central kitchen, then such branches will purchase the fresh products themselves such as vegetable, fruits etc. as well as some products such as drinking water, beverages and ice cream which will be delivered directly from the manufacturer or distributor of that products. Though, there are exceptions to branch orders to distributors directly but the cost control aspect is still through the purchasing department as before. In the ordering system of all branch stores can be linked by a computer program to the center. The central order will be able to bring the total demand number of every branch to continue procuring or purchasing goods and raw materials.

The Company has a process to control products and raw materials both in terms of quality and quantity. Starting from receiving into the factory, the Quality Assurance Department will inspect the quality of products and raw materials and the Warehouse Department will be responsible for the receipt and inspection of goods or raw materials in quantity to ensure that the goods and raw materials received meet the requirements of the purchase in both quantity and quality and there is no damage during the transportation as well as having appropriate control methods to prevent damage that may occur from storage, fraud or natural disasters. These processes are used to ensure that the customers will be able to consume quality and safe food. In case that the products are found to be incomplete according to the order or the products has been damaged beyond the Company's limit specified or the product does not meet the standards as specified together with the supplier depending on each type of product. The warehouse department will report to the purchasing department to negotiate with the seller both in terms of negotiating for the discount if there is a need for such products or return and follow up the next delivery schedule for the next replacement. The Purchasing Department will record the results of the purchase at that time to use for annual seller evaluation except for the detection of products that pose a safety risk and may affect consumers such as spoiled food, finding a piece of metal or glass in the product or any adulteration then the Company will not accept the product.

As for the warehouse and transportation department will control the distribution of goods and raw materials to various branch stores across the country by carrying out its own delivery by the Company's transport vehicles. As of December 31, 2021, the Company has a total of 23 vehicles for transporting goods, divided into 2 containers, 5 refrigerated six-wheel trucks, 13 refrigerated four-wheel trucks and 3 pickup trucks to enable the Company to deliver products efficiently, quickly, on time with sufficient quantities to meet the needs of each store, branch and retains nutritious value to provide customers with fresh and nutritious food coupled with well-managed cost and expense management.

In using the raw materials of the branch store, the branch staff will have to check the stock count every day in order to order enough products to be sufficient and will record the number of inventories as well as imported goods and others into the inventory system of the branch to check the daily cost of goods.

For the control, there is a district manager. Costs are reviewed weekly and the results are reported at the operations meeting to verify the store's raw material utilization. The reviewed the information will be considered and compared with the cost from the accounting department every month to ensure the accuracy of raw material use.

In addition, in each branch store will have an inventory control system that can separate the use of raw materials for each item which can be taken to find the average cost per customer and can compare between branches if there are some abnormalities, there will be further investigations and find ways to prevent further.

3) *Number of raw material suppliers*

In the selection of manufacturers, distributor, wholesaler and retailer and various stores (suppliers), the Purchasing Department will evaluate the suppliers according to the selection assessment form which must pass the quality system criteria or international standards, price, product quality, packaging (control the safety, strength, durability, cleanliness, hygiene and credit) by allowing the Product Development Department and the Quality Assurance Department to conduct quality checks. The Product Development Department will inspect the new products as well as original products that are unique which must be inspected for taste and the Quality Assurance will inspect the original products that are in use today. If the product meets the specified quality standards, the Purchasing Department then compares the prices with various conditions and present to the management for acknowledgement and request for the approval for the further order.

To purchase products and raw materials from vendors, the Company does not rely mainly on any one seller. Each type of product will be distributed to a minimum of 2-3 vendors, where the selected seller

must meet the quality criteria and have a reasonable cost including having good and acceptable conditions for each period for the Company. This is to diversify the risk of ordering , shortages products or raw materials including maintaining good relationship with various business partners except for certain foods such as ready-to-eat food condiments, etc. which if the Company purchases from several manufacturers or change the manufacturers frequently, there may result in the unstable flavor or taste of food and may affect the product recipe that may need to be revised many times including certain types of beverages or ice cream that want to have a single brand in every store for the benefit of marketing or joint promotion on some occasions.

In 2021, the Company's total purchase orders and raw materials from up to top 10 major sellers equal to 41.45% of the total order value, respectively. The Company does not depend on any one seller significantly. During that period of time, the Company has no purchase orders and raw materials from any one seller more than 10% of the total order value. Moreover, the ranking of orders from major sellers will change each year.

2.3.2 Environmental impact

The factory or central kitchen of the Company must comply with the standard of quality of wastewater from the factory according to the notification of the Ministry of Industry, B.E. 2539 (1996) issued under the Factory Act B.E. 2535 (1992) which sets the standard for the industrial wastewater before draining to public water sources, for example, the pH value is not less than 5.5 and not more than 9.0, the Biochemical Oxygen Demand (BOD) or the amount of impurities in the form of BOD not more than 20 milligrams per liter. The value of Suspended Solid (SS) not exceed 50 milligrams per liter, Total Dissolved Solids (TDS) not exceed 3,000 milligrams per liter, the amount of impurities in Chemical Oxygen Demand (COD) not exceed 120 milligrams per liter, oil and grease content not more than 5 milligrams per liter. The amount of nitrogen in the water or Total Kjeldahl Nitrogen (TKN) must not exceed 100 milligrams per liter etc.

The Company is aware of the environmental impact caused by the production process and has carried out strictly according to the prescribed guidelines with measures to prevent effluent from the factory. The wastewater generated from the production process must be treated and will be kept at the cesspit. There will be no treated effluent released into public water source but will be reused it to be circulated within the Company's activities such as watering plants etc. In addition, such wastewater must be regularly analyzed for the quality of effluents which the results of the analysis passed the specified standard criteria. In the past, the Company has no record of environmental offenses and never received any complaints about the pollution and environmental problems.

(4) Assets used in the business operations

4.1 Fixed assets used by the Company in its operations

4.1.1 Main fixed assets used in business operations

As of December 31, 2021, the details and net value of main fixed assets used in the business of the Company and its subsidiaries as shown in the Company's consolidated financial statements amounting to 654.17 million Baht, details are as follows :

Type / characteristics of Property	Net Book Value (million Baht)	Ownership	Obligations
1. 1 plot of land Title deed no. 46961, total area 13-0-96 rai located at 11/1 , Bueng Kham Phroi Subdistrict, Lam Lukka District, Pathum Thani Province	203.90	Owner	Mortgaged as collateral for the credit lines from the financial institution totaling 185.90 million Baht
2. Factory building and other structures consisting of a canteen, furniture manufacturing plant, kitchen equipment for branch stores	67.24	Owner	
3. Building improvements under the lease agreement	57.10	Owner	
4. Furniture, fixture and office equipment	4.27	Owner	
5. Operating equipment	35.74	Owner	
6. Vehicles	3.58	Owner	
7. Work in progress	1.09	Owner	

8. Land <ul style="list-style-type: none"> Land in Chiang Rai province of 6 title deeds Land with buildings in Chiang Rai Province with a three-storey building Land with buildings in Chiang Mai Province with a three-storey building 	66.47	Owner	
9. 1 plot of Land Title deed no. 28273, total area of 1-0-29.5 rai in Wiang Subdistrict (Rob wiang) Muang Chieng Rai District, Chiang Rai.	34.36	Owner	Mortgaged as collateral for the credit lines from the financial institution totaling 67 million Baht
10. Hotel building awaiting for renovation	180.44	Owner	
Total	654.17		

4.1.2 Lease assets

As of December 31, 2021, the details and value of lease assets used in the business of the Company and its subsidiaries as shown in the Company's consolidated financial statements amounting to 232.08 million Baht with details as follows:

Details of Assets	Net Book Value (million baht)	Ownership	Obligations
1. Indoor area (branch stores)	229.00	Right-of-use assets are assets under lease agreements that meet the requirements of the Thai Financial Reporting Standard No. 16	-
2. Vehicles and other	3.08		-
Total	232.08		

4.1.3 Other non-current financial assets

As of December 31, 2021, the details and net value of other non-current financial assets used in the business of the Company and its subsidiaries as shown in the Company's consolidated financial statements, amounting to 67.09 million Baht , details are as follows :

Details of Assets	Net Book Value (million baht)	Ownership	Obligations
1. Lease Deposit	45.02	Assets under the lease agreement	-
2. Service Deposit	17.33	Assets under the lease agreement	-
3. Electricity Insurance money	1.28	Owner	-
4. Equipment usage deposit	0.20	Owner	-
5. Decorative deposit	2.19	Assets under the lease agreement	-
6. Other insurance	1.08		-
Total	67.09		

4.2 Significant contracts of the Company

4.2.1 Lease and Leasehold Agreement

The Company entered into a contract of renting the area for use as the Head Office and branch stores and is the owner of a long-term leasehold right which was acquired through the acquisition of Daidomon and purchase of leasehold rights from Thanachart Bank Pcl. The significant of the lease agreement and leasehold rights can be summarized as follows :

4.2.1.1 Head office Space lease Agreement

Contract parties with the Company	Lease Location	Lease period			Rental area (sq.m)	Rental fee and service fee per month (Baht)
		Term	Start date	End date		
JC Kevin Development Co.,Ltd	TFD Building, Floor 2,4, located at 18 Soi Sathorn 11, Intersection 9, Yannawa subdistrict, Sathorn District, Bangkok 10120	1 year	January 1, 2021	December 31, 2021	890.56	356,224
JC Kevin Development Co.,Ltd	TFD Building, Floor 2,4, located at 18 Soi Sathorn 11, Intersection 9, Yannawa subdistrict, Sathorn District, Bangkok 10120	1 year	January 1, 2022	December 31, 2024	890.56	356,224

Contract parties with the Company	Lease Location	Lease period			Rental area (sq.m)	Rental fee and service fee per month (Baht)
		Term	Start date	End date		
JC Kevin Development Co.,Ltd	TFD Building, Floor 6 located at 18 Soi Sathorn 11, Intersection 9, Yannawa subdistrict, Sathorn District, Bangkok 10120	1 year	January 1, 2021	December 31, 2021	107	42,800
JC Kevin Development Co.,Ltd	TFD Building, Floor 6 located at 18 Soi Sathorn 11, Intersection 9, Yannawa subdistrict, Sathorn District, Bangkok 10120	1 year	January 1, 2022	December 31, 2024	107	42,800

4.2.1.2 Branch rental agreement

The Company has entered into space lease agreements with contract parties who own department stores, modern trade or shopping centers which is not related to the Company to be used as a location for branch restaurants in Bangkok, its vicinities and other provinces. Most of the rental contracts is a 3 year lease contract and can be renewed for another 3 years each time. The branch rental contract has the following important conditions :

- The lease agreement specifies the leased area, rental location, rental rate per sq.m. per month , start and end period of the lease.
- Payment of the rental insurance to be placed as a guarantee for compliance with the lease. Most of the rental contracts, the Company will have to pay a rental guarantee equal to the rental rate of approximately 3-6 months (depending on the conditions of the landlord). The Company will receive a refund from the lessor without interest upon the expiration of the lease term and there is no further contract renewal including the Company has returned the lease area according to the condition stipulated in the contract and have paid other outstanding payments such as utilities complete and correct.
- Lease renewal. The contract specifies the conditions for renewing the lease at the expiration of the contract 1-2 times (depending on the conditions of the landlord) for 3 years each time or there may be a renewal of contract before the expiration and make a new contract before the expiration of the existing lease agreement at least 2-3 months
- Service contract is a contract that is made in conjunction with the rental contract. This will specify the scope of services that the lessor provides to the Company such as cold air service, lighting and parking which is a fee. The lessor charges a service fee per square meter per month. For the utilities

(electricity, water, gas, telephone) the charges will be based on the actual usage by specifying the service fee per unit in the service contract.

4.3.1.3 Leasehold

As of December 31, 2021, the Company has long-term leasehold rights in various shopping centers which can be summarized as follows :

Contract parties with the Company	Leased place / shopping mall	Rental period			Remaining lease term	Lease d are (sq.m)	Book Value (million Baht)
		Term	Starting date	Ending Date			
1. Ratchasima shopping Complex	The Mall Korat	25 years 11 months 6 days	August 10, 2000	July 15, 2026	4 years 7 months	214.00	3.99
2. Thanachart Bank	Central Bangna	30 years	July 1, 1993	June 30 , 2023 .	1 year 6 months	263.63	1.35
3. Thanachart Bank	The Mall Bangkapi	28 years	August 5 , 1996	August 4 , 2022	7 months	278.00	0.88
4. Thanachart Bank	The Mall Bangkae	28 years	August 5 , 1996	August 4 , 2022	7 months	273.00	0.62
						Total	6.84

4.2.2 Property Insurance Policy (as at December 31, 2021)

Type of insurance	Compa ny	Insured Property	Sum Insured ^{1/} (บาท)	Insuranc e period	Assured Compan y
Property risk insurance policy	Dhipaya Insurance Pcl.	Factory building consists of 1. All building structures (excluding the foundation) including the decorations for building improvements, fences, walls and doors - 1-storey factory building with office - 1-storey warehouse building - 1-storey canteen building 2. Furniture, decorations, fixings, office supplies and computers 3. Stock (raw materials, in-process products and finished goods) 4. Machinery and accessories in the production process, utilities, Air conditioning system, communication system including containers, cold storage and construction	120,550,200.00	October 1, 2021 - October 1 2022	JCK Hospitality

Type of insurance	Company	Insured Property	Sum Insured ^{1/} (บาท)	Insurance period	Assured Company
		material stocks.			

(5) Work that has not yet been delivered

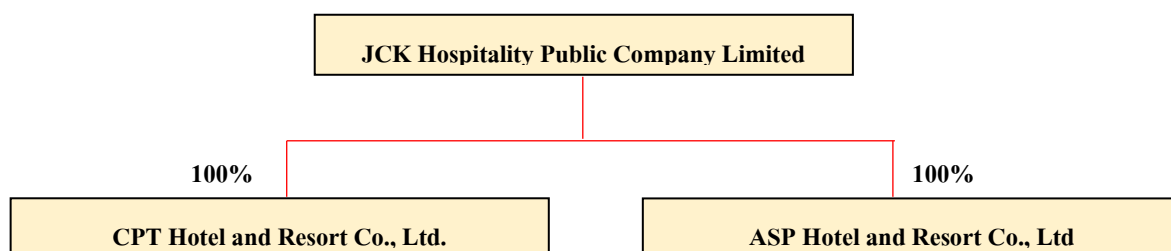
- None -

1.3 Group Shareholding Structure

1.3.1 Group Shareholding Structure

As of December 31, 2021. The Company has 2 subsidiaries as follows :

- CPT Hotel and Resort Company Limited. (CPT)
- ASP Hotel and Resort Company Limited. (ASP)



Shareholding not different from the proportion of voting rights.

Details of the Subsidiary

1. CPT Hotel and Resort Company Limited.

Company Abbreviation	CPT
Company Registration Date	27, October 2015
Company Registration Number	0575558002439
Registered Capital	Baht 120,000,000 (As of December 31, 2021)
Paid-up Capital	Baht 120,000,000 (As of December 31, 2021)
Par Value	Baht 100 per share

Hold Shares	JCK Hospitality Public Company Limited owns 100%
Business Type	Operate hotel business there is one project under development at present, located on Phaholyothin Road, Rob Wiang Subdistrict, Mueang Chiang Rai District, Chiang Rai.
Head Office Location	18 Soi Sathon 11 Yeak 9, TFD Building, Yannawa, Sathon, Bangkok 10120

1. ASP Hotel and Resort Company Limited

Company Abbreviation	ASP
Company Registration Date	21, October 2015
Company Registration Number	0575558002366
Registered Capital	Baht 1,000,000 (As of December 31, 2021)
Paid-up Capital	Baht 1,000,000 (As of December 31, 2021)
Par Value	Baht 100 per share
Hold Shares	JCK Hospitality Public Company Limited owns 100%
Business Type	Operating a hotel business, there is currently one project located on Ratchayotha Road or Den Ha – Dongmada Road (Thor Lor. 1211), Tambon Road Wiang, Mueang Chiang Rai District, Chiang Rai.
Head Office Location	18 Soi Sathon 11 Yeak 9, TFD Building, Yannawa, Sathon, Bangkok 10120

1.3.2 A person who may have a conflict of interest who holds the shares in a subsidiary more than 10 percent of the shares with voting rights of the subsidiary.

-None-

1.3.3 Relationship with the major shareholders' business group.

-None-

1.3.4 Shareholders

(1) Major Shareholders

As of November 4, 2021, list of top 10 major shareholders is as follow:

No.	Major Shareholders	Number of Shares	Percentage of shares
1	Mr. Apichai Taechaubol's Group	294,067,084	24.61%
	Mr. Apichai Taechaubol	276,472,784	23.14%
	Mr. Chotiwit Taechaubol	15,975,000	1.34%
	Mr. Athawut Taechaubol	1,272,800	0.11%
	Mr. Noppawee Taechaubol	346,500	0.03%
2	Cholsaipant Group	118,812,913	9.94%
	Ms. Tanyapapar Cholsaipant	99,193,213	8.30%
	Mrs. Chuntana Cholsaipant	19,619,700	1.64%
3	Mr. Taweecat Chulankul	82,084,836	6.87%
4	Mr. Suttipojt Taechateerawat	76,000,000	6.36%
5	Thailand Securities Depository Company Limited for Depositors	48,907,093	4.09%
6	Thai NVDR Co., Ltd.	37,903,322	3.17%
7	MR. KUO-CHAN TSENG	37,783,800	3.16%
8	Mr. Anukul Ubonnuch	30,000,850	2.51%
9	Mr. Kasem Arporntip	28,942,050	2.42%
10	Achariyasombat Group	27,480,600	2.30%
	Mr. Susichtak Achariyasombat	24,375,900	2.04%
	Mr. Thanakrit Achariyasombat	3,104,700	0.26%
	Total	781,982,548	65.44%

(2) Restrictions on the transfer of Company shares

The Company shares are transferable without restrictions and the shares held by foreigners at any time must in total not more than 49% of the total number of shares sold. Any transfer of shares which causes the Company's foreign shareholding ratio to exceed the abovementioned ratio, the Company has the right to refuse the transfer of such shares of the Company.

(3) List of shareholders of the subsidiary

The shareholder structure of the subsidiary as of December 31, 2021 is as follows:

List of shareholders	CPT	ASP
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	Number of shares	Proportion shareholding	Number of shares	Proportion shareholding
Company or JCKH	1,199,998	100.00%	9,998	100.00%
Mr. Athawut Taechaubol	1	0.00%	1	0.00%
Mrs. Rachanee Siwawej	1	0.00%	1	0.00%
Total	1,200,000	100.00%	10,000	100.00%

(4) Agreement between major shareholders (shareholders' agreement) in matters affecting the issuance and offer for sale of securities or management of the company and explain the important aspects that affect the operation

- None -

(5) Investment policy in subsidiaries and associated companies in the future.

The Company has a policy to invest in other types of restaurants or other related businesses or to benefit the restaurant business which is the Company's main business. It is a business that has potential and can generate profits for the Company in the long run. If it is an investment in the subsidiary, the Company will control or determine the management policy as well as sending representatives to join as directors in proportion to their shareholding and attend the meeting as a shareholder. The Company's representative has the duty to vote at the meeting in accordance with the guidelines or the direction that the Board of Directors has considered for investments in associated companies. The Company does not have a policy to control too much. So the submission of a representative to be a director of that Company will be considered and deemed appropriate and subject to mutual agreement.

1.4 Amount of registered and paid-up capital

1.4.1 Amount of registered and paid-up capital

As of December 31, 2021, the Company has the registered capital of 537,448,425 baht, divided into 2,149,793,700 common shares with at par value of 0.25 baht per share and the paid-up capital of 329,340,679.75 baht, divided to common shares of 1,317,362,719 shares at per of THB 0.25.

List Stock Exchange

Market for Alternative Investment (MAI)

93 Ratchadapisek Road, Dindang Sub-district, Dindang District, Bangkok 10400

1.4.2 In the event that the Company has other types of shares with different rights or conditions than ordinary shares, such as preferred shares explain the main characteristics of the securities.

- None -

1.4.3 In the case of shares or convertible securities of the Company as underlying securities in the issuance of investment units of a mutual fund for foreign investors (Thai Trust Fund) and Treasury of benefit from Thai Underlying Securities (NVDR)

As of November 4, 2021, which is the date for collecting the list of shareholders of the Company, Thai NVDR Company Limited holds 37,903,322 shares of the Company or equal to 3.17 percent of the total issued and paid up shares of the Company. The investors who hold NVDR will receive financial benefits as if investing in the Company's shares in all respects including dividends, rights to subscribe for newly issued shares or warrants to purchase ordinary shares but will not have the right to vote at the shareholders' meeting.

1.5 Issuance of other securities

1.5.1 Convertible Securities

(1) Warrants

As of July 15, 2021, the Company issued and offered warrants to purchase the Company's ordinary shares No.1 (JCKH-W1) to the existing shareholders of the Company, totaling 223,465,243 units, not more than 3 years from the date of issuance and offering for sale of warrants. The JCKH-W1 warrants that are available for sale and have been allocated in the amount of 223,465,141 units (102 units remaining which the Company will continue to cancel afterward) can be exercised on the last business day of every quarter. The first exercise date is September 30, 2021 and the last exercise date and the maturity date of the warrants is July 15, 2024. The exercise ratio is 1 unit per 1 share, the exercise price is 0.25 Baht per share. As of December 31, 2021, there are 223,315,144 warrants remaining of JCKH-W1.

(2) Convertible Debenture

At the Extraordinary General Meeting of Shareholders No. 1/21 held on June 15, 2021, the meeting resolved to approve the issuance and offer for sale of newly issued convertible debentures of the Company with a total offering value of not more than 300,000,000 Baht to investors specifically and being a person who is not related to the Company, namely Advance Opportunities Fund ("AO Fund") and Advance Opportunities Fund 1 ("AO Fund 1") including a resolution to increase the registered capital and allocate the newly issued shares to support the exercise of convertible debentures of the Company in the amount of not

more than 223,375,857 shares to AO Fund and AO Fund 1 (“Convertible Bondholders”) and in the Extraordinary General Meeting of Shareholders No. 2/21 held on November 22, 2021, the meeting resolved to approve the increase of registered capital and allotment of new shares to support the exercise of convertible debentures issued and offered to investors by specifically AO Fund and AO Fund 1 for additional 361,207,433 shares.

In 2021, the Company issued and offered convertible debentures total of 10 times, totaling 175,000,000 Baht and the convertible debenture holders have exercised the conversion rights of 140,000,000 Baht, receiving a total allocation of 333,965,653 shares.

1.5.2 Debt Securities

Promissory Notes

As at December 31, 2021, the Company has outstanding short-term promissory notes with the face value of the notes is 124,670,505 Baht with details as follows :

Issuer	Maturity (months)	Number (issues)	Amount issued (Baht)
JCKH	3 months	4	14,300,000
JCKH	6 months	5	27,000,000
JCKH	12 months	6	67,000,000
JCKH	At call	2	16,370,050
Total			124,670,505

1.6 Dividend Policy

The Company has dividend policy to pay to shareholders at the rate at least 40% of the net profit after deduction of corporate income tax and reserve fund amounts as stipulated by law. Notwithstanding, the dividend payment is subject to change depending on the investment plans, liquidity, necessities and other factors of suitability in the future. The resolution of the Board of Directors to pay dividend shall be proposed to the shareholders’ Meeting approval. For interim dividend, the Board of Directors may resolve to pay interim dividend without shareholders’ approval but must notify the shareholders at the next meeting.

2. Risk Management

2.1 Policy and Risk management plan

The Company emphasizing the importance on risk management which is considered an important mechanism and tool in management that will enable the organization to achieve its objectives and goals. It is defined as a risk management policy that focuses on the development of a risk management system in accordance with the good Corporate Governance guidelines and to have an integrated risk management throughout the organization. This is done in a systematic and continuous activities that covers financial controls, administrative operations and overseeing the operation to be in accordance with the relevant laws both internally and externally. In addition, the implementation in accordance with the framework of risk management throughout the organization which covers both the organizational and operational levels to manage the risk to an acceptable levels and to ensure that the following objectives can be achieved.

- 1) Strategies and goals are clearly defined and can be implement in accordance with and support the mission of the Company
- 2) Performance results of the Company achieve the set objectives effectively and the Company's resources are managed efficiently and cost effectively , including having an appropriate protection, control and supervision system of assets.
- 3) The financial and non-financial information reports are accurate , reliable and timely.
- 4) Operations and performances are in accordance with policies, rules and regulations according to the law and other regulations related to the Company's internal and external business operations.
- 5) There is an improvement in quality and good working practices in terms of personnel, assets, equipment and various operating systems continuously
- 6) Set up the internal control by appropriate self-assessment on critical work systems.

Risk management helps the organizations to achieve their goals and reduce obstacles or unexpected things that may arise. At the same time , it prevents the damage to the corporate resources and ensures the Company reporting and compliance. The Company has established a policy for risk management with the following guidelines:

- The Company has set up a risk management committee at the Company level with the Deputy Chief Executive Officer as the chairman and the Executive Officers as the directors. The Committee will set the guidelines for risk management , risk management report, monitoring and evaluating risk management results to be presented to the Chief Executive Officer. In addition, a risk management committee was also established at the department level with the Chief Administrative Officer as the chairman and Line Management Officer and Department Manager as directors of the Committee which will perform to identify risk factors, risk assessment , prepare

a risk management plan, monitor and review risk management plans as well as prepare a quarterly report on the implementation of the plan to present to the Executive Committee T

- The Company has assigned all employees to share roles and responsibilities and clearly define the operational powers at all levels of management and operational levels to set that the risk management is the responsibility of employees at all levels and to make employees aware of the risks involved in working in their own units and organizations by focusing on managing risks in various fields to be at an acceptable and appropriate level.
- The Company has an organizational risk management process by preparing the risk management manual so that all levels of executives and employees in the Company have knowledge, understanding of the principles, processes and procedures of the risk management and can prepare a risk management plan at the unit level that is consistent with the Company's risk management plan. It is an integrated risk management by bringing the risk management system to be a part of decision making, strategic planning, plans and Company's operations including focusing on achieving objectives, goals, visions, missions and strategies to create operational excellence and build the confidence of stakeholders.
- The Company has a risk management plan by defining the risks classified for each working system and lay out guidelines to prevent and mitigate operational risks to avoid damage or losses that may occur including regularly monitoring and evaluating risk management results.

2.2 Risk Factor for the Company's Business Operation

2.2.1 Risks in the competition in restaurant business

The restaurant businesses still have to face with several negative factors including the intense competitions while the target group of customers are still limited. The entrepreneurs especially the large ones, still have to invest to expand their branches both in kind of their existing style and to expand the new variety of restaurants to penetrate to the new market niche and also to maintain their total Store Sale (TSS) of their portfolio as well as the small-scale entrepreneurs, which still emphasize to enter into the restaurant industry.

The restaurant business is a very challenging market because the chances to get success in this business due to several significant factors such as various marketing channels, management in cost control and raw material of the store, including the latest factor, how to set the standards to protect the COVID-19 in every point of service whether the raw materials, cooking, delivery because of as the result of COVID so consumers would like to choose to buy from the reliable entrepreneurs. At the same time, during the COVID-19, there

are large number of small entrepreneurs, who part of them have impact from their job hiring, and the group which want to increase additional income from their normal job. In addition, the online platform operators are also interested in seeking this opportunity to expand their service in the restaurant business. Not to mention the outbreak of COVID-19 in the future, thus to survive in this industry is in such challenging situation.

The company therefore emphasizes great importance to the research and development on food continuously, by develop a healthy menu to fit with the food trend in each situation as consumers became more concerned with taking care of their own health. It also has a set of ingredients menu, ready to cook with sauces and various condiments together so that customers can cook their own meals at home and thus meet the needs of consumers who do not want to go out to avoid the virus. Including a promotion program in each festival. Promotion Member Card / Credit Card to boost sales for the company by also taking into account the quality, cleanliness and value In order to build confidence among consumers who come to dine in the store

2.2.2 Risks from the economy impact

The restaurant business has faced a variety of negative factors, especially including the outbreak of the COVID-19 virus, the huge shrinkage of Thai and foreign tourists and the reduce in purchasing power. As a result, the value of the restaurant business has decreased significantly. Among the most likely to be affected are full-service restaurants, limited-service restaurants located in shopping malls and tourist destination, buffet restaurant and various types of food gardens These restaurants still face high challenges in terms of both income and expenses, because it is expected that the revenue not less than 65% of the groups come from the consumers dining in the restaurant as well as the major revenue come from the portion of services and beverage expenses As a result, the said income has continued to decline due to consumer behavior avoiding or reducing social activities for a longer period of time. In addition, in the early stages of the relief, the distance between the persons and the number of users per table was limited. Such conditions not only result in restrictions on in-store income generation. But it also resulted in additional hidden costs from both opportunity costs and the volatility of raw materials to be ordered. For the cost in Restaurants in this segment have fixed costs which is higher than other types of restaurants making it necessary to bear regular expenses in this situation, such as the rent of space, wages, location maintenance costs, etc. This cost may account for up to 30-40% of the revenue in some restaurants. Thus the break even of business and the average profit per capita of entrepreneurs change which cause the restaurant operators have to adjust the strategy to meet the

requirement of the consumers. This is because if they still run the business model in such situation, it may not worthwhile because the breakeven point of the business has increased significantly.

Though the Company has received the impacts from the about the risk factors but Company still has monitor the situation closely and ready to set the strategy and the marketing plan which suit with the situation and timeline, to upgrade its business in accordance with the changed that occur.

2.2.3 Financial Risk

The Company has the financial risks as the Company has to depend on the short-term borrowing from the outsiders to use as the funds to invest in the plan to expand the new brand restaurants and to refurbish the existing branches to be more modern and ready in order to provide the services to the customers efficiently, as well as the use of overdrafts, promissory notes and bill of exchanges for the Company's working capital.

2.2.4 Risks of development of the new products

As the ready-to-cook and ready-to-eat food which are sold currently have the channels of distribution mainly through the convenience stores which causes the products to be developed continuously. Though the Company has cautiously and carefully planned the development of the products, due to the rapid and continuous changes in the consumers' behavior, it has impacts that some products or some flavors may not respond to the needs of the market and the target customers. Thus, the Research and Develop Product Department has placed the importance to the development of product and product innovation in order to be able to directly and timely fulfill the needs and to capture with the trends in the changing consumer behavior.

2.2.5 Risks to procure rental spaces for the expansion of new branches and maintain the continuity of the rental spaces for the existing branches.

As the location of each branch is the key success factor of the restaurant business and due to the intense competition in the restaurant business in present, these cause the limitation to the restaurateurs to find the new location for the new branches, especially the rental space in the shopping complexes which focus on the places which close to community. Normally, the rental agreement will be short-term for the period of 3 years and will be renewed from time to time, thus the Company may face the risk that the rental contract will not be extended or the rental rate may be increased. The Company has planned to maintain its rental spaces by maintain the good relationship with the lessors as well as to follow up and seek for new potential

locations to ensure that the Company will have the spaces in the good locations with potential to serve for the expansion of the new branches continuously since the increase in numbers of branches is one of the important strategy for the growth of the Company's business and also to provide the services to all target customers including to be able to expand the new customers' base. However, the Company may face the risks incurred from the investment in new branches if the restaurants cannot generate the sales as the predetermined target or the return on investment is not as predicted, which will affect to the overall operation of the Company. In case which the Company has to close down that branches, the Company will also have to amortize assets such as the modification, the decoration from the book account and also the demolition charges, the relocation and the adjustment of the area to hand over to the lessor according to the conditions which included in the contract. In the case that the branch has been closed before the tenant term in the lease agreement, it may cause the lessor not to pay back the guarantee deposit as determined in the lease and service agreement which results in the cost from the close down of the branch.

2.2.6 Risk from the cost of the deterioration of raw materials and products.

As the Company significantly emphasizes on the quality and the freshness. Mostly, the raw materials of the product more than 90% are fresh products such as meat, seafood, vegetable and fruits which the Factory will purchase as a Buk and the distribute to each branch including dome of them will be cook as a product or ready product such as Suki sauce, Barbeque sauce, stuffed seaweed marinated ,preserved pork etc . which before distribute to each branch to serve on the food bar. Those raw materials have short-time life and can be easy deteriorated, so if the Company do not well control or manage the procurement including the storage and the use of raw materials sufficiently, then it can cause waste and thus means waste and additional cost of production.

The Company concerns and emphasizes on the freshness and quality of the raw materials and all foods which will be served to our customers in the shop. It also realizes the importance of the material cost, so it has managed the procurement plan and also the production to be in line with the requirement of each customers in each day and pay attention on the proper raw materials keeping by separate the type of raw materials in the warehouse according to each kind of the raw material which includes the normal storage area, Chill Room and Freezer to keep the freshness and maintain the original conditions of each raw material. Moreover, the Company still control the quality of raw material and products at the branch stores in order to manage the cost control of raw materials to be efficient and reduce unnecessary waste.

2.2.7 Risk from quality of food and service standards

For restaurant business, the main factors for attracting customers are quality of food, food with good taste, clean place and proper service standards. The Company manages more than 80 branches and has employed over 1,000 staffs, the Company, hence, may face operational risk.

The Company focuses on the risk from quality of food and service standards. As a result, the Company has established several measures to protect or minimize such a risk. These measures include regular training and development of branch staffs, preparation of operations manuals, monitoring quality of food and services by quality control unit as well as following up and evaluating operations performance on regularly basis. In addition, semi-finished foods are developed by the Company's center kitchen in order to facilitate, to reduce time of food preparation for staffs at branches and to achieve standard of taste. With respect to cleanliness of branches, 5S activity is implemented as usual, big cleaning is conducted on monthly basis, and suppliers are arranged to handle pest control at least once a month. The Company also provides channels for customers to complain or give feedback.

2.2.8 Risk from the fluctuation of raw material prices and production cost

Most of the raw materials of the Company are agricultural products such as meat, vegetables, fruits, seafood and various spices, etc., which have fluctuations in volume and price in accordance with the seasonal, weather fluctuations, natural disasters, epidemics of plant and animal diseases as well as the amount of products which come to the market and the market demand at that time, which is an external factor beyond the control of the company but may affect the supply of raw materials from time to time including the impact on the cost of raw materials and the Company's operating results. However, the Company has considered to enter into the medium-term and long-term contracts with some suppliers, thus the said incident may not have much impact to the Company.

The Company also pays high attention to the efficient costs control and management. Every year, the procurement operation plan is identified and the cost reduction plan is an important issue by focusing on cost management in terms of product prices, requesting special conditions such as discounts, payment terms including increasing the efficiency of vendors in quality control and delivery. In order to get good products which can be used with the utmost benefits and minimize the loss. The procurement department will have to try to reduce the effects of fluctuations in the cost of raw materials by purchasing raw materials from many vendors as well as finding new suppliers regularly to prevent the monopolies and also the product shortages. The

annual purchase contract of raw materials in advance or large volume reservations with a clear specific delivery period as agreed, enable the Company to negotiate prices, receive more discounts and ensure that the Company will not have shortage of raw materials. The Company also has closely monitored the market situation, trends and prices of raw materials in each period or season to assess the risk which may arise from shortages or fluctuations in prices of various raw materials and enable the Company to prepare to resolve and deal with such situations which may occur promptly and timely.

Due to various lists of food served in the restaurants and regular changes in food menus suitable for market conditions in each period, the impact of the shortage of raw materials or the fluctuation of raw material prices in certain time periods can be reduced. The Company has not experienced on shortage of raw materials or increment of raw material prices that significantly affect its operations. The Company will not suddenly increase the prices of food once raw material prices increase because most of raw materials are agricultural products, which their prices fluctuate almost every day. The Company will consider increasing the prices of food only when the prices of raw material tend to be increased steadily so that the Company will not bear the high cost of product, which may affect to its performance. However, the Company will compare prices with the market or competitors so that the price increase will not affect on sales or the customer base of the Company.

2.2.9 Risks from the change of Customers; behavior

Since the outbreak of COVID -19 , the customers ‘ behavior has clearly changed by turning their spending to use through online channels in response to social spacing measures and also because they are well aware of their health and promoting more sustainable behaviors in the society, to help taking care of both yourself and others persons around you, the examples are wearing mask at all time, whether on the way to work or for your own business, using the alcohol gel regularly to prevent the infection while the entrepreneurs including companies, convenient stores, banks or other places have all measures to screen and prevent the virus by using measuring temperature and providing alcohol gel to clean the hands.

In addition, the customers’ behavior about the foods has also clearly changed by avoiding dining out of home, even though the government has allowed the opening of the restaurant but some customers still concern about their health and the risk of infection so they change to use the online channels to order food. Also because of the slowdown in economy cause the consumers to be more cautious about their spending. As a result, the restaurant business had been adversely affected by the changing in the customers’ behavior

From the changing in the customers' behavior, the Company has planned and adjusted its strategy to increase the Company's income by selling its product through online delivery with its partner such as Food Panda, Grab Food etc. The Company also develop healthy food in line with the trend of the customers current trend including the sale of ready-made sauce products for the customers to buy back home, to set the promotional campaign to create the concept of worth-paying ad also to renovate the branches to be modern, clean and safe in order to build the confidence for the customers who will go to dine and use the service at the stores.

2.3 Securities holder investment risk

Risk from return on investment

The Company has continuously invested to expand its business as well as finding investment channels in new businesses to create value for the Company which investment risk may cause the returns that do not meet the target or there may be a delay or the case that the investment exceeds the budget the Company has set. The investment policy is therefore an operational guideline for the Board of Directors, Executive Committee, executives, and officers who are in charge of managing the Company's investments to adhere to the principle of caution in creating a suitable return on investment and in accordance with the Company's strategies, policies and plans. There is an investment criteria set forth and the Company has assigned the executive committee to monitor the performance of investments and monitor the changes in various factors which may cause the return on investment to be not consistently meet the target in order to resolve problems that may arise quickly and efficiently.

2.4 Risk of investment in foreign securities

- None -

3. Driving Business for Sustainability

3.1 Sustainability management policies and goals

The Company has a clear policy to operate the business with integrity and with high business ethics under the provisions of law. The Company realizes the importance of good business management and has studied the principles of good corporate governance, social responsibility and environment including considering the interests of all stakeholders with the goal to achieve sustainable development. The Company has defined the stakeholders into 6 groups as follows :

- 3.1.1 Employees
- 3.1.2 Trade partners
- 3.1.3 Customers (who use the services)
- 3.1.4 Business alliances
- 3.1.5 Community / Society
- 3.1.6 Shareholders / regulators

3.2 Managing impact on stakeholders in the business value chain

3.2.1 Operation with the stakeholders

The Company has studied and analyzed the impact caused by the Company to the stakeholders and also the effects that caused by the stakeholders to the Company by considering, analyzing each stakeholder group to realize the expectations of each stakeholders which can be summarized as follows :

stakeholders	procedure	expectations	Organization's response
Employees	1. Annual performance evaluation 2. Internal communication 3. Training and seminar	1. Good compensation and benefits 2. Fair performance evaluation 3. Stability and progress in career path 4. Treating employees according to the principles of human rights 5. Personnel development 6. Use of technology in work 7. Safety at work	1. Fair consider of remuneration and welfare 2. Determine the progress in career path 3. Treat all employees equally 4. Create safety environment in the workplace 5. Determine the personnel development plan

stakeholders	procedure	expectations	Organization's response
Trade partners	1. meeting with partners 2. Communicate via email and telephone	1. Fair procurement, transparent and verifiable 2. Use quality product and clean, safe and biodegradable packaging 3. Have confidence in the products 4. Act as a channel to promote sales and advertise the product and help support the business of the Company	1. Operate the business according to the good corporate governance and business ethics 2. Update the policy and guidelines for procurement
Customers	1. Various media signs in the store 2. Online channels of the Company and restaurants such as Facebook ,Website ,Line Official ,Application 3. Publication of information on the website 4. Satisfaction survey	1. Quality of products and services 2. Listen to opinions and solve the problems that arise with customers in order to create satisfaction and brings the suggestions to help improve the quality of food and service 3. Advertise the information and promotions of each brand to create the image and perception of information	1. Improve the services to meet the needs of customers with speed and effective 2. Responsible for customers and conducting business in accordance with the regulations and rules.
Business alliances	1. Meeting, discussing and solving problems together 2. Communication via email / telephone 3. Study field trip and monitor the operations of partners and also reflect back 4. visit alliance companies	1. Creditability, reputation and corporate governance 2. Transparency in operation 3. Financial stability 4. Fair compliance with the terms of the contract	1. maintain confidential information of the alliances' business 2. Follow the business Code of Conduct 3. Being a good tenant (both in terms of the contract and the user of the facility) 4. Strictly comply with the conditions of the contracts

stakeholders	procedure	expectations	Organization's response
			5. Disclose the correct and complete financial information
Community	1. Organizing activities with the Community 2. Disclose the information on the website 3. Channels for receiving any complaints	1. Promoting and building career in the community surrounding the Company 2. Management the impacts on society and environment from the operation of the Company's business 3. Promote co-existence with the community and society without any conflict and support each other in finding a market by bringing community's product to sell in the restaurants	1. Promote local employment 2. Promote community development in various aspects 3. Manage the negative impacts on society and environment from the Company's business operation.
Shareholders/ Regulators	1. Annual shareholders' meeting 2. Communication via email / telephone 3. Disclose the information on the website 4. Preparation of 56-1 One Report	1. Efficiency good corporate governance 2. Good and secure operating performance 3. Quality Risk Management	1. Conduct business with transparency in accordance with the good Corporate Governance Code 2. Comply with law and regulations 3. Transparent disclose all information

3.3 Sustainability Management in Environmental Dimensions

Waste Management

- **Recycling waste** Separate the waste both inside the head office and in each branch in order to manage the waste to be disposed properly including being able to be reused according to the circular economy

- **Food Waste** Minimize the amount of food waste by planning from the upstream of food production to the downstream

Reducing and eliminating plastics and changing the type of packaging. Use the material type of packaging which are environmental friendly with the aim to minimize the amount of residual waste entering the landfill

Reducing the greenhouse gas emissions. Energy management and efficient risk management of activities which arising from greenhouse gas emission and social responsibility through carbon offset activities.

Efficient use of resources

3.4 Sustainability Management in social dimensions

The Company has established policies for comprehensive social management such as human rights policy, security policy, Anti-corruption policy etc. The details of important policies are as follows:

3.4.1 Policy on human rights and human resource management

1). Human Rights Policy

The Company respects the rights of its employees and all other stakeholders. The Company will not discriminate any person with regard to concepts and viewpoints, race, color, religion, gender, sexual preference, nationality, age, disability or any other status which are treated as human rights. The Company will apply a reasonable and comprehensive approach to respect human rights to all of its operations and focus on eliminating the injustice, discrimination, any intimidation and violations of rights. The Company will not employ illegal child labor, forced labor or slave labor or labor forced to work overtime. The Company will not employ persons under the age of 16 and young person will not be employed except for the cases where those employment is in accordance with the laws and regulations related to age, working hours, compensation, health and safety.

2). Human resources Management

The Company treats all employees as the main force that will bring success, progress, stable and sustainable growth of the Company with the emphasis on teamwork and the dedication of employees. The Company aims to enhance the capability of employees to excel in their work assignments by developing personnel in academic management and working culture, sufficient supply of modern operation equipment, provide compensation and benefits which are comparable to similar businesses. The Company will also create a good and safe working atmosphere and environment. The employees should perform their duties with responsibility, honesty, determination and dedication as well as comply with the rules with the Company's interest as the major priority. Moreover, the management must be responsible for the management of human resources for efficiency, effectiveness and maximum benefits with the guidelines for human resource management are as follows:

- Guidelines on Recruiting Human Resources
- Guidelines on employee career path opportunities
- Guidelines on employee compensation

-
- Guidelines on employee development
 - Guidelines on performance appraisals and evaluation
 - Guidelines on discipline and complaints
 - Guidelines on termination of employment

3.4.2 Policy on the use of information technology and the use of telecommunication media

The Company has set the information technology as an important factor in promoting the Company's business operations. The use of information and telecommunications is the shared responsibility of all employees to use them appropriately in accordance with the Company's business policies and for social responsibility. The system and the computer equipment are available to use to support the Company's business operations, and must not be used for personal business or illegal activities, thus the Company reserves the right to suspend rights or to inspect the computer system or other related equipment which is the property of the Company if the Company found any suspicious of any activities which may cause damage to the Company or other people so that the use of all systems of the Company is correct and does not violate the rights of others. Every department must use the system and computer software that the Company has provided properly according to the Company's standard only. The Company has set the guidelines for the use of information technology as follows :

- Use of Internet System
- Use of Electronic Mail (e-mail)
- Access to information
- Use of telecommunication equipment services
- Privacy rights

3.4.3 Policy on Non-infringement of Intellectual Property

The Company does not support any actions that are infringing on intellectual property or any copyrights. It represents the Company's intention to conduct its business with fairness with the guidelines as follows :

- The accomplishment resulting from the performance of duties is the intellectual property of the Company
- The work or information that is the right of third party to be obtained or used within the Company must be checked to make sure that there will not infringe on the intellectual property or copyright of others
- Perform the inspections from the process of procurement of the computer system to the installation for use and create a database of Software or various computer programs which are currently in use by the organization to ensure that its operation are in accordance with the Computer-related Crime Act of 2017

3.4.4 Policy regarding quality, safety and occupational health

The Company operates a restaurant business including having a central kitchen to produce and deliver food to branches by focusing on quality, safety and occupational health. The Company determines to take every effort to decrease and prevent impacts on quality, safety and occupational health that will occur and any operations of the Company that may have impact to the stakeholders. All of which will lead to customer satisfaction, safety in life and property of employees and the public as well as creating a good environment for society. In order to achieve that intention, the Company determines to operate the business in accordance with the Food Hygiene Practices and to develop, implement and maintain the GHPs enabling the safety and in every necessary activities to support food production to be safe and proper in every stage of the food chain starting from the beginning to taking care of final product. The guidelines are as follows :

- All executives and employees must operate with a system that covers quality management, safety and occupational health and environment to be part of their work to help in promoting the efficiency, effectiveness and create maximum value for the work
- All executives and employees will strictly adhere to work in accordance with the law, policies, regulations and related standards regarding the quality, safety, occupational health and environment.
- The Company will control and prevent losses that may occur in several forms due to accidents, fires, injuries or illness from work, loss or damaged of property, breach, security system, inappropriate work practices and errors that occur as well as maintain a safe working environment for employees. It is the responsibility of executives and employees to report the accidents and incidents by following the established procedures.
- The Company will provide public relations and communication to create knowledge, understanding and dissemination of information to employees, employees of contractors and relevant stakeholders to know and understand the policies, rules and regulations, procedures, process and various precautions in terms of quality, safety , occupational health and environment as well as to implement them properly without causing harm to their health and property
- The Company will promote and nurture awareness of quality, safety, occupational health as a way of daily life of the employees
- The Company will seriously and continuously participate in the social responsibility in terms of quality, safety and occupational health by realizing the importance of the environment and safety of relevant stakeholders as well as promoting social activities and develop the quality of life of people in the community according to the principles of sustainable development

- The Company has prepared the fundamental hygiene in the factory program namely Food Hygiene Practice (GHPs) and The Hazard Analysis And Critical Control Point (HACCP) System which has the scope as follows :
 - Cover the building structure and all parts of production support
 - Cover all departments in the factory
 - Covering all procedures in working, starting from receiving raw materials to the process of packaging products and transporting goods to branch stores.
 - Cover frozen processed meat products such as marinated pork, marinated chicken, marinated squid, saba fish and meatball products for boiled and fried, frozen and chilled such as frozen pork meatballs, frozen ping pong meatballs, chilled fried fish, stuffed with pork wontons, spiced pork etc.

Currently, the outbreak of the Coronavirus 2019 is still widespread increasingly. The Company is aware of the impact that occurs in human resource management, therefore the Company has measures to take care of employees to be safe and healthy and are ready to work at any times. Hence the Company has the following guidelines :

- The Company has a Business Continuity Management (BCM) covering all crisis management in the epidemic situations by focusing on the safety and health of employees
- Require work from home (WFH) to be performed where appropriate at the discretion of the supervisor
- Encourage employees to use the meetings in form of Teleconference or VDO Conference
- Distributing alcohol and masks to employees as well as setting up alcohol drop-off points at various points of the office
- Determine measures to enter and exit the building for employees and visitors to increase safety and prevent the spread out of the virus.
- Increase measures to maintain cleanliness in various touch areas

3.4.5 Anti-corruption Policy

The Company will not act or support any fraudulent actions or corruptions in any case and will strictly comply with the anti-corruption measures and provide internal audits to prevent and suppress any fraudulent or corruption within the organization by cover every related business and department as well as reviewing the practice guidelines and operational requirements to comply with changes in business, rules, regulations and legal requirements. The guidelines are as follows:

1. Political neutrality and political contributions

- The Company is a politically neutral business organization that support legal compliance and democratic governance. The Company does not have guidelines to make political contributions to any political party, whether directly or indirectly.
- Everyone within the organization has the rights and freedom of political law, but will not take any action that will cause the Company to lose its neutrality or be damaged by political involvement
- Everyone in the organization will not carry out political activities within the Company, including the use of any resources of the Company to do so.

2. Charity donation or financial support

The Company supports community and social development for the improvement of quality of life, build an economy and strengthen communities, and society through business processes or charitable donation that must be used for public charity only, including financial support for the Company's business which is not excuse for corruption and must have clear documentary evidence and is in accordance with the Company's regulations.

3. Gifts, banquet, travel, hospitality and entertainment

In practice, it is understood that gift giving, banquet, providing hospitality and entertainment to our customers, suppliers and business partners with reasonable and appropriate

will be beneficial to create commercial credibility and help strengthen business relationship as some business cultures tend to expect small gifts. However, the Company prohibits the giving of such things or services that are too excessive or inappropriate. Taking care of business hospitality, tour guides, gift giving, entertainment and banquet must be proper for the occasion and in accordance with the Company policies, laws and regulations.

In addition, various expenses that happened and activities performed as part of the hospitality, tour guides, gifts, entertainment and banquet must be transparent. This means that the accounting evidence of expenses and activities must be clearly identified the related person involved and clearly stating the business purpose, describe the activity and indicate the amount of money spent.

This report on sustainable development of JCK Hospitality Public Company Limited is prepared annually. Its content covers all economic policies and practices , social and environment of the Company by report the transactions during January 1 to December 31 of each year in the annual registration statement (Form 56-1 One Report) which is prepared with the objective to inform all stakeholders of their commitment to operate with the social responsibility and the operating results which are in line with the Company's framework. To determine the content of the report, the Company started from the study, survey and analysis for business development as well as the image of the

Company to the public. Then prioritize the “customers” as the first priority as it is directly and indirectly affected by the Company’s business engagement and “company’s employee” is a key stakeholder next in the line because the Company foresee that employees are the main driving force that will make the Company be able to operate the business by delivering quality products and services with social responsibility and also affect to other group of stakeholders such as shareholders, business partners, people and community.

Pictures of activities which are beneficial to society and community

Supporting drinking water, dry food for hospitals and communities from the COVID situation



Donate Food Box set during the pandemic of COVID



4. Management Discussion and Analysis

1. Analysis on Financial Position, Operating performance and major operations

In 2021, the Company has invested in hotel business by acquiring 100 percent of the registered capital of two subsidiaries. Therefore, the Company has prepared the Consolidated financial statement for the first time according to the regulation. However, both subsidiaries have not started their operations. Consequently, the consolidated financial statements have information in terms of operating results that are not significantly different from the separate financial statements

Statement of Comprehensive Income as at the year ended December 31, 2021

Statement of Comprehensive Income (Unit : thousand Baht)	Separate financial Statements				Consolidated	
	Year 2020		Year 2021		Year 2021	
	Baht	ร้อยละ	Baht	ร้อยละ	Baht	ร้อยละ
Revenue from sale	685,797	97.78	427,613	96.94	427,613	96.40
Other income	15,572	2.22	13,510	3.06	15,981	3.60
Total Revenue	701,368	100.00	441,122	100.00	443,594	100.00
Cost of goods sold	289,722	42.25	224,675	52.54	224,675	52.54
Selling and distribution expenses	367,218	52.36	244,554	55.44	244,554	55.44
Administrative expense	137,985	19.67	156,938	35.58	157,879	35.79
Loss from impairment of assets	10,727	1.53	36,000	8.16	36,000	8.16
Loss from impairment of investment in subsidiaries	-	-	1,000	0.23	-	-
Loss on purchase in shares in a subsidiary	-	-	-	-	82,401	18.68
Other expense	9,577	1.37	3,064	0.69	3,064	0.69
Total Expenses	815,228	116.23	666,231	151.03	748,572	169.70
Loss from operating activities	(113,860)	(16.23)	(225,108)	(51.03)	(304,978)	(69.14)
Finance cost	(29,011)	(4.14)	(34,651)	(7.86)	(37,218)	(8.44)

Loss before income tax	(142,871)	(20.37)	(259,759)	(58.89)	(342,196)	(77.57)
income tax Benefit / (Expense)	856	0.12	2,169	0.49	2,169	0.49
Loss for the year	(142,015)	(20.25)	(257,590)	(58.39)	(340,027)	(77.08)

As at December 31, 2021, the Company has restaurant branches that operate in total of 67 branches comprises of Hot Pot 59 branches (consists of Hot Pot Inter Buffet 42 branches, Hot Pot Inter Buffet with grilled 15 branches and Hot Pot Suki Shabu 2 branches) , Daidomon 4 branches, Zheng Dou 1 branch and Zheng Dou Grand 2 branches and Joe Ka Tow 1 branch. In 2021, the Company has opened 2 new branches which are one Daidomon branch and one Joe Ka Tow branch while the Company has closed down 17 branches which comprises of Hot Pot 15 branches (consist of Hot Pot Inter Buffet 8 branches and Hot Pot Inter Buffet with grilled 7 branches), one Daidomon branch and one Bonsai branch which incurred continuous loss.

Brand	Number of branch		
	31 Dec 2020	31 Dec 2021	Increase/ (Decrease) Branch
Hot Pot Inter Buffet	50	42	(8)
Hot Pot Inter Buffet with Grilled	22	15	(7)
Hot Pot Suki Shabu	2	2	-
Daidomon	4	4	-
Zheng Dou	1	1	-
Zheng Dou Grand	2	2	-
Joe ka Tow	-	1	1
Bonsai	1	-	(1)
รวม	82	67	15

Revenue

For the year 2021, when comparing the separate financial statement, the Company has total revenue of 441.12 million Baht, a decrease of 260.25 million Baht or equal to 37.11% when compared to the total revenue in Year 2020. The total revenue in 2021 comprising of revenue from sale of 427.61 million Baht, a

decrease of 258.18 million Baht or dropped down 37.65 % from 2020 and other income 13.51 million Baht , decrease from 2020 of 2.06 million Baht or equaled to 13.24% decrease.

The reason that the total revenue dropped significantly was due to the lock down of restaurant in 2 period in April-May 2021 and July-August 2021 from the pandemic of the virus COVID-19 which the CCSA had ordered not allow customers to sit and dine in the restaurant in the red zone of 29 provinces and the sales of branches that can open did not meet the target as customers did not dine in the restaurant due to the pandemic of COVID -19. Moreover, the economy of the country has slowed down since the beginning of the year 2021, thus have impact on consumers to be more cautious in their consumption and spending. All these factors affect the Company's sales and also as a result of the closed down of 17 branches in this year.

Revenue structure

Type of revenue	For the year ended December 31,			
	Year 2020		Year 2021	
	million Baht	%	million Baht	%
1. Revenue from Sales				
(a) from branches				
1) Hot Pot Inter Buffet	398.53	56.82	249.09	56.47
2) Hot Pot Inter Buffet with grilled	179.25	25.56	103.78	23.53
3) Hot Pot Suki Shabu	9.59	1.37	7.98	1.81
4) Daidomon	41.01	5.85	31.47	7.13
5) Signature	0.69	0.10	-	-
6) Toomato Italian Kitchen	0.57	0.08	-	-
7) Zheng Dou / Zheng Dou Grand	43.57	6.21	32.15	7.29
8) Signor Sassi	4.47	0.64	-	-
9) Bonsai	7.86	1.12	2.23	0.51
10) Joe ka Tow	-	-	0.91	0.21
Total revenue from branches	685.54	97.75	427.61	96.94
(b) from other sales	0.26	0.03	-	-
Total revenue from sales	685.80	97.78	427.61	96.94
2. Other income	15.57	2.22	13.51	3.06
Total revenue	701.37	100.00	441.12	100.00

Separated Profit and Loss Unit: million Baht	Year 2020	Year 2021	Change	
			amount	%
Revenue from Sales	685.80	427.61	(258.18)	(37.65)
Other income	15.57	13.51	(2.06)	(13.24)
Total Revenue	701.37	441.12	(260.25)	(37.11)
Cost of Sales	289.72	224.67	(65.05)	(22.45)
Gross Profit (Loss)	396.08	202.94	(193.14)	(48.76)
Gross Profit (Loss) Margin %	57.75%	47.46%		
Selling and distribution expenses	367.22	244.55	(122.66)	(33.40)
Administrative expenses	137.99	156.94	18.95	13.74
Loss on impairment of assets	10.73	37.00	26.27	244.93
Other expense	9.58	3.06	(6.51)	(68.00)
Loss from operating activities	(113.86)	(225.11)	(111.25)	97.71
Finance Cost	(29.01)	(34.65)	(5.64)	19.44
Loss before income tax	(142.87)	(259.76)	(116.89)	81.81
Income (Expense) tax benefit	0.86	2.17	1.31	153.39
Loss for the year	(142.01)	(257.59)	(115.58)	81.38
Net profit (loss) margin (%)	(20.25%)	(58.39%)		

Cost of Sales

Cost of sales when compared to separate financial statement, in 2021, cost of sales equaled to 224.67 million Baht, a decrease of 65.05 million Baht or 22.45 % decrease when compared to year 2020 which was in line with decrease in sales. However, when compared to the ratio to sales in 2020, the average cost to sales ratio in 2021 increased 10% from 42% in 2020 to 53% .

As in 2021, the pandemic of COVID-19 in the country has increased in the number of infected people, thus affecting the overall economy of the country, consumers shopping behavior has become more cautious. The Company therefore had made a promotion to stimulate sales which caused a discount from sale of 40-60% (depending on the time period) causing the cost to rise accordingly and the impact of the increase in market prices because the existing suppliers could not provide the product in time therefore the Company needed to find a new seller which cause a difference in the purchase price.

Selling and administrative expenses

Selling and distributing expenses of the Company when compared to the separate financial statements in 2021 equaled to 244.55 million Baht or 57.19 % of revenue from sales, decrease from 2020 of 122.66 million Baht or decrease 33.40% due to the reduction in rent and service fees received from the lessor. During the epidemic situation of the COVID-19 virus, the administrative expenses in 2021 amounted to 156.94 million Baht or 36.70% of sales revenue, an increase from 2020 of 18.95 million Baht or 13.74% increase due to the issuance of convertible debentures, loss from impairment of assets in 2021 which equaled to 37.00 million Baht or 8.65% of revenue from sales, an increase from 2020 of 26.27 million Baht or 244.93% increase. Other expenses in 2021 was equaled to 3.06 million Baht or 0.72% of revenue from sales, decrease of 6.51 million Baht from 2020 or 68% decrease.

Finance Cost

For the year 2021 when compared to separate financial statement, the Company had finance cost of 34.65 million Baht, an increase of 5.64 million Baht from the year 2020 or equaled to 19.44% increase due to the Company has recorded interest expenses on convertible debentures and interest expenses on lease liabilities in accordance with the Thai Financial Reporting Standards 16 Re: Financial Lease ¹ of 14.85 million Baht

Remark: ^{1/} Thai Financial Reporting Standards 16 Re; Financial Lease (TFRS 16) has become effective since January 1, 2020 requires that Lessee to recognize the obligations arising from the lease agreement into the financial statements by recognizes the rights to use the asset together with the recognition of liabilities throughout the term of the lease, including the period during which the lessee has the right to choose to renew the lease.

Net loss

For the year 2021 when compared to separate financial statement, the Company had net loss of 257.59 million Baht, an increase of 115.58 million Baht or equaled to 81.38% increase from 2020 which was only 142.01 million Baht. The increase in net loss was due to the decrease of revenue of the Company which was the result of the closed down the restaurants in 2 periods of time in April-May 2021 and July-August 2021 as the pandemic of COVID-19 and the CCSA had an order not to sit and dine in the restaurants in the red zone

¹

in 29 provinces and the sales in the opening branches did not meet the target and also due to the decrease in numbers of branches

For the consolidated statements of 2021, the Company had net loss equal to 340.03 million Baht due to the operating loss of the Company of 257.59 million Baht and loss from purchase of investment amounting to 82.4 million Baht due to the ownership of the land and hotel building of the said company was belonging to the bank creditors of the loans of which the assets were placed as collateral and the said assets were to sell at the auction. This was the transaction that occurred before entering into the purchase agreement of the subsidiary's ordinary shares. The seller group agreed to cooperate with the Company in negotiating the composition of the subsidiary's debt with the bank to compensate for the damage incurred which was in the process of requesting to reduce the loan and accrued interest of the subsidiary from the bank in the amount of 70 million Baht which was the remaining debt after offset with the auction of such asset. However, the creditor banks are currently in the process of considering the approve of the said transaction. The group company has reversed the land and hotel building of 261 million Baht and recorded a reduction of 96 million Baht of bank loan from the auction of asset and reversed the surplus on asset revaluation (net of income tax) of 66 million Baht which previously had recognized in the comprehensive income in the third quarter of the current year from the appraisal of land and hotel building of that subsidiary and recognized a loss of 82 million Baht in the comprehensive income statement for the current year. Currently, the Company is in the process of negotiating with the creditor bank to repurchase the land and hotel buildings in the consolidated comprehensive income for the current year.

Analysis of Financial Position

Assets

Statement of financial position unit : million Baht	Separate financial statement				Consolidated
	31 Dec, 2020	31 Dec, 2021	Change		31 Dec, 2021
			Amount	%	
Cash and cash equivalent	5.16	9.09	3.93	76.12	9.10
Trade and other receivables	49.01	60.49	11.48	23.43	64.53
Inventories	49.85	51.02	1.18	2.36	51.02
Advances	9.26	49.00	39.74	429.04	7.97
Other current assets	20.95	22.93	1.98	9.45	22.93
Total current assets	134.23	192.54	58.31	43.44	155.56

Restricted bank deposits	3.00	3.00	-	-	3.00
Investment in subsidiaries	-	30.00	30.00	100.00	-
Investment properties	-	-	-	-	81.63
Property, plant and equipment	427.57	439.37	11.81	2.76	654.17
Right-of-use assets	415.48	232.08	(183.40)	(44.14)	232.08
Intangible assets	3.83	2.64	(1.19)	(31.03)	2.64
Other non-current financial assets	77.87	67.09	(10.78)	(13.85)	67.02
Total non-current assets	927.75	774.18	(153.56)	(16.55)	1,040.53
Total assets	1,061.98	966.73	(95.26)	(8.97)	1,196.09

As at December 31, 2021, when compared to the separate financial statements, it can be seen that the total assets of the Company amounted to 966.73 million Baht, a decrease of 95.26 million Baht or 8.97% when compare to December 31, 2020. The Company had current assets of 192.54 million Baht, an increase of 58.31 million Baht or equal to 43.44 % increase. The Company had cash and cash equivalent increase of 3.93 million Baht or 76.12% increase, increase in trade and other receivables 11.48 million Baht or 23.43% increase (as a result of related receivables transaction from the sale of Bonsai of 12 million Baht) , increase in inventories of 1.18 million Baht or 2.36%, increase in Advances of 39.74 million Baht or 429.04 % (increased from advance payment of subsidiary which did not appear in the consolidated financial statements) and an increase in other current assets of 1.98 million Baht or 9.45% increase.

For non-current asset when compared to the separate financial statements equaled to 774.18 million Baht, a decrease of 153.56 million or decrease 16.55% from December 31, 2020. Investments in subsidiaries increased 30 million Baht, Property, plant and equipment increased 11.81 million Baht or 2.78% increase (caused by the Company has purchased land and commercial buildings in Chiang Rai and Chiang Mai 66.47 million Baht), Lease Deposit or other non-current financial assets decreased by 10.78 million Baht or 5.47% decrease (as a result of refund of closed branch rental insurance) and right-of-use assets decreased by 18.40 million Baht or 44.14% decrease as a result of the adjustments to TFRS16 accounting standards.

For the Consolidated financial statement as at December 31, 2021, on the Assets side had important financial information as follows : 1. Investment properties of 81.63 million Baht from one subsidiary (A.S.P Hotel and Resort Co., Ltd) which the ownership of land and buildings have been transferred 2. Property, plant

and equipment as shown in the consolidated financial statements amounting to 654.17 million Baht, divided into the Company's amount of 439.37 million Baht and the part of a subsidiary (C.P.T Hotel and Resort Co., Ltd) of 214.80 million Baht which the Company had recognized land and hotel buildings at revalued amounts according to the appraisal of land and hotel buildings by independent appraisers.

Liabilities and Shareholders' equity

Statement of financial Porsition Unit : million Baht	Separate financial statements				Consolidated
	31 Dec. 2020	31 Dec, 2021	Changes		31 Dec, 2021
			Amount	%	
Bank overdrafts and short-term Loan from financial institution	93.15	88.79	(4.36)	(4.68)	88.79
Short-term Loan	101.60	124.24	22.65	22.29	124.24
Trade and other payables	224.18	220.19	(3.99)	(1.78)	329.81
Current portion of long-term loans from financial institution					
which due in one year	15.00	15.00	-	-	59.80
Current portion of lease liabilities	198.62	118.54	(80.08)	(40.32)	118.54
Other current liabilities	76.40	92.06	15.66	20.50	92.06
Total current liabilities	708.95	658.82	(50.13)	(7.07)	813.24
Long term loan from financial institutions					
Net of current portion due in one year	6.25	6.25	-	-	73.11
Lease liabilities net of current portion	218.90	151.74	(67.16)	(30.68)	151.74
Provision for decommissioning	22.05	16.96	(5.09)	(23.07)	16.96
Deferred Tax liabilities	60.82	58.65	(2.17)	(3.57)	72.69
Provision for Long-term employee benefits	3.52	4.39	0.87	24.54	4.39
Convertible Debenture	-	25.66	25.66	100.00	25.66
Options	-	3.89	3.89	100.00	3.89

Statement of financial Porsition Unit : million Baht	Separate financial statements				Consolidated
	31 Dec. 2020	31 Dec, 2021	Changes		31 Dec, 2021
			Amount	%	
Long -term provision	-	-	-	-	20.40
Total non-current liabilities	311.55	267.54	(44.01)	(14.13)	368.84
Total Liabilities	1,020.50	926.36	(94.13)	(9.22)	1,182.08
Registered share capital	203.22	537.45	334.23	164.47	537.45
Issue and paid up shares	203.22	329.34	126.13	62.06	329.34
Premium on ordinary shares	470.84	601.19	130.34	27.68	601.19
Retained earning – statutory reserve	7.06	7.06	-	-	7.06
Unappropriated (deficit)	(810.58)	(1,065.69)	(255.12)	31.47	(1,148.13)
Other components of shareholders' equity	170.95	168.47	(2.47)	(1.45)	224.63
Total shareholders' equity	41.48	40.36	(1.12)	(2.71)	14.09
Total liabilities and shareholders' equity	1,061.98	966.73	(95.26)	(8.97)	1,196.16

As at December 31, 2021, when compared

to the separate financial statements, the Company's total liabilities amounted to 926.36 million Baht, a decrease of 94.13 million Baht or 9.22% when compared to December 31, 2020. The Company had total current liabilities of 658.82 million Baht, a decrease of 50.13 million Baht or 7.07%. The Company had overdraft and short-term loans from financial institutions decreased by 4.36 million or 4.68%, Short-term loans (individual promissory notes) increase of 22.65 million Baht or 22.29%, trade and other payables decreased by 3.99 million Baht or 1.78% and other current liabilities increased by 15.66 million Baht or 20.50%.

For the Non-current liabilities totaled 267.54 million Baht, decreased by 44.01 million Baht or 14.13%. The Company has the provision for decommissioning decreased by 5.09 million Baht or equivalent to 23.07%, deferred tax liabilities decrease by 2.17 million Baht or 3.57%, provision for long-term employee benefits increased by 0.87 million or 24.54% , Convertible Debenture and options to convert increased by 29.55 million Baht and liabilities under the ROU lease agreement due within one year decreased by 80.08 million Baht or

40.32%, ROU lease liabilities, net of portion due within one year, decreased by 67.16 million Baht or 30.68% as a result of the adjustment according to TFRS16 accounting standard.

For the Consolidated financial statement as at December 31, 2021, the liability side had significant financial information as follows : 1. Long-term loans from financial institutions (The portion due within one year and the long term portion) when compared to the separate financial statement increased by 111.66 million Baht belonging to subsidiaries, divided into C.P.T Hotel and resorts Co.,Ltd amounting to 66.86 million Baht and A.S.P Hotel and resorts Co.,Ltd amounting to 44.80 million Baht 2. Long term provision of 20.40 million Baht (provision of subsidiary's liabilities related to taxes and penalties that may occur in the future)

Shareholders' equity

On March 20, 2021, according to the resolution of the Board of Directors Meeting No. 2/2021, it was resolved to approve the allocation and offering of 18,750,000 newly issued ordinary shares to a private placement ("PP") to 1 person at the price of 0.80 Baht per share, totaling 15 million Baht. The subscription and payment period for the newly issued ordinary shares was scheduled on March 31, 2021

On April 7, 2021, according to the resolution of the Board of Directors Meeting No. 3/ 2021, it was resolved to approve the allocation and offering of 30,000,000 newly issued ordinary shares to a private placement ("PP") to 1 person at the price of 0.80 Baht per share , totaling 24.00 million Baht. The subscription and payment period for the newly issued ordinary shares was scheduled on April 8, 2021

On April 20, 2021, according to the resolution of the Board of Directors Meeting No. 4/ 2021. It was resolved to approve the allocation and offering of 32,250,000 newly issued ordinary shares to a private placement ("PP") to 1 person at the price of 0.80 Baht per share, totaling 25.80 million Baht. The subscription and payment period for the newly issued ordinary shares was scheduled on April 24, 2021

On June 25, 2021, according to the resolution of the Board of Directors Meeting No. 7/ 2021. It was resolved to approve the allocation and offering of 16,760,900 newly issued ordinary shares to a private placement (: "PP") to 1 person at the price of 0.80 Baht per share, totaling 13.41 million Baht. The subscription and payment period for the newly issued ordinary shares was scheduled on June 28, 2021

On August 6, 2021, the convertible debenture holders have notified the exercise their rights to convert the debentures totaling 5 million Baht which will convert to 9,416,195 ordinary shares at a convertible price of 0.531 Baht per share

On August 9, 2021, , the convertible debenture holders have notified the exercise their rights to convert the debentures totaling 5 million Baht which will convert to 9,578,544 ordinary shares at a convertible price of 0.522 Baht per share

On August 25, 2021, the Board of Directors Meeting has resolved the allocation and offering of newly issued ordinary shares to the Private placement (“PP”) amounting to 56,604,000 shares at the price of 0.53 Baht per share, totaling 30 million Baht. The subscription and payment period for the newly issued ordinary shares and payment period for the newly ordinary shares was scheduled on August 26, 2021.

On August 26, 2021, , the convertible debenture holders have notified the exercise their rights to convert the debentures totaling 15 million Baht which will convert to 32,679,738 ordinary shares at a convertible price of 0.459 Baht per share

On August 27, 2021, the convertible debenture holders have notified to exercise their rights to convert the debentures totaling 5 million Baht which will convert to 10,893,246 ordinary shares at a convertible price of 0.459 Baht per share

On September 27, 2021, the convertible debenture holders have notified to exercise their rights to convert the debentures totaling 20 million Baht which will convert to 43,572,984 ordinary shares at a convertible price of 0.459 Baht per share

On September 30, 2021, the shareholders has notified to exercise their rights (JCKH-W1) for the amount of 37,499.25 Baht to 149,997 ordinary shares at a price of 0.25 Baht per share

On October 14, 2021, the convertible debenture holders have notified to exercise their rights to convert the debentures totaling 10 million Baht which will convert to 23,640,660 ordinary shares at a convertible price of 0.423 Baht per share

On October 15, 2021, the convertible debenture holders have notified to exercise their rights to convert the debenture totaling 30 million Baht which will convert to 70,921,984 ordinary shares at a convertible price of 0.423 Baht per share

On October 19, 2021, the Board of Directors Meeting has resolved the allocation and offering of newly issued ordinary shares to the Private Placement amounting to 15,061,447 shares at the price of 0.48 Baht per share, totaling 7.23 million Baht and 959,750 shares at the price of 0.80 Baht, totaling 0.77 million Baht. The

subscription and payment period for the newly issued ordinary shares and payment period for the newly ordinary shares was scheduled on October 20, 2021.

On November 30, 2021, the convertible debenture holders have notified to exercise their rights to convert the debentures totaling 5 million Baht which will convert to 12,919,896 ordinary shares at a convertible price of 0.387 Baht per share

On December 9, 2021, , the convertible debenture holders have notified to exercise their rights to convert the debenture totaling 20 million Baht which will convert to 54,200,542 ordinary shares at a convertible price of 0.369 Baht per share

On December 20, 2021, , the convertible debenture holders have notified to exercise their rights to convert the debentures totaling 20 million Baht which will convert to 55,248,618 ordinary shares at a convertible price of 0.362 Baht per share

For the shareholders' equity when compared the separate financial statements at December 31, 2021 was equaled to 40.36 million Baht compared to amount at December 31, 2020 which was 40.36 million Baht when compared to 41.83 million Baht , decrease by 1.12 million or 2.71% which come from the loss from the operation in 2021 which had net loss of 257.59 million Baht and the issuance of newly issued ordinary shares (PP) in the mount of 116.21 million Baht and the convertible debenture holders had exercised their rights to convert ordinary shares in the amount of 140.22 million Baht

For the consolidated financial statements as at December 31, 2021, the Group has shareholders' equity in total of 14.09 million Baht, derived from 1. Losses from operations in 2021 of 257.59 million Baht and of its subsidiaries of 82.44 million (as the Company has described in the statement of comprehensive income) 2. Issuance of new ordinary shares (PP) of 116.21 million Baht 3. Convertible Debenture Holders had exercised their rights to convert to ordinary shares in the amount of 140.22 million Baht 4. Surplus from revaluation of assets of subsidiaries in the amount of 56.16 million Baht.

Cash Flow Statement

Cash Flow Statement Unit : million Baht	Separate financial statements				Consolidated
	Year 2020	Year 2021	Change		Year 2021
			Amount	%	
Cash flow from operating activities	119.40	(68.64)	(188.05)	(157.49)	(31.87)
Cash flow from investing activities	(5.03)	(104.06)	(99.03)	(1,968.21)	(140.06)
Cash flow from financing activities	(129.13)	176.64	305.76	(236.79)	175.87
Net increase (decrease) in cash and cash equivalent	(14.76)	3.93	18.69	(126.64)	3.94
Cash and cash equivalent at the beginning of year	19.92	5.16	(14.76)	(74.08)	5.16
Cash and cash equivalent at the end of year	5.16	9.09	3.93	76.12	9.10

- As the group Company has just prepared the consolidated financial statements for the first year, therefore there is no data of the year 2020 to compare. The Group therefore compared the separate statement of cash flows because as at December 31, 2021, there were no significant numerical differences for the consolidated financial statements ↓

For the year ending December 31, 2021 when comparing to the separate financial statements, the Company had cash and cash equivalents of 9.09 million Baht, an increase from the balance carried forward on January 1, 2021 by 3.93 million Baht which came from the following activities

- Net cash flow used in the operating activities in the amount of 68.64 million Baht consisted of
 - Loss from cash operations of 28.87 million Baht mainly from net loss of 259.76 million Baht added back by depreciation of 211.91 million Baht which was the depreciation of right-to-use assets of 170.81 million Baht according to Thai Financial Reporting Standards 16 regarding lease agreement, finance cost 30.66 million Baht and loss from branch closure of 6.44 million Baht
 - Decrease in operating assets of 49.66 million Baht. Mainly due to the increase in trade and other receivables 11.09 million Baht, advances increase of 39.74 million Baht and other current asset of 8.44 million Baht net with the decrease in other non-current financial assets that received a refund of insurance for branches that close within the year of 10.78 million Baht

- Operating liabilities increased by 10.12 million Baht, mainly from the payments to trade and other payables of 4.82 million Baht net with the increase in other current liabilities of 14.94 million Baht
- 2) Net cash flow used in investment activities amounted to 104.06 million, which was mainly used in investments in land and new brands, renovation/ rebranding the restaurant branches and intangible assets 77.14 million Baht and investments in subsidiaries of 31.00 million Baht , net with the proceed from sale of equipment of 4.08 million Baht.
- 3) Net cash flow from financing activities amounted to 176.64 million Baht, which was from the cash receipt from short-term loans of 240.46 million Baht, cash receipt from increase in share capital of 116.21 million Baht, cash receipt from issuance of convertible debentures 175.00 million Baht net with the repayment of short -term loans of 217.81 million Baht, payment of lease liabilities of 93.30 million Baht, cash paid for interest expenses of 29.59 million Baht and cash paid for transaction cost of the issuance of convertible debentures of 10.00 million Baht

2. Factors or events that may significantly affect the financial position or operations

Impact on income from the COVID-19 situation

From the COVID-19 situation that started from year 2020-2021 has had impact to affect the economy around the world including the domestic economy, change in consumer behavior both the spending behavior or consumption behavior with more caution. All of these factors have a huge impact on the Company's sales causing the Company to have to adjust itself so as to continue to operate in the pandemic of COVID-19 situation

However, though the pandemic of COVID-19 still exists, the epidemic continues to increase but the mortality rate is lower. In addition the current vaccination of the population in the country and around the world will create more confidence for consumers in terms of spending, living and consumption behavior. As a result , people start to come back and spend in shopping malls, travel during the festive seasons. All of which will help the Company's sales begin to return to normal situation respectively.

3. Information from financial statements and financial ratios

3.1. Summary of the Audit report

The financial statements for the year ended December 31, 2021 was audited by Miss Watoo Kayankannavee, Certified Public Accountant (Thailand) No. 5423 from EY Office Limited who is the auditor that approved by the Office of Securities and Exchange Commission (SEC) who has made an unqualified opinion and

observations on the audited financial statements. She has provided notice on the matters of material uncertainty related to going concern and draw attention notes to the financial statements as described in Note 12 to the financial statements regarding the investment in the purchase of shares in subsidiaries.

In her opinion, the financial statements present fairly in the financial position, financial performance, changes in shareholders' equity and cash flows for the year then ended on the same date correctly as they should in material respects in accordance with the Thai Financial Reporting Standards

3.2. Summary of Financial Statements

Statement of Financial Position

Statement of financial position	As at 31 December							
	Separate financial statements		Separate financial statements		Separate financial statements		Consolidated financial statements	
	2019		2020		2021		2021	
	Baht	%	Baht	%	Baht	%	Baht	%
Assets								
Current assets								
Cash and cash equivalents	19,919,606	2.85	5,163,777	0.49	9,094,232	0.94	9,104,232	0.76
Trade and other receivables	41,489,595	5.94	49,007,582	4.61	60,491,499	6.26	64,526,828	5.39
Inventories	36,180,670	5.18	49,847,805	4.69	51,024,604	5.28	51,024,604	4.27
Advances	7,916,101	1.13	9,261,845	0.87	48,998,456	5.07	7,966,732	0.67
Other current assets	15,977,143	2.29	20,953,808	1.97	22,933,779	2.37	22,933,779	1.92
Total current assets	121,483,115	17.39	134,234,817	12.64	192,542,570	19.92	155,556,175	13.01
Non-current assets								
Restricted bank deposits	3,000,000	0.43	3,000,000	0.28	3,000,000	0.31	3,000,000	0.25
Investments in subsidiaries	-	-	-	-	30,000,000	3.10	-	-
Investment properties	-	-	-	-	-	-	81,626,681	6.82
Property, plant and equipment	445,090,803	63.72	427,566,597	40.26	439,372,062	45.45	654,167,062	54.69
Right-of-use assets	-	-	415,477,453	39.12	232,078,504	24.01	232,078,504	19.40
Leasehold rights	18,165,615	2.60	-	-	-	-	-	-
Intangible assets	5,109,701	0.73	3,828,673	0.36	2,640,748	0.27	2,640,748	0.22
Rental deposits	105,642,615	15.12	-	-	-	-	-	-
Other non-current financial assets	-	-	77,874,701	7.33	67,091,143	6.94	67,019,143	5.60
Total non-current assets	577,008,734	82.61	927,747,424	87.36	774,182,457	80.08	1,040,532,138	86.99
Total assets	698,491,849	100.00	1,061,982,241	100.00	966,725,027	100.00	1,196,088,313	100.00

Statement of Financial Position (Continued)

Statement of financial position (continued)	As at 31 December							
	Separate financial statements		Separate financial statements		Separate financial statements		Consolidated financial statements	
	2019		2020		2021		2021	
	Baht	%	Baht	%	Baht	%	Baht	%
Liabilities and shareholders' equity								
Current liabilities								
Bank overdrafts and short-term loans from financial institutions	95,472,872	13.67	93,152,951	8.77	88,790,815	9.18	88,790,815	7.42
Short-term loans	153,211,474	21.93	101,595,151	9.57	124,240,877	12.85	124,240,877	10.39
Trade and other payables	222,802,932	31.90	224,177,132	21.11	220,191,903	22.78	329,811,180	27.57
Current portion of long-term loans from financial institution	24,252,890	3.47	15,000,000	1.41	15,000,000	1.55	59,795,689	5.00
Current portion of liabilities under hire purchase and finance lease agreements	1,384,661	0.20	-	-	-	-	-	-
Current portion of lease liabilities	-	-	198,624,418	18.70	118,540,726	12.26	118,540,726	9.91
Deferred revenues - Customer Loyalty Program	3,363,973	0.48	-	-	-	-	-	-
Other current liabilities	31,720,627	4.54	76,397,583	7.19	92,056,585	9.52	92,057,116	7.70
Total current liabilities	532,209,429	76.19	708,947,235	66.76	658,820,906	68.15	813,236,403	67.99
Non-current liabilities								
Long-term loans from financial institution, net of current portion	-	-	6,252,890	0.59	6,252,890	0.65	73,108,183	6.11
Liabilities under hire purchase and finance lease agreements, net of current portion	2,996,162	0.43	-	-	-	-	-	-
Lease liabilities, net of current portion	-	-	218,904,328	20.61	151,739,803	15.70	151,739,803	12.69
Provision for decommissioning	24,911,659	3.57	22,050,870	2.08	16,962,843	1.75	16,962,843	1.42
Deferred tax liabilities	52,655,702	7.54	60,818,955	5.73	58,650,066	6.07	72,690,343	6.08
Provision for long-term employee benefits	4,401,956	0.63	3,524,735	0.33	4,389,837	0.45	4,389,837	0.37
Convertible debenture	-	-	-	-	25,658,952	2.65	25,658,952	2.15
Options	-	-	-	-	3,888,889	0.40	3,888,889	0.33
Long-term provision	-	-	-	-	-	-	20,400,000	1.71
Total non-current liabilities	84,965,479	12.16	311,551,778	29.34	267,543,280	27.68	368,838,850	30.84
Total liabilities	617,174,908	88.36	1,020,499,013	96.09	926,364,186	95.82	1,182,075,253	98.82
Shareholders' equity								
Share capital								
Registered	203,215,243		203,215,243		537,448,425		537,448,425	
Issued and paid-up	156,319,418	22.38	203,215,243	19.14	329,340,680	34.07	329,340,680	27.53
Premium on ordinary shares	451,843,277	64.69	470,844,664	44.34	601,187,021	62.19	601,187,021	50.26
Retained earnings								
Appropriated - statutory reserve	7,055,720	1.01	7,055,720	0.66	7,055,720	0.73	7,055,720	0.59
Unappropriated (deficit)	(671,316,798)	(96.11)	(810,577,897)	(76.33)	(1,065,693,610)	(110.24)	(1,148,130,499)	(95.98)
Other components of shareholders' equity	137,415,324	19.67	170,945,498	16.10	168,471,030	17.43	224,632,138	18.78
Total non-current assets	81,316,941	11.64	41,483,228	3.91	40,360,841	4.18	14,085,060	1.18
Total assets	698,491,849	100.00	1,061,982,241	100.00	966,725,027	100.00	1,196,160,313	100.00

Statement of Comprehensive Income

Statement of comprehensive income	For the year ended 31 December							
	Separate financial statements		Separate financial statements		Separate financial statements		Consolidated financial statements	
	2019		2020		2021		2021	
	Baht	%	Baht	%	Baht	%	Baht	%
Revenues								
Sales	1,349,085,940	96.55	685,796,847	97.78	427,612,675	96.94	427,612,675	96.40
Other income	48,165,037	3.45	15,571,639	2.22	13,509,771	3.06	15,981,032	3.60
Total revenues	1,397,250,977	100.00	701,368,486	100.00	441,122,446	100.00	443,593,707	100.00
Expenses								
Cost of sales	654,399,418	48.51	289,721,530	42.25	224,674,765	52.54	224,674,765	52.54
Selling and distribution expenses	725,509,995	51.92	367,218,362	52.36	244,553,848	55.44	244,553,848	55.13
Administrative expenses	151,486,636	10.84	137,985,243	19.67	156,937,957	35.58	157,878,547	35.59
Loss on impairment of assets	349,539	0.03	10,726,811	1.53	36,000,000	8.16	36,000,000	8.12
Loss on impairment of investment in a subsidiary	-	-	-	-	1,000,000	0.23	-	-
Loss on purchase in shares in a subsidiary	-	-	-	-	-	-	82,400,501	18.58
Other expenses	7,424,977	0.53	9,576,507	1.37	3,064,058	0.69	3,064,058	0.69
Total expenses	1,539,170,565	110.16	815,228,453	116.23	666,230,628	151.03	748,571,719	168.75
Loss from operating activities	(141,919,588)	(10.16)	(113,859,967)	(16.23)	(225,108,182)	(51.03)	(304,978,012)	(68.75)
Finance cost	(13,923,055)	(1.00)	(29,010,677)	(4.14)	(34,650,888)	(7.86)	(37,217,947)	(8.39)
Loss before income tax	(155,842,643)	(11.15)	(142,870,644)	(20.37)	(259,759,070)	(58.89)	(342,195,959)	(77.14)
Income tax benefits (expenses)	(2,561,143)	(0.18)	855,948	0.12	2,168,889	0.49	2,168,889	0.49
Loss for the year	(158,403,786)	(11.34)	(142,014,696)	(20.25)	(257,590,181)	(58.39)	(340,027,070)	(76.65)
Other comprehensive income:								
Gain on revaluation of land and building	108,538,334	7.77	45,096,005	6.43	-	-	70,201,385	15.83
Actuarial gains (losses)	(3,881,944)	(0.28)	206,967	0.03	-	-	-	-
Income tax benefits (expenses)	(21,707,667)	(1.55)	(9,019,201)	(1.29)	-	-	(14,040,277)	(3.17)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of tax	82,948,723	5.94	36,283,771	5.17	-	-	56,161,108	12.66
Other comprehensive income for the year	82,948,723	5.94	36,283,771	5.17	-	-	56,161,108	12.66
Total comprehensive income for the year	(75,455,063)	(5.40)	(105,730,925)	(15.07)	(257,590,181)	(58.39)	(283,865,962)	(63.99)
Earnings (loss) per share								
Basic loss per share	(0.25)		(0.20)		(0.27)		(0.35)	

*The Cost of sales ratio is calculated from the sales revenue.

Cash Flow Statement

Cash flow statement	For the year ended 31 December			
	Separate financial statements	Separate financial statements	Separate financial statements	Consolidated financial statements
	2019	2020	2021	2021
	Baht	Baht	Baht	Baht
Cash flows from operating activities				
Loss before tax	(155,842,643)	(142,870,644)	(259,759,070)	(342,195,959)
Adjustments to reconcile loss before tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	58,539,093	184,424,429	211,913,463	211,913,463
Allowance for expected credit loss	-	1,336,064	1,948,767	1,948,767
Loss on impairment of investment in a subsidiary	-	-	1,000,000	-
Loss on impairment of assets	349,539	10,726,811	36,000,000	36,000,000
Loss (gain) on sales of equipment	3,007	(50,774)	(1,365,828)	(1,365,828)
Loss on closure of branches	3,851,521	8,653,716	6,436,294	6,436,294
Loss on write-off of intangible assets	-	-	152,723	152,723
Loss on disposal/write-off of leasehold rights	841,919	-	-	-
Loss on purchase in shares in a subsidiary	-	-	-	82,400,501
Loss (gain) on lease modification	-	453,803	(126,061)	(126,061)
Difference from negotiations with suppliers	-	(9,092,521)	(68,199,705)	(68,199,705)
Write off withholding tax	-	293,634	-	-
Provision for long-term employee benefits (reversal)	(1,098,067)	(133,934)	1,584,812	1,584,812
Amortisation of transaction costs of convertible debentures	-	-	10,889,818	10,889,818
Interest income	(156,667)	(33,863)	(10,917)	(10,917)
Interest expense	13,923,055	29,010,677	30,660,888	33,227,947
Profit (loss) from operating activities before changes in operating assets and liabilities	(79,589,243)	82,717,398	(28,874,816)	(27,344,145)
<u>Operating assets (increase) decrease</u>				
Trade and other receivables	(17,803,194)	284,436	(11,089,126)	(15,124,455)
Inventories	3,274,687	(13,667,135)	(1,176,799)	(1,176,799)
Advances	(5,093,199)	(1,345,744)	(39,736,611)	1,295,112
Other current assets	1,057,981	(4,992,642)	(8,438,302)	(8,438,302)
Other non-current financial assets	8,929,978	27,767,914	10,783,558	10,783,558
<u>Operating liabilities increase (decrease)</u>				
Trade and other payables	(30,142,488)	(12,023,217)	(4,819,414)	(6,572,640)
Provision for long-term employee benefits	(1,210,100)	(536,320)	(719,710)	(719,710)
Deferred revenues - Customer Loyalty Program	(2,143,213)		15,659,001	15,659,532
Other current liabilities	19,563,956	41,312,983		
Cash flows from (used in) operating activities	(103,154,835)	119,517,673	(68,412,219)	(31,637,849)
Cash received from interest income	156,667	41,275	11,459	11,459
Cash paid for income tax	(301,740)	(156,033)	(243,886)	(243,886)
Net cash flows from (used in) operating activities	(103,299,908)	119,402,915	(68,644,646)	(31,870,276)

Cash Flow Statement (Continued)

Cash flow statement	For the year ended 31 December			
	Separate financial statements	Separate financial statements	Separate financial statements	Consolidated financial statements
	2019	2020	2021	2021
	Baht	Baht	Baht	Baht
Cash flows from investing activities				
Acquisition of property, plant and equipment	(50,227,152)	(5,727,798)	(77,099,212)	(113,099,212)
Proceed from sale of equipment	3,816,785	717,301	4,079,301	4,079,301
Acquisition of intangible asset	(1,301,078)	(21,000)	(42,090)	(42,090)
Purchase in shares in subsidiaries	-	-	(31,000,000)	(31,000,000)
Net cash flows used in investing activities	(47,711,445)	(5,031,497)	(104,062,001)	(140,062,001)
Cash flows from financing activities				
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	23,054,713	(2,319,921)	(4,362,136)	(4,362,136)
Cash receipt from short-term loans	215,211,474	324,153,677	240,455,221	240,455,221
Repayment of short-term loans	(62,000,000)	(375,770,000)	(217,809,495)	(217,809,495)
Repayment of long-term loans from financial institutions	(18,000,000)	(3,000,000)	-	(66,138)
Payment of liabilities under hire purchase and finance lease agreements	(1,754,810)	-	-	-
Payment of lease liabilities	-	(110,496,419)	(93,300,200)	(93,300,200)
Cash paid for interest expenses	(14,598,753)	(27,591,796)	(29,588,922)	(30,287,154)
Cash receipt from increase in share capital	-	65,897,212	116,206,135	116,206,135
Cash receipt from issuance of convertible debentures	-	-	175,000,000	175,000,000
Cash paid for transaction cost of convertible debentures	-	-	(10,001,000)	(10,001,000)
Cash receipt from increase in share capital from exercised warrant	-	-	37,499	37,499
Net cash flows from (used in) financing activities	141,912,624	(129,127,247)	176,637,102	175,872,732
Net increase (decrease) in cash and cash equivalents	(9,098,729)	(14,755,829)	3,930,455	3,940,455
Cash and cash equivalents at beginning of year	29,018,335	19,919,606	5,163,777	5,163,777
Cash and cash equivalents at end of year	19,919,606	5,163,777	9,094,232	9,104,232
Supplemental cash flow information				
Non-cash item				
Increase (decrease) in account payables from purchase of assets	(5,914,799)	550,751	3,961,960	48,461,960
Increase in account receivables from sale of assets			11,790,000	11,790,000
Acquisition of asset under lease agreements	2,328,996	-	-	-

Financially Important Ratios

Financial Ratio	Separate financial statements	Separate financial statements	Separate financial statements	Consolidated financial statements
	2019	2020	2021	2021
Liquidity Ratio				
Current Ratio (time)	0.23	0.19	0.29	0.19
Cash Flow Liquidity Ratio (time)	(0.23)	(0.19)	(0.10)	(0.04)
Inventory turnover (time)	17.30	6.74	4.45	4.45
Account Payables Turnover (time)	4.60	2.68	2.49	2.49
Payment period (days)	79.41	136.13	146.83	146.83
Profitability Ratio				
Gross Profit Margin (%)	51.49%	57.75%	47.46%	47.46%
Operating Profit Margin (%)	-13.51%	-15.91%	-46.43%	-46.65%
Net Profit Margin (%)	-11.34%	-20.25%	-58.39%	-76.65%
Return on Equity (%)	-130.05%	-231.29%	-629.47%	-1223.82%
Efficiency Ratio				
Return on Assets (%)	-24.25%	-16.13%	-25.39%	-30.12%
Return on Fixed Assets (%)	-33.82%	-33.87%	59.43%	-62.87%
Asset Turnover (time)	1.93	0.65	0.44	0.36
Financial Policy Ratio				
Debt to equity ratio (time)	7.59	24.60	22.95	83.92
Interest coverage ratio (time) ^{1/}	(5.99)	2.43	(0.38)	(2.50)
Interest coverage ratio (cash basis) (time) ^{2/}	(3.12)	2.62	(0.63)	0.03
Net Debt to EBITDA ratio (time) ^{3/}	(1.78)	(1.80)	(17.07)	(3.71)
Commitment coverage ratio (time) ^{4/}	(0.52)	(0.54)	0.06	0.33
Financial institution loan to total debt ratio (time)	0.19	0.11	0.12	0.19

Note :

- 1/ Interest coverage ratio calculated from profit (loss) before finance charges and income tax + depreciation and amortization + by finance charges.
- 2/ Interest coverage ratio (cash basis) (time) calculated from (operating cash flow + operating interest + tax) ÷ operating interest expense investment and financing.
- 3/ Ratio of net debt to earnings before interest expense, income tax, depreciation and amortization calculated from (interest bearing liabilities – cash equivalents) ÷ profit (loss) before interest expense, income tax, depreciation and amortization.
- 4/ Debt service coverage ratio is calculated from earnings before interest, taxes, depreciation and amortization ÷ (interest bearing short term liabilities + interest bearing long term liabilities due within 1 year).

Unit : Million Baht

Financial Highlight	Separate financial statements	Separate financial statements	Separate financial statements	Consolidated financial statements
	2019	2020	2021	2021
Statement of Comprehensive Income				
Revenues from sales	1,349.09	685.80	427.61	427.61
Total revenues	1,397.25	701.37	441.12	443.59
Loss before finance costs and income tax expenses	(141.92)	(113.86)	(225.11)	(304.98)
Loss for the year	(158.40)	(142.01)	(257.59)	(340.03)
Statement of Financial Position				
Total assets	698.49	1,061.98	966.73	1,196.16
Total Liabilities	617.17	1,020.50	926.36	1,182.08
Total Shareholders' Equity	81.32	41.48	40.36	14.09
Par Share Data				
Par Value (Baht per Share)	0.25	0.25	0.25	0.25
Book value per share (Baht)	0.52	0.20	0.12	0.04
Net profit (loss) per share (Baht)	(0.25)	(0.20)	(0.27)	(0.35)
Financial Ratio				
Gross profit margin (%)	51.49%	57.75%	47.46%	47.46%
Net profit margin (%)	-11.34%	-20.25%	-58.39%	-76.65%
Return on equity (%)	-130.05%	-231.29%	-629.47%	-1223.82%
Return on assets (%)	-24.25%	-16.13%	-25.39%	-30.12%
Return on assets - TFRS16 (%)	-24.25%	-21.26%	-28.67%	-33.57%
Current ratio (times)	0.23	0.19	0.29	0.19
Current ratio -TFRS16 (times)	0.23	0.26	0.36	0.22
Debt to Equity Ratio (times)	7.59	24.60	22.95	83.92
Debt to Equity Ratio -TFRS16 (times)	7.59	14.54	16.26	64.73

Note : Thai Financial Reporting Standards 16 - Leases (TFRS16) which become effective on January 1, 2020 and sets out that the lessee must be required to recognize the obligation from the lease agreement into the financial statements by realize the rights to use assets and also realize the liabilities for all leases through the term of lease, including the period of time in case that the lessee has the right to extend the term of lease agreement.

5. General Information and Other Important Information

5.1 General Information

Company	:	JCK Hospitality Public Company Limited
Nature of Business	:	Operates a suki and shabu-shabu restaurant business with great recipe sauce in the traditional style of Hot Pot, a Korean style BBQ and Shabu-shabu restaurant, and a Chinese restaurant. Most of the restaurants are buffet restaurants but there are also restaurants in a la carte style as well as restaurants with a comfortable atmosphere (Casual Dining) such as Suki Shabu Buffet restaurant under the concept of “All you can eat” under the brand “Hot Pot Inter Buffet” and “Hot Pot Gold” brands and grill buffet restaurants and Korean-style grilling under the brands “Daidomon” and “Daidomon Korean Grill”, a la carte suki-shabu restaurant serving roast duck and dipping sauces in the traditional style of Hot Pot under the brand “Hot Pot Suki Shabu”, the “Zheng Dou Grand” restaurant by Hong Kong Chef serving Chinese food, seafood and dim sum, selected from fresh ingredients, a friendly atmosphere inside the restaurant.
Office Location	:	Head Office is located at 18 Soi Sathon 11 Yeak 9 TFD Building, Yannawa, Sathon, Bangkok 10120
Registered Number	:	0107554000160
Registered Capital	:	2,149,793,700 ordinary shares at par value of Baht 0.25 per share, Total amount of Baht 537,448,425
Paid-up Capital	:	1,317,362,719 ordinary shares at par value of Baht 0.25 per share, Total amount of Baht 329,340,679.75
Accounting Period	:	January 1 – December 31
Website	:	www.jckhgroup.com
Telephone	:	(662) 286-9959
Facsimile	:	(662) 286-9960
Investor Relations	:	Company Secretary Office (662) 286-9959 ต่อ 8807 ir@jckgroup.com

References

Certified Auditor : Miss Supanee Triyanantakul CPA No. 4498 and/or

	Miss Watoo Kayankannavee CPA No. 5423 and/or Mr. Preecha Arunnara CPA No. 5800 EY Office Limited Floor 33 th , Lake Ratchada Building, No. 196/136-39, Ratchada Road, Klongtoey, Bangkok 10110 Tel: (662) 264-0777 Fax: (662) 264-0789-90 Email: ey.thailand@th.ey.com Website: https://www.ey.com/th/en/home
Internal Audit	: Mr. Saksri Amphawon Dharmniti Internal Audit Co., Ltd. 178 Dharmniti Building 5 th Floor, Soi Permsap (Prachachuen 20), Prachchuen Road, Bangsue, Bangkok 10800 Tel: (662) 596-0500 Ext. 520,521 Website: www.dir.co.th
The Shares Registrar	: Thailand Securities Depository Co., Ltd. 93 Ratchadapisek Road, Dindang Sub-district, Dindang District, Bangkok 10400 Telephone : (662) 009-9000 Facsimile : (662) 009-9991 Website : www.set.or.th/tsd
The Solicitor	: The Fareast law office (Thailand) Co.,Ltd 24 th Floor, 121/74-75 R.S.Tower Building Dindang Sub-district, Dindang District, Bangkok 10310 Telephone : (662) 641-3181-88, (662) 248-6711 Facsimile : (662) 641-3189-90, (662) 248-6719
Financial advisor	: -None-
Share Listing	: The Company's shares are listed and traded on the Stock Exchange of Thailand.

The Bankers and Other : Kasikornbank Public Company Limited
Financiers The Siam Commercial Bank, Limited
Bangkok Bank Public Company Limited
Land and Houses Retail Bank Public Company limited
Krung Thai Bank Public Company Limited

5.2 Other Important Information

- None -

5.3 Legal Dispute

As of December 31, 2021, the Company has a lawsuit related to violations, employment, trading and claim damages and breach of the lease agreement the total litigation value is 11.5 million baht. Because the Company is in the process of litigation and the management believes that the Company will not cause and significant damage to the Company.

5.4 Secondary Market in case of Listing on the Stock Exchange of Other Countries

- None -

5.5 Financial institutions that are in constant contact (Only if the Company issues debt securities)

As of December 31, 2021, the Company has not issued debt securities.

6. Corporate Governance Policy

6.1 Overview of Corporate Governance Policies and Practices

The Company gives precedence to efficient, transparent, and verifiable management system, leading to confidence of all related parties and sustainable growth of the Company's business, to operate ethically and compliance with related laws. The Company has established a good corporate governance policy to enhance the existing operations to be in clear standard and distribute to the employees in all level in order to reinforce a culture of corporate governance.

The Board of Directors' Meeting held in 2021 reviewed and approved the corporate governance policy regarding position held in other listed companies of the Company's directors to be more practical for the business and adapt to the new situation.

In 2021, the Company performed its operations in accordance with good corporate governance, which is in line with 5 sections of the good corporate governance guidelines promoted by the Stock Exchange of Thailand (SET). Including reviewing the implementation "Good Corporate Governance Principles for Listed Companies 2017" (Corporate Governance Code: "CG Code") issued by the SEC to be adapted to suit the company as follows:

Section 1: The Rights of Shareholders

The Company aware of the shareholders' fundamental rights and recognizes the importance of all shareholders both in terms of investors and owners of the Company, for instance the rights to buy, sell, and transfer shares held independently, the rights to share dividends from the Company's retained earnings, the rights to obtain relevant and sufficient information of the Company, the rights to participate in the Annual General Meeting of Shareholders, the rights to give their opinions, the rights to make decisions on the key issues of the Company such as dividend payment, the appointment or removal of directors, nomination of auditor, approval for important transactions that affect direction of the business operations, the amendment of the Memorandum of Association and/or the Articles of Association, etc.

In addition to the fundamental rights as stated above, the Company also encourages and facilitates the shareholders, including institute shareholders, to exercise of their rights to participate at the shareholders' meeting as follows;

1. As the Company is required to convene the Annual General Meeting of shareholders within four months from the last day of its fiscal year, the Company established the notice of Meeting specifying the venue, date, time, agenda and items with appropriate details to be proposed to the Shareholders' Meeting. The proposed items, submitted together with the comments of the Board of Directors, were identified clearly whether they are for information, approval, or consideration as the case maybe. The invitation

letter was delivered to the shareholders and to Thailand Securities Depository (TSD) through the securities registration services, within 7 days before the meeting date or as specified by the rules and regulations of the Securities Exchange Commission and the Stock Exchange of Thailand. Furthermore, the invitation letter was published on the newspaper not less than 3 days before the meeting date according to the law. The Company also disclosed the invitation letter on the Company's website before meeting date so that the shareholders have sufficient time for consideration.

2. The Company encouraged the Board of Directors, the management, and relevant organizations, including the external auditor to participate in the Shareholders' Meeting simultaneously.
3. The Company provided the shareholders a chance for delivery any comment, suggestion, and questions to the Company prior to the Shareholders' Meeting date.
4. Before starting the Shareholders' Meeting, the Chairman clearly announced number and percentage of shareholders attending the meeting in person and by proxies, meeting rules and voting procedures in each agenda.
5. In the Shareholders' Meeting, before casting the votes in each agenda, the Company provided the shareholders a chance to share their opinions, suggestions, or questions independently and equally. The relevant directors and management attending the Shareholders' Meeting provided the answers for the shareholders. The key issues and comments were recorded in the minute of the Meeting for shareholders' verification.
6. For the election of Directors in the Shareholders' Meeting, the Company gave opportunity to shareholders to vote for directors, one by one, which shareholders are entitled to elect a qualified person to be the Company's director to protect their beneficial and for the diversification as well as to be the true representative of the shareholders.
7. In the Shareholders' Meeting, the Company shall run the Shareholders' Meeting by following the agenda provided in the notice of the Meeting. The Company did not add any agenda or change priority of them.
8. To be transparent and verifiable, the Company uses ballots for all agenda. In addition, the registration and vote submission of the Shareholders were carried out via computer system for quick and precise process. Additionally, the representative of the auditor was invited to be an inspector in the vote counting.
9. After the Meeting, the Company shall announce the voting result and the resolutions of the Shareholders' Meeting not later than 9.00 a.m. on the next business day after the Shareholders' Meeting date via the system of the Stock Exchange of Thailand (SET) and the Company's Website. The Company also established the minute of the Meeting with correct and complete information within 14 days after the Shareholders' Meeting date

and then announced it via the system of the Stock Exchange of Thailand (SET) and the Company's website for the Shareholders' verification.

Section 2: The Equitable Treatment of Shareholders

1. Agenda Proposal and Director Nomination

The Company has policy to treat all shareholder groups whether are major, minor, management or non-management, with fair treatment. One or several shareholders continuously holding the Company's shares with the minimum amount of 2,000,000 shares for not less than 1 year and on the date of submission are allowed to propose additional agendas which deemed important and appropriate to the Annual General Meeting of Shareholders and to nominate persons who have knowledge, competency, and qualification for election as directors in advance of the Meeting. Thus, the Board of Directors shall consider and select such an issue for being an agenda of the Meeting. By this case, the Company has determined clear criteria of entitlement and announced to the shareholders via the Company's website.

2. Appointment of Proxy in the Shareholders' Meeting

The Company sent Proxy Form B. determined by Ministry of Commerce, together with the notice of the Meeting so that shareholders can appoint other persons as their proxy to attend the meeting and vote on their behalf in the case that they are unable to attend the meeting. In this regard, in case those shareholders prefer to use Proxy Form A. or Proxy Form C., they can download such a Proxy Form from the Company's website. Shareholders independently decide to select any proxy form as they prefer, however the Company encourages shareholders to use Proxy form B. since they can specify the voting for each agenda item by themselves. In addition, the Company proposed an independent director to be appointed as proxy, attached together with the invitation letter.

3. Preventive Measures for Abusive self-dealing in the Use of Inside Information by themselves or others

To ensure fairness and equality for all stakeholders, the Company strictly controlled the use of inside information to prevent abusive self-dealing. The Company has established guidelines in written to maintain inside information of the Company and to protect the use of internal information for personal benefits. Directors, managements and staff are prohibited, by using the Company's confidential/inside information, from trading the Company's securities and/or enter to any juristic acts directly or indirectly harmful to the Company.

Directors, managements and staff who can access to inside information are prohibited to utilize such information before disclosure to the public. Within one month before the Company discloses its' quarterly or year-ended financial statements and one day after the disclosure date, every person involves to inside information is prohibited from trading the Company's securities by himself/herself, spouse and their immature children both direct or indirect trading (such as trading with nominee through private fund).

The Company has imposed disciplinary penalty on the person seeking benefit from utilizing or disclosing inside information that may cause damage to the Company by penalizing that person as reasonable for the case, including verbal warning, written warning, probation, as well as termination of employment by way of dismissal, removal or discharging, as the case may be.

4. Conflict of Interest Management

The Company has determined guidelines to handle conflict of interest issues transparently and verifiably, especially consideration of transaction between the Company and stakeholders or any relevant party. Once there was conflict of interest issue, the person who related to the issue must report the Company immediately without taking any part in consideration or vote in the issue. In addition, the Company has determined guidelines to prevent the relevant director or management who has gain or loss in such an issue take part in consideration of the transaction and shall not be entitled to vote in such an issue.

Section 3: The Role of Stakeholders

1. Treatment of Each Stakeholder Group

The Company takes majority in concerning the rights of all stakeholder groups, include internal stakeholders i.e. shareholders, management, and employees of the Company, or external stakeholders i.e. creditors, clients, suppliers, competitors, public sector, society and community etc. Thus, the Company shall perform in accordance with related laws and regulations to take a good care of the stakeholders' rights. In addition, the Company always operates its business by concerning of the rights of all stakeholders according to the guidelines present in the Code of Conducts Manual.

The Board of directors realizes an importance of communicating the Company's operation with all stakeholders which is a crucial component of good corporate governance process. The Company provides a range of communication channels suitable for each stakeholder group to access to the information equitably, quickly and efficiently as well as using technology in communication.

2. Whistleblowing and Complaint Channel

The Company has managed the channel for stakeholders enabling to send their suggestions, opinions, queries, and complaints directly to our Chairman at email address : chairman@jckhgroup.com or via the Company's website or suggestion box at branch restaurant or direct phone call according to telephone number as posted at every branch restaurant or postal mailing to the Chairman of the Board of Directors, JCK Hospitality Public Company Limited, No. 18, Soi Sathorn 11 Yaek 9, TFD Building, Yannawa, Sathorn, Bangkok 10120.

The Company shall proceed with its investigations pursuant to the procedure and record the outcomes in writing without disclosure of whistle-blower's name including keeping complaint filing confidentially for protection of contingent impact toward that whistleblower.

Section 4: Disclosure and Transparency

The Board of Directors has strong determination to reveal correct, complete, updated, and reliable information necessary for making decisions of the investors and stakeholders, while adhering to the regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). The Company has conducted the Company's information as follows:

- Prepare financial report and the Management Discussion and Analysis (MD&A) as supplement of financial statements disclosure on quarterly basis and disclosed via the Company's website as well as SET's online.
- Disclose shareholding of directors and executives in the Annual Report and Annual Disclosure Information. In addition, the Company has a policy requiring directors and executives to report a change in their securities holding within 3 business days from the date the securities have been purchased, sold, transferred or accepted transfer. The Company's secretary shall coordinate on submission of such a report to the Stock Exchange of Thailand and the Securities and Exchange Commission. It is also specified that any change of such securities holding of directors and executives shall be reported to the Board of Directors' Meeting quarterly.
- Disclosed connected transactions or transactions which might have conflicts of interest of directors and executives and reported to the Board of Directors for approval or acknowledge quarterly.
- Provided several channels for information disclosure, which were SET's Communication system, Annual Report, Annual Disclosure Information (Form 56-1), the Company's website in both Thai and English language, research analysts, investors visiting the Company, interviewing of the executives, and press release i.e. newspaper. Furthermore, the Company assigned the investor relations to answer any questions of investors, securities analysts, news reporters, and people in general on regularly basis, which can be contacted by telephone number 0-2286-9959 ext. 8807 or e-mail address: cs@jckhgroup.com or on the Company's website: www.jckhgroup.com

The Company gives opportunities to institutional investors, retail investors, and securities analysts to attend meetings with the management to ask questions about business operations, performance, and business trend. In 2021, no investors and securities analysts requested for meeting with the Company's management.

Stock holdings by the Board of Directors and executives are as follows:

Name of Directors/Management	Position	March 15, 2021		November 4, 2021		Changes during the year
		No. of Shares	%	No. of Shares	%	
1.Dr. Apichai Taechaubol	Chairman of the Board of Directors	276,472,784	34.01	276,472,784	23.14	-
Spouse and minors		-	-	-	-	-
2.Mr. Prasong Vara-ratanaku	Independent Director/ Chairman of Audit Committee	-	-	-	-	-
Spouse and minors		-	-	-	-	-
3. Mr. Chetawan Anuntasomboon	Independent Director/ Audit Committee member	-	-	-	-	-
Spouse and minors		-	-	-	-	-
4. Dr. Varnadharm Kanchanasuvarna *	Independent Director/ Audit Committee Member	-	-	-	-	-
Spouse and minors		-	-	-	-	-
5. Mrs. Rachanee Siwawej	Director/ Executive Committee member	-	-	-	-	-
Spouse and minors		-	-	-	-	-
6. Mr. Chotiwit Taechaubol	Director/ Executive Committee member/ Chief Executive officer	15,975,000	1.97	15,975,000	1.34	-
Spouse and minors		-	-	-	-	-
7. Mr. Athawut Taechaubol*	Director/ Executive Committee member/ Joint Chief Executive Officer	786,900	0.10	1,272,800	0.11	485,900
Spouse and minors		-	-	-	-	-
8. Mrs. Rathatip Apichotikorn	Acting Company Secretary	-	-	-	-	-
Spouse and minors		-	-	-	-	-

Remark : * Mr. Athawut Taechaubol was appointed in the position of director on March 26, 2021.

Section 5: Responsibilities of the Board of Directors

1. The Board of Directors' Structure

1) Composition of the Board of Directors

The Board of Directors composed of the persons with diversity including knowledge, profession, skill, gender, competency, and experience that are beneficial to the Company. The Board takes an important role in establishing the policy and overview the organization and business plan as well as overseeing, auditing and assessing the Company's operating result to comply with the plan and in accordance with laws, regulations, and resolutions of the Shareholders' Meeting. The Board concerns in integrity, business code of conduct, controlling of the management's administration to meet specified goal and procedure including to maximize profits for the Company and shareholders.

2) Appointment of the Audit Committee

The Board of Directors has appointed the Audit Committee to support in corporate governance of the Company. The Company has clearly segregated roles, duties and responsibilities of the Board of Directors, the Audit Committee, and the Executive Committee. The Audit Committee shall make decision independently, conduct its special assignment and propose it to the Board of Directors for consideration or acknowledge according to the defined authority.

3) Segregation of roles and responsibilities of the Chairman and the Chief Executive Director

The Company has determined that the Chairman of the Board of Directors and the Chief Executive Officer shall not be the same person in order to clarify responsibilities among policy establishment, supervision, and day-to-day administration with clear segregation of roles, duties and responsibilities between the Board of Directors and the Executives in order to enhance balance of operating power. The Board of Directors has duties to establish policy and supervise the executives' operations in policy level, whereas the executives have duties to manage operation pursuant to specified policies.

4) Election and Term of Office

The Board of Directors shall hold the position for a certain term in accordance with the determination in the Articles of Association. In every subsequent year of the Annual General Meeting of Shareholders one-third of the directors, who have been in the longest role in office, shall retire. In the case that the number of directors cannot be divided by three, then refer to the closest number. However, the retired directors are eligible to be re-elected for another term by obtaining majority vote. The Company has determined the terms of the Independent Directors that they can serve on the directorship no longer than 9 years.

5) Position of Directors in other listed companies

According to the Company's policy, each director shall take positions in listed companies not more than 5 companies.

6) Position of Executive Directors and the Chairman of Executive Committee in other listed companies

The Company has no policy to allow directors who are also executives and the Chairman of Executive Committee to be in positions in other listed companies (except for subsidiaries and associated companies of the Company), unless they are approved by the Board of Directors.

7) Appointment of the Company's secretary

The Board of Directors shall appoint the Company Secretary to take roles and responsibilities set by the Securities and Exchange Act.

2. Roles, Duties, and Responsibilities of the Board of Directors

To Consider and Approve key matters in the Company's operation

The Board of Directors shall consider and approve key matters in the Company's operation i.e. vision and mission, strategy, action plan, and budget; as well as supervise the management to comply with the designed policy and plan effectively and efficiently. Vision and Mission shall be reviewed and approved in annual basis and announced to all department managers to be aware and execute appropriately.

To Segregate roles and responsibility between formulation of policy and daily administration

The Board of Directors has clearly segregated roles and responsibility in formulation of corporate governance policy from daily administration. The Chairman of the Board of Directors and Chief Executive Officer shall be elected by the Board of Directors. The Board of Directors shall not appoint same person to attain the position of the Chairman of the Board of Directors and Chief Executive Officer. The Chairman of the Board of Directors will not cooperate on day-to-day operations, instead to provide regularly support and opinion on business operations through the Chief Executive Officer while the Chief Executive Officer shall be responsible for overall management within the authority assigned by the Board of Directors.

Scope of Authority and Responsibilities of the Chairman of the Board

1) Act as the leader and take crucial role in making a decision of the Company's policy which the Board of Directors' meeting and the executives jointly consider and set business goal. The Chairman of the Board also consistently support and advise on the business operations to the management through the Chief Executive Officer.

2) Lead the Board of Directors' meeting in effective and efficient manner. Allow enough time for the management to present and for the board to discuss material issues carefully in all aspects. Encourage all directors to participate the meeting and give their opinion independently. The Chairman of the Board and the Chief Executive Officer will jointly establish the meeting agenda. Ensure that all important agenda matters are set for the meeting. Opportunities given to each director to purpose any

agenda if applicable. The Chairman of the Board will cast the decided vote in case the Board of Directors' meeting has a tie vote.

3) Act as the Chairman of the shareholder's meeting and control the meeting to comply with the Company's Article of Association and specified Agenda of the meeting.

4) Ensure and monitor that all directors engage in promoting corporate culture of ethic and good governance.

5) Strengthen relationship between executive directors and non-executive director, and between the board of directors and management team.

6) Ensure and monitor that director perform their duties efficiently to achieve main objective and goal of the company.

7) Promote the creation and utilization of innovation and technology to enhance competitive capability and response to the need of stakeholders based on corporate social responsibility.

Authority and Scope of Duties of the Chief Executive Officer

1) Supervise and approve the overall operations and/or daily administration according to the Company's objectives, Articles of Association, regulations, direction and resolutions of the meetings of the Board of Directors and shareholders.

2) Formulate policy, business plan, budgets, management structure and level of authority to be proposed to the Executives Committee for consideration before proposing to the Board of Directors for approval.

3) Perform duties according to the Company's policies, plans, and approved budget.

4) Having authority to recruit, assign, rotate, promote, suspend, dismiss and determine salary rate and other remunerations including commission, wage and salary increment and bonus of the Company's employees.

5) Have authority to issue, amend and update commands, regulations, records and work rules to comply with the policies and interests of the Company as well as to maintain the discipline in the workplace.

6) Have authority to approve purchase order, employment contract, rental/leasing agreement of fixed assets for an amount not exceeding Baht 5 million, disposal of fixed assets for an amount not exceeding Baht 2 million including authority to approve the transfer of fixed assets between departments or branches.

7) Have authority to approve purchase requisitions/purchase orders of fresh food, dried food, disposal items, equipment for an amount exceeding Baht 1 million, including authority to add products categories, adjust product's price, improve product sales standard (e.g. weight, shape, etc.)

8) Develop organization and human resource consistently to the utmost quality and performance, foster and maintain a good image of the Company.

9) Perform other duties as assigned by the Board of Directors and/or the Audit committee.

Either the authority of the Chief Executive Officer or other persons authorized by the Chief Executive Officer does not include the power or authority to approve any related transactions that the Chief Executive Officer or the substitutions and their associates who may have conflicts of interests or any other benefits with the Company and its subsidiaries (if any) as well as transactions that do not fall under the normal business operations of the Company because such a transaction has to seek for approval from the Board of Directors' meeting or the shareholders' meeting as the case may be and in comply with the Company's Articles of Association or relevant laws.

Nomination of the Directors and Executive Committee

The Company doesn't have Specific Recruitment Committee for the Directors and Executive Committee. Therefore, the Company recruits the Director and Executive Committee by appointing the meeting among the current Executive Committee members to identify the qualified member who have the sufficient knowledge, skills, specific expertise, genders, ability experiences which may enhance the Company's business and must have fully qualification specified under the section no. 68 of Public Limited Company Act B.E. 2535 (A.D. 1992) pursuant to related notifications of Securities and Exchange Commission. These qualifications as follow;

1) The Independent Directors

Either the Board of Directors or the Shareholders' Meeting (depends on the case) shall appoint the Independent Directors to be a part of in the Board of Directors. The Company has the policy to nominate the Independent Directors not less than 1 of 3 of the entire Board of Directors, but not less than 3 Independent Directors.

The criteria of the Independent Directors' selection are compliance with the criteria of the Director's Selection defined under the Company's policy. The qualification of the person who is entitled to be the Independent Director shall consider from the qualification and incompatibility pursuant to Public Limited Company Act and Securities and Exchange Law as well as relevant proclamations, regulations and/or rules. The nominated Independent Directors who obtain the qualified educational background, specific expertise, working experiences and other related qualifications shall be proposed to the Shareholder's meeting to consider for selection as the Company's Directors. In case any Independent Director may resign before to his/her expired term of the office, the Board of Directors may select the qualified Independent Director who obtain the qualification as specified above to replace the resigned Independent Director. Whereas the substituted Independent Director shall hold the title at the office only for the remaining term of the office of that resigned Independent Director whom he /or she replace.

The Board of Directors determines the qualifications of Independent Directors as follows:

1. Holding the Company's share not over 1 percent of the total number of shares with the voting rights of the Company, parent company, subsidiaries, associated companies, major shareholders, or controlling

persons of the Company. In this case, it also includes the number of shares hold by the blood-related persons of the Independent Directors.

2. Neither being the Company's Director nor used to be the Director who take part in managing the Company's business, as well as not being the employee, full time consultant with paid salary, or the controlling person of the Company, parent company, subsidiaries, associated companies, major shareholders or the controlling person of the Company, unless resigning from such a position for at least two years before the effective date of taking a position as Independent Director.

3. Neither being a blood-related person nor legally related as father, mother, spouse, brother, sister and children, including not being the spouse of the children of the Executive Committee, major shareholders, controlling persons as well as not being the persons who will be nominated as the Executive Committee or controlling person of the Company or subsidiaries.

4. Neither having nor used to have any business relationship with the Company, parent company, subsidiaries, associated companies, major shareholders, or controlling persons of the Company in the manner that may obstruct the exercise of the independent judgment as the Audit Committee member. Moreover, the Audit Committee member must neither being nor used to be a major shareholder including controlling person of the entities which have business relationship with the Company, parent company, subsidiaries, associated companies, major shareholders, or the controlling persons of the Company, unless resigning from such a position for at least two years before the effective date of taking a position as Independent Director.

5. Neither being nor used to be the auditor of the Company, parent company, subsidiaries, associated companies, major shareholders, controlling persons of the Company, and not being major shareholder, controlling person or partner of the audit company which provides auditing service to the Company, parent company, subsidiaries, associated companies, major shareholders, or the controlling persons of the Company unless resigning from such a position for at least two years before the effective date of taking a position as Independent Director.

6. Neither being nor used to be any professional services providers including the legal advisory or financial advisory services that may receive the consultant fees in the amount of more than Baht 2 million per year from the Company, parent company, subsidiaries, associated companies, major shareholders, or controlling persons of the Company, not being shareholders, the controlling person, or partner of such a professional services provider, unless resigning from such a position for at least two years before the effective date of taking a position as Independent Director.

7. Not being a director who has been appointed as the Company's representative, major shareholders or shareholders relating to major shareholders.

8. Neither operating the business having the same business nature which significantly competes with the Company's business or its subsidiaries, nor being a key partner or the Director who involves in managing the business, not being an employee, staff and a consultant who receives regular salary, or holding the share more than 1 percent of the total number of shares with the voting rights under the firm/ or business

operators that operates the similar business nature and significantly competes with the Company's businesses or its subsidiaries.

9. Not obtaining any conditions that may obstruct the independent expression of comment on the Company's operations.

Independent Directors shall verify and certify their own independent qualifications at least once a year and inform the certified result together with the Directors' profiles at the end of the year through the Annual Information Disclosure Form (Form 56-1 One Report) and Annual Report of the Company.

2) The Directors and Chief Executive Officer

1. Holding the qualifications consistent with Public Limited Company Act, Securities and Exchange Act, Business Code of Conduct, regulations of The Securities and Exchange Commission, Capital Market Supervisory Board and Stock Exchange of Thailand as well as criteria of good corporate governance.

2. Obtaining the knowledge, abilities and experience in various professional fields that will be beneficial and add value to the Company.

3. Holding the qualifications which support and promote the good Corporate Governance in order to create value to the company, enable to perform the duties with accountability, care and loyalty including the time devotion.

The Election and Nomination of Directors in accordance with the procedures specified in the Company's policy. The elected Directors need to get the approval from the Shareholders' Meeting. The resolution of the Shareholders' Meeting shall be based on majority voting rights of the shareholders who attend the meeting.

In this regard, the Company provides an opportunity to shareholders to nominate the potential candidates whom may have knowledge, capability, and obtain the appropriate qualifications to be elected as directors in advance prior to the Annual General Meeting of Shareholders by publicizing via SET's communication system and the Company's website.

The Company has set the policy of appointment and withdrawal of the Director as follow;

- The Company must have a set of the Board of Directors comprising at least 5 Directors, and not less than half of the number of the Directors and all Directors must have their permanent residence in the Kingdom of Thailand. The Board of Directors shall vote the Chair of The Board of Director among the Directors, and may vote the Vice Chairman of the Board of Directors and other positions as discretion. The role of the Vice Chairman of the Board of Directors is defined in the Company's policy which assigned by the Chairman of the Board of Directors.

- The Shareholders' Meeting shall vote the Directors pursuant to the following criteria and procedures as follow;

(1) Each shareholder has voting right equivalent to the number of shares being held.

(2) Each shareholder may use all votes to elect one or more directors, in case of election the number of the Directors, but those votes shall not be divided in any proportion for the specific Director.

(3) The persons who receive the highest respective votes shall be elected as the Directors according to the positions available at that time. The Chairman of the Board of Director shall cast the deciding vote in case a voting is tie between two persons competing for one available position at the time.

- At the Shareholders' Meeting, there's the Directors may retire from their role at least one-third of the number of the Directors. In case the number of the Directors can't divide into three parts, the number of retired Directors shall be the closest number of one-third.

- The Directors who retire from the role in the first year and second year of the Company's registration, those Directors may do drawing for retiring from the role. In the later year, the Directors who are in the role the longest shall be selected to retire from the role and those retired Directors may be re-elect to take charge of the role again.

- Any Director shows their intent of resignation requires to send the resignation paper to the Company. The resignation date will be effective when the Company receives the resignation form.

Any Director resign under the condition above may report his/or her resignation to the registrar compliance with the Public Limited Company Act.

- In case the Director role is vacant due to other circumstance besides normal retirement term, the Board of Directors may select the qualified personnel who doesn't have any characteristics which may against the Public Limited Company Act and Securities and Exchange Law to be the substituted Director for the next Board of Directors' Meeting. Unless the term of the Board of Directors is less than two months. The substituted Director shall be in charge in the role until the remaining term.

The resolution of the Board of Directors as mentioned above comprising the vote not less than 3 out of 4 of the number of remaining Directors.

- In case of the retirement of the whole Board of Directors team, the Directors who retire from the role may still in charge of the position in order to support the business operations until the new Board of Directors team take charge. Unless the court may order the differently in case the Board of Directors retire from the role due to the injunction.

In case the whole Board of Directors retires from the role, the shareholders' meeting needs to be held in order to elect the new Board of Directors Team to replace the previous team within one month after the previous team retires from their role. The invitation letter of the Shareholders' Meeting requires to send to the shareholders not less than 14 days prior to meeting date and the advertisement to the local newspaper requires to publish not less than 3 days prior to the meeting date as well. The advertisement to the local newspaper needs to be published in 3 days continually.

- A Shareholders' Meeting may conclude any Director to retire from the role before the term in the office with the voting right not less than 3 out of 4 of the number of shareholders who attend the meeting and entitle to voting rights and the total number of shares not less than half of the number of shareholders who attend the meeting and entitle to voting rights.

3) The Audit Committee

The Board of Directors or the Shareholders' Meeting (depends on the case) shall appoint at least 3 persons to be the members of Audit Committee. Each member of Audit Committee shall be Independent Director and shall not be the Director assigned by the Board of Directors whom making the decision on business operations of the Company, parent company, subsidiaries, affiliates, subsidiaries in the same sequence, major shareholders or controlling person and shall not be the director of the Company, parent company, subsidiaries, subsidiaries in the same sequence, only listed companies. The member of Audit Committee shall possess the qualification pursuant to Securities and Exchange Law as well as Proclamation, Regulation and/or Rules of Stock Exchange of Thailand stipulated for qualification and operating extent of the Audit Committee.

Anyhow, at least one member of Audit Committee shall have the sufficient knowledge or experience in accounting or finance in order to be able to verify the financial report reliably as well as other duties as the member of Audit Committee.

4) Executives

The Company has no Nomination Committee. Anyhow, the Company has the policy to recruit the person who has knowledge, competency and experience related to the Company's business.

The Chief Executive Officer is assigned to hire and appoint the persons whom have knowledge, ability, and experience in the Company's business to be the employees in several levels. In addition, the Chief Executive Officer shall appoint the supervisor or personnel to in charge of auditing and internal control whereas the nomination needs to get approval prior from by the Audit Committee.

Inside Information Control

In order to be transparent and protect the personal use of internal information which has not been disclosed to the public for own benefits, including to avoid the claim from the in appropriation of securities trading of internal persons, the Company has established policies for the Directors, Executive Committee and staffs as follow;

1) The Company's Directors, Executive Committee and staffs shall keep secret and/or inside information of the Company, not disclose or seek for their own benefits or others' benefits either directly or indirectly as well as not trade or transfer in-out of the Company's shares by using secret and/or inside information of the Company and/or not enter into legal transactions by using confidential and/or inside information of the Company which may cause damage to the Company whether directly or indirectly.

2) The Company's Directors, Executive Committee and staffs in departments that may receive inside information, shall not use such information before disclosing to public. In addition, they shall not trade and transfer in-out of the Company's shares within 1 month prior to the disclosing of the Company's Quarter Financial Statement and Annual Financial Statement to public and at least 1 working day after disclosure date.

Moreover, all Directors and Executive Committee have signed on acknowledge of their duties to report on the Company's shares owned by themselves, their spouse and minor children to the Securities and Exchange Commission (SEC) within 30 days after taking the position into appointment. They shall also report the change of shareholding to the SEC within 3 business days after the date of trading and transferring in-out of the Company's shares and inform the Company as well as reporting to the meeting of Board of Directors on quarterly basis.

Above regulations is also applied to the spouse and minor children of the Director, Executive Committee and staffs. In case, any person fails to abide the regulations shall be disciplined follow to the Company's policies and/or related law depend on case-by-case basis.

6.2 Code of Conduct

Full Code of Conduct appears in attachment 5 of the Company's Annual Report (Form 56-1 One Report Year 2021).

The Company has established Code of Conduct in writing in order to properly comply with the standard of performance and show the intention to conduct business with transparency, honesty, and have moral responsibility towards stakeholders. It is used and disseminated to employees as a guideline for working and conducting the business correctly which reflect Vision, Missions, values and operational guidelines that all directors, executives and employees should conduct themselves and operate in accordance with the ethical framework set forth in various fields, namely:

- (1) Ethics for Treatment toward Stakeholders including shareholders, employees, customers, business partners, creditors, business competitors, society, community and environment.
- (2) Ethics for Compliance with law, rules and regulations and observing customs, traditions, and good morals.
- (3) Ethics for Respect for Human Rights.
- (4) Ethic for Avoidance of Infringement of Intellectual Property.
- (5) Ethics for Anti-Corruption.
- (6) Ethics for Receiving and Offering Gifts, Properties or Other Benefits.
- (7) Ethics for Conflicts of Interest.
- (8) Ethics for Keeping Confidential Information, Use of Internal Information and Trading of the Company's Securities.
- (9) Ethics for Protection of the Company's Properties
- (10) Ethics for Internal Control
- (11) Ethics for Distribution of information and Interviews with the Press or the Public
- (12) Ethics of Directors and Executives
- (13) Ethics of Employees

In this regard, the Company has announced and notified all directors, executives and employees for their acknowledgment and adherence to the Code of Conduct strictly. The Code of Conduct is also designated as one of the topics for new employee orientation and is also published on the Company's website.

Conflict of Interest

The Board of Directors has established a policy on conflicts of interest by stipulating that directors, executives and employee, including those related to such persons, are not allowed to seek personal benefits that conflict with the Company's interests, avoid actions that cause conflicts of interest. Therefore, any person who is related to or connected to the considered transaction must inform the Company of their relationship or connection with the said transaction and must not participate in the adjudication including no approval authority in that transaction.

The Audit Committee will present to the Board of Directors about the connected transactions and the transactions with conflicts of interest which has been carefully considered suitability. The Company has strictly complied with the regulations of the Capital Market Supervisory Board and the Stock Exchange of Thailand regarding pricing and conditions with a person who may have a conflict of interest as a transaction with a third party by disclosing the transactions in the financial statements and Annual Report (Form 56-1 One Report).

Internal Control

The Board of Directors attaches great importance to governance and internal control, and risk management both at the management level and at the effective operational level. The internal control system and risk management are important mechanisms to build confidence in the management in reducing business risks and helping to run the business efficiently by allocating resources appropriately and achieving the goals, help protect assets from leakage and lost from corruption, make financial reports accurate and reliable. Personnel comply with relevant laws and regulations as well as to protect the investment of shareholders. Therefore, the Company has determined the duties and powers of the operators and executives in various matters clearly in writing. There is a control over the use of the Company's assets to benefit and there is a separation of duties between operators and followers, control and evaluation in order to achieve proper balance and check between each other.

The Board of Directors has assigned the Audit Committee to be responsible for reviewing the suitability and efficiency of the internal control system and the risk management system provided by the management including the preparation and review of the control system both operational financial reporting compliance with rules, regulations, policies and governance as well as managing risks and also pay attention to early warning signs and unusual transactions.

In this regard, the Company has hired outsiders to act as auditors on the Company's internal control system, namely Dharmniti Internal Audit Company Limited, which audits to ensure that the Company has adequate and appropriate internal control systems and reports the results directly to the Audit Committee for internal auditors to be independent and be able to perform full checks and balances. The Chairman of the Audit Committee will report the quarterly audit results of the internal auditors to the Board of Directors for acknowledgment and used to fix and improve the problematic part. The Company has regular monitoring and evaluation. There is an assessment of the sufficiency of the internal control system at least once a year to assure that the established system can operate efficiently. In this regard, the Company assigns the Company Secretary to act as a liaison between the internal auditors and various departments in the Company.

Committee Report

The Board of Directors is responsible for the Company's financial statements, and financial information appearing in the annual report. The Audit Committee has been assigned to review financial reports and to ensure that financial reports are prepared with quality and accuracy according to generally accepted accounting standards by choosing an appropriate accounting policy and practice regularly. The Company's important information is disclosed transparently and sufficiently. The financial statements are prepared in accordance with accounting standards certified and audited by EY Office Limited, which is the Company's auditor. Disclosure of important information is done on the basis of complete and consistent facts.

6.3 Important changes and developments in policy, guidelines and systems of corporate governance in the past year

The Board of Directors has reviewed the Good Corporate Governance Manual and the Company's Code of Conduct annually. For the year 2021, the Board of Directors Meeting No. 11/2021, dated November 15, 2021, has reviewed and improved the Good Corporate Governance Manual and Company Code of Conduct with reference to the Good Corporate Governance Principles for Listed Companies 2017 of the Securities and Exchange Commission (SEC), which has been implemented in accordance with the Company's business operations.

Evaluation of corporate governance of listed companies for the year 2021

From the assessment of corporate governance of Thai Listed Companies for the year 2021, which was evaluated by the Thai Institute of Directors Association (IOD), the company received a score of 85%, rated as very good or 4 stars, compared to the year 2020 which was equal to together at 83%. The average score of listed companies for the year 2021 is 84%.

Quality Assessment of the 2021 Annual General Meeting of Shareholders

From the assessment of the quality of the Annual General Meeting of Shareholders for the year 2021, which was evaluated by the Thai Investors Association, the Company scored 95% compared to 2020, which scored 97%. The average overall listed company score for 2021 is 94.80%.

7. Corporate Governance Structure and important information regarding the Board and sub-committees, management, employees and others.

7.1 Management Structure

The Company's management structure consists of the Board of Directors, Audit Committee and Executive Committee. Members of the Board and sub-committees and executives of the Company comprising of competent persons holding qualification as stipulated in Section 68 of Public Company Limited Act B.E. 2535 (A.D 1992) and in accordance with the related notification of the Capital Market Supervisory Board. The Board of Directors consists of 7 directors who are independent directors 3 person (equivalent to 43%) and executive directors of 4 person (equivalent to 57%). The management structure of the Company as of December 31, 2021 is shown as per the following



Remark: The Company has appointed Dharmniti internal audit co., ltd as an internal audit since January 2020 onwards.

7.2 Information regarding the Board of Directors

(1) The Board of Directors



Dr. Apichai Taechaubol
Chairman
Executive Chairman
Date of appointment January 16, 2017



Mr. Chetawan Anuntasomboon
Independent Director
Audit Committee Member
Date of appointment March 29, 2018



Mr. Prasong Vara-ratanakul
Independent Director
Audit Committee Chairman
Date of appointment
January 16, 2017



Dr. Varnadharma Kanchanasuvarna
Independent Director
Audit Committee Member
Date of appointment
April 23, 2018



Mr. Chotiwiit Taechaubol
Director
Executive Committee Member
Chief Executive Officer
Date of appointment
January 16, 2017



Mr. Athawut Taechaubol
Director
Executive Committee Member
Joint Chief Executive Officer
Date of appointment
March 26, 2021



Mrs. Rachanee Siwawej
Director
Executive Committee Member
Date of appointment
March 31, 2018

As of December 31, 2021, the Board of Directors consisted as follows;

No.	Name	Position	Meeting Attandancy		
			Board of Directors' Meetings	Audit Committee Meetings	Executive Committee Member Meeting
1.	Dr. Apichai Taechaubol	Chairman Chairman of Executive Committee	13/13	-	-
2.	Mr. Prasong Vara-ratanakul	Independent Director Chairman of Audit Committee	13/13	4/4	
3.	Mr. Chotiwit Taechaubol	Director Executive Committee Member Chief Executive Officer	13/13	-	-
4.	Mr. Chetawan Anuntasomboon	Independent Director Audit Committee Member	13/13	4/4	
5.	Mrs. Rachanee Siwawej	Director Executive Committee Member	13/13	-	-
6.	Dr. Varnadharma Kanchanasuvarna	Independent Director Audit Committee Member	13/13	4/4	
7.	Mr. Athawut Taechaubol *	Director Executive Committee Member Joint Chief Executive Officer	12/13	-	-

Remark : * Mr. Athawut Taechaubol was appointed on the position of Director, Executive Committee Member and Joint Chief Executive Officer since March 26, 2021

Mrs. Rathatip Apichotikorn is Acting Company Secretary

Tenure of the Board of Directors

At the AGM each year, one-third of members of the Board shall retire. If such number cannot be divided exactly into one-thirds, then the number of directors to retire shall be the nearest to this one-third fraction. In every subsequent year, however, the director (s) who has held the longest term in office shall be the person(s) to retire. The director(s) vacating the office may be re-elected.

Authorized Directors to sign on behalf of the Company

- 1) Dr. Apichai Taechaubol, Mr. Chotiwit Taechaubol and Mr. Athawut Taechaubol, 2 of 3 directors jointly sign with the Company's seal affixed. Or
- 2) Dr. Apichai Taechaubol or Mr. Chotiwit Taechaubol or Mr. Athawut Taechaubol jointly signs with one of the directors, with the Company's seal affixed

Scope of authority and responsibilities of the Board of Directors

- 1) Carry out all the Company's businesses in compliance with the legal requirements, the Company's objectives and Articles of Association, as well as the resolutions of the Board of Directors and shareholders with responsibilities, carefulness and honesty while preserving the Company interests.
- 2) Formulate vision, policies, business strategies, and good corporate governance policy, including implement them in efficient manner.
- 3) Set up business plan, organization and management structure, authorization, annual budget and annual operating budget as well as supervise operations and performance of management team or any person whom is assigned to perform such a task, to ensure compliance with prescribed policies and plans.
- 4) Consider and approve on bank accounts opening, loan or credit acquisition from financial institutes, payment or spending for general business transactions of the Company, such as expenditure for investment, branch expansion and other operations etc.
- 5) Consider, appoint and assign role and responsibilities of Audit Committee, Executive Committee and/or other sub-committees as suitable and necessary to oversee specific business, the Company's benefits, and administrative systems to coincide with the Company's policy.
- 6) Evaluate management performance consistently, appoint and dismiss the Company's executives such as Chairman of Executive Committee, Chief Executive Officer, Deputy Chief Executive Officer, and other executives as well as control payment mechanism of remuneration for executives and employees suitably.
- 7) Appoint the Corporate Secretary to assist the Board of Directors to carry out business in conformity with related laws and regulations.
- 8) Arrange appropriate accounting systems, financial reports and accountability auditing, oversee the internal control and internal audit to be efficient and effective, as well as ensure that the Company has been governed in accordance with principles of good corporate governance.
- 9) Oversee the risk management system to be broadly effective, and provide efficient risk management processes, its reporting and monitoring process.
- 10) Report responsibility of the Board of Directors in the financial report and present together with the auditor's report in the annual report of the Company.
- 11) Equitable treatment to both major and minor shareholders for their rights and benefit. Report important information of operating result and financial report to all shareholders and stakeholders correctly and in

compliance with applicable laws. In the event that there is any conflict of interest with any agreement with the Company or either increment or reduction to the shares in the Company or its subsidiaries (if any), the directors must inform the Company without any delay. In addition, if any directors who may have conflict of interest involve in any business transaction with the Company or its subsidiaries (if any), such directors are prohibited to vote for approval of such transaction.

- 12) Manage to have clear and transparent process of connected transactions between the Company and related persons to prevent conflict of interest, to disclose correct and sufficient information and regularly report to the Board of Directors.
- 13) Approve and/or give feedback to connected transaction, acquisition or disposal of assets, investment and any operations of the Company including its subsidiaries (if any) to be in accordance with applicable laws, announcement, notifications and regulations; except the issue is specified by laws to seek approval from the shareholders' meeting.
- 14) Independent Director and Audit Committee Member shall not have signing authority unless it is presented that the signing is on the matters as previously approved by the Board of Directors and the signatory is jointly signed with another Director.

The Board of Directors may authorize one or many members of the Board of Directors to carry out duties in lieu of the Board of Directors. However, such authorization shall not fall in to any characteristic that grant power to directors or substitute persons to approve any transaction that such directors or substitute persons or their associates who may have conflicts of interests or any other benefits with the Company or its subsidiaries (if any) unless such transactions was approved in accordance with the policy and principle given and approved by the shareholder's meeting.

Approval Authorities of the Board of Directors

- 1) Approve the Company's business plan, corporate structure and management authority.
- 2) Approve annual budget and annual operating budget.
- 3) Approve bank accounts opening and loan or credit acquisition from financial institutes in the amount over approval authority of Executive Committee.
- 4) Approve to hire, appoint and dismiss Chief Executive Officer and Deputy Chief Executive Officer, appoint executive officers as well as to evaluate performance of Chief Executive Officer.
- 5) Approve salary structure, welfare and other benefits.
- 6) Approve policy regarding fixed assets.

Scope of Authority and Responsibilities of the Chairman of the Board

- 1) Act as the leader and take crucial role in making a decision of the Company's policy which the Board of Directors' meeting and the executives jointly consider and set business goal. The Chairman of the

Board also consistently support and advise on the business operations to the management through the Chief Executive Officer.

- 2) Lead the Board of Directors' meeting in effective and efficient manner as well as encourage all directors to participate the meeting and give their opinion independently. The Chairman of the Board and the Chief Executive Officer will jointly establish the meeting agenda whereas giving opportunity to each director to propose any agenda if applicable. The Chairman of the Board will cast the decided vote in case the Board of Directors' meeting has a tie vote.
- 3) Act as the Chairman of the shareholders' meeting and control the meeting to comply with the Company's Articles of Association and specified Agenda of the meeting.

7.3 Information regarding the Sub-Committees

1) Audit Committee

As of December 31, 2021, the Audit Committee consisted of 3 members as follows:

No.	Name	Position
1.	Mr. Prasong Vara-Ratanakul	Chairman of Audit Committee
2.	Mr. Chetawan Anuntasomboon	Member of Audit Committee
3.	Dr. Varnadharma Kanchanasuvarna	Member of Audit Committee

Mr. Prasong Vara-Ratanakul has knowledge and competent to review the reliability of the financial statements.

Tenure of the Audit Committee

Tenure of the Audit Committee is 3 years except the case of retirement by rotation according to the Company's Articles of Association and they may be re-elected.

Authority of the Audit Committee

- 1) Perform according to the scope of duties and responsibilities. The Audit Committee is authorized to invite members of the management, executives or related staffs of the Company to report, give opinion, attend the meetings or provide any required documents if necessary.
- 2) Authorize to hire external independent advisor to advise or give opinion if necessary whereas the Company is responsible for the consultant fee which is specified in the Company's policy.
- 3) Audit Committee Member shall not have signing authority unless it is presented that the signing is on the matters as previously approved by the Board of Directors and the signatory is jointly signed with another Director.

Scope of Duties of Audit Committee

The Audit Committee directly reports to the Board of Director and their scope of duties and responsibilities shall be assigned by the Board of Directors. The Audit Committee shall report to the Board of Directors as follows:

- 1) Review the Company financial report to ensure that it is accurate and sufficient to disclose. Cooperate with external Auditor and executives whom responsible for financial reports issued in quarterly and annually basis.
- 2) Review the Company's internal control system, internal audit system and risk management system to ensure their appropriateness and effectiveness.
- 3) Review the operational performance in accordance with laws of Securities and Exchange, regulations of the Stock Exchange of Thailand and other related laws.
- 4) Consider the independence of internal auditor as well as appoint, transfer and dismiss the chief of internal audit unit or any other units in charge of internal audit.
- 5) Consider the selection, nomination, appointment and dismiss an independent person to be the Company's Auditor as well as consider the auditor's remuneration before proposing to the Board of Directors for consideration and submit to the shareholders' meeting for approval. The Audit Committee shall attend meetings at least once a year with the external auditors without executives present.
- 6) Consider related transaction or transactions that may lead to any conflict of interest in compliance with laws and regulations of the Stock Exchange of Thailand and the Capital Market Supervisory Board to ensure that such items are reasonable and give the highest benefit to the Company.
- 7) During performing its duties, if the Audit Committee detects or suspects any doubtful transaction or activities as shown below that may significantly affect the Company's financial status or operating result, the Audit Committee should report to the Board of Directors in order to resolve such transactions or activities promptly.

- Conflict of interest transactions;
- Corruption or abnormal transactions, or any fault which is significant in the internal control system of the Company;
- Violation or infringement of Securities and Exchange Laws, Regulations and Proclamations of Stock Exchange of Thailand, the Office of the Securities and Exchange Commission, and Capital Market Supervisory Board as well as applicable laws;

If the Board of Directors or the Executives cannot promptly resolve such transactions or activities, members of the Audit Committee may report the findings to the Office of the Securities and Exchange Commission or the Stock Exchange of Thailand.

- 8) If the Company's auditor detects any doubtful events related to a director, manager or any person in charge of the Company's operating result that might violate the law and reports such events to the Audit

Committee, the Audit Committee shall promptly inspect and report the outcome of preliminary audit result to the Office of the Securities and Exchange Commission and the auditor within 30 days after receiving the report from the auditor.

- 9) The Audit Committee's report signed by the Chairman of Audit Committee shall be disclosed in the Company's annual report and consists of at least the following information.
 - 1) Opinion on the accuracy, sufficiency and reliability of the Company's finance report.
 - 2) Opinion on the sufficiency of the internal control system.
 - 3) Opinion on the compliance to the laws of Securities and Exchange, regulations of the Stock Exchange of Thailand or related applicable laws
 - 4) Opinion on the appropriateness from the auditor.
 - 5) Opinion on the conflict of interest's transactions
 - 6) Number of the Audit Committee's meeting and meeting attendance of each member.
 - 7) Opinion or remark of overview observation which the Audit Committee has obtained while performs its duties pursuant to the Charter.
 - 8) Any other transactions under the scope of duties and responsibility as assigned by the Board of Directors, if the Audit Committee consider appropriate to inform the shareholders and investors.
- 10) Review the Audit Committee's charter annually and propose to the Board of Directors for approval.
- 11) Evaluate the performance of the Audit Committee annually and report to the Board of Directors.
- 12) Any other businesses as assigned by the Board of Directors.

The Board of Directors has power to revise or change the scope of duties and authorization of the Audit Committee as necessary and appropriate.

2) Executive Committee

As of December 31, 2021, the Executive Committee consisted of 4 members as follows;

ลำดับ	รายชื่อ	ตำแหน่ง
1.	Dr. Apichai Taechaubol	Chairman of Executive Committee
2.	Mr. Chotiwit Taechaubol	Member of Executive Committee
3.	Mrs. Rachanee Siwawej	Member of Executive Committee
4.	Mr. Athawut Taechaubol	Member of Executive Committee

Remark : * Mr. Athawut Taechaubol was appointed on the position of Director, Executive Committee Member and Joint Chief Executive Officer since March 26, 2021

Tenure of the Executive Committee

Tenure of the Executive Committee is 3 years and members of the Executives Committee who retires by rotation may be re-elected.

Authority of the Executive Committee

The Executive Committee reports directly to the Board of Directors with authority, duties and responsibilities as assigned by the Board of Directors as per the following;

- 1) Govern and manage the business of the Company as assigned by the Board of Directors.
- 2) Determine the Company's policies, strategies, business plans, budgets and annual operating budgets and submit them to the Board of Directors for approval.
- 3) Consider and determine the Company's organization chart, level of authorities, remuneration of directors and executives as well as employees' salary structure, welfare and other benefits prior to propose them to the Board of Directors for approval.
- 4) Consider and approve capital expenditure not specified in annual operating budget or cost over annual operating budget with the total amount not over Baht 20 million per year and approve on extra from the annual operating budget not over Baht 10 million and report such approved transactions to the Board of Directors for acknowledgement.
- 5) Consider and approve the Company's loan or credit line not over Baht 30 million per annum. In case of excess the determined limit, the Executive Committee shall propose to the Board of Directors for consideration and approval.
- 6) Consider and approve operations plans such as production and procurement policy, sales strategies and price structure as well as branch opening/closing etc.
- 7) Manage the risk of the Company's operating activities by establishing risk management policy as well as monitoring and evaluating risks in order to propose to the Board of Directors.
- 8) Having authority, duties and responsibilities to make decision and direct under the scope of authorities assigned from the Board of Directors and pursuant to the level of authorities approved by the the Board of Directors' meeting.
- 9) Examine and monitor the Company's operating results compliance with the Company's policies, business plans and management guidelines approved by the Board of Directors to ensure their efficiency and effectiveness.
- 10) Any other duties as assigned from time to time by the Board of Directors.

Either the authority of the Executive Committee or other persons authorized by the Executive Committee does not include the power or authority to approve any related transactions that the authorized persons or their associates who may have conflicts of interests or any other benefits with the Company and its subsidiaries (if any) as well as transactions that do not fall under the normal business operations of the Company because such a transaction requires the approval from the Board of Directors' meeting and/or the

shareholders' meeting as the case may be and in compliance with the Company's Articles of Association or relevant laws.

7.4 Information regarding the Management and Employees

1) Management Team

As of December 31, 2020, the Management team consisted of 5 executives as follows:

No.	Name	Position
1.	Mr. Chotiwit Taechaubol	Chief Executive Officer
2.	Mr. Athawut Taechaubol	Joint Chief Executive Officer
3.	Mrs. Rathatip Apichotikorn	Accounting and Finance Manager
4.	Mrs. Rujinart Pornkittikun	Project Development and Procurement Manager
5.	Mr. Tanasin Tana-ananchoke	Factory Manager
6.	Ms. Montatip Saithong	Marketing Manager

Remark : No. 1-6 are The Company's Executives. According to the definition of executives in the Notification of the SEC No. Kao Jor. Including those with further amendments.

Authority and Scope of Duties of the Chief Executive Officer

Roles and responsibilities of the Chief Executive Officer ("CEO") assigned by the Board of Directors are to direct the Company's operation which will cover the following roles.

- 1) Supervise and approve the overall operations and/or daily administration according to the Company's objectives, Articles of Association, regulations, direction and resolutions of the meetings of the Board of Directors and shareholders.
- 2) Formulate policies, business plans, budgets, management structures and levels of authority to be proposed to the Executives Committee for consideration before proposing to the Board of Directors for approval.
- 3) Perform or conduct duties according to the Company's policies, plans, and approved budgets.
- 4) Having authority to recruit, assign, rotate, promote, suspend, dismiss and determine salary rates and other remunerations including commission, wages and salary increment and bonus of the Company's employees.
- 5) Have authority to issue, amend and update commands, regulations, records and work rules to comply with the policies and interests of the Company as well as to maintain the discipline in the workplace.

- 6) Have authority to approve purchase order, employment contract, rental/leasing agreement of fixed assets for an amount not exceeding Baht 5 million, disposal of fixed assets for an amount not exceeding Baht 2 million including authority to approve the transfer of fixed assets between departments or branches.
- 7) Have authority to approve purchase requisitions/purchase orders of fresh food, dried food, disposal items, equipment for an amount not exceeding Baht 1 million, including authority to add products categories, adjust product's prices, improve product sales standard (e.g. weight, shape, etc.)
- 8) Develop organization and human resource consistently to the utmost quality and performance, foster and maintain a good image of the Company.
- 9) Perform other duties as assigned by the Board of Directors and/or the Audit committee.

Either the authority of the Chief Executive Officer or other persons authorized by the Chief Executive Officer does not include the power or authority to approve any related transactions that the Chief Executive Officer or the substitutions and their associates who may have conflicts of interests or any other benefits with the Company and its subsidiaries (if any) as well as transactions that do not fall under the normal business operations of the Company because such a transaction has to seek for approval from the Board of Directors' meeting or the shareholders' meeting as the case may be and in comply with the Company's Articles of Association or relevant laws.

Remuneration of Directors and Executives

1. Remuneration of Director

● Monetary of Director

The 202 Annual General Meeting of shareholders held on March 26, 2021 resolved to approve the remuneration of Directors at Baht 2,000,000 per year for the Board of Directors and Audit Committee. The remuneration of Directors has passed consideration by the Board of Directors taking into consideration of their responsibility, scope of work and duties as well as rational and references to the same type and size of the industry. The Board of Directors has been allocated for Meeting Allowance and Director Compensation as follows:

Title	Year 2021			Year 2020		
	Monthly Allowance Baht/person	Meeting Allowance Baht/Time/Person		Monthly Allowance Baht/person	Meeting Allowance Baht/Time/Person	
		Director	AC ¹		Director	AC ¹
Chairman and	30,000	30,000		30,000	30,000	

Chairman of Executive Committee						
Director, Executive Committee Member and Chief Executive Officer	20,000	-		20,000	-	
Director, Executive Committee Member	15,000	-		15,000	-	
Director	15,000	15,000		15,000	15,000	
Chairman of Audit Committee	20,000	15,000	15,000	20,000	15,000	15,000
Audit Committee Member	15,000	15,000	10,000	15,000	15,000	10,000

Remark: 1. Meeting of Audit Committee

In 2021, each of the Board of Directors' members received meeting allowances and other benefits as follows;

Name – surname	Title	Meeting Allowance (Baht/Year)	Director Compensation (Baht/Year)	Total Remuneration (Baht/Year)
1. Dr. Apichai Taechaubol	Chairman and Chairman of Executive Committee	120,000	150,000	270,000
2. Mr. Prasong Vara-ratanakul	Audit Committee Chairman and Independent Director	270,000	240,000	510,000
3. Mr. Chetawan Anuntasomboon	Audit Committee Member and Independent Director	250,000	180,000	430,000
4. Dr. Varnadharma Kanchanasuvarna *	Audit Committee Member and Independent Director	250,000	180,000	430,000
5. Mrs. Rachanee Siwawej	Director and Executive Committee Member	60,000	75,000	135,000
6. Mr. Chotiwit Taechaubol	Director, Executive Committee Member and Chief Executive Officer	45,000	125,000	170,000
7. Mr. Athawut Taechaubol	Director, Executive Committee Member and Chief Executive Officer	15,000	40,000	55,000
Total		1,010,000	990,000	2,000,000

Remark : * Mr. Athawut Taechaubol was appointed on the position of Director, Executive Committee Member and Joint Chief Executive Officer since March 26, 2021

Other remuneration

-None-

2. Remuneration of Executives

● Monetary remuneration

The Company paid monetary remuneration, which is salary for the Executives as follows;

Remuneration	2021		2020	
	Number of Executive (Person)	Amount (Baht)	Number of Executive (Person)	Amount (Baht)
Salary	6	8,419,228	5	7,748,565

Remark : 1) In 2021, there were 6 executives consisting of 1) Mr. Chotiwit Taechaubol, 2) Mr. Athawut Taechaubol, 3) Mrs. Rathatip Apichotikorn, 4) Mr. Tanasin Tana-ananchoke, 5) Mrs. Rujinart Pornkittikun, 6) Mr. Peerawat Samutsin.*

2) Mr. Peerawat Samutsin has resigned from his Position. Human Resource Manager on June 2, 2021.

● Other remuneration

Remuneration	2020		2021	
	Number of Executive (Person)	Amount (Baht)	Number of Executive (Person)	Amount (Baht)
Provident fund contribution, social security contribution and other benefits after resignation	5	123,679	6	14,925

7.5 Information about employees

As at December 31, 2021, the Company has total employees (excluding the Company's executives) totaling 958 persons which are 551 full-time employees and 407 temporary employees which can be divided by department as follows :

Department	Numbers of employees (person)			
	Year 2020		Year 2021	
	Full-time	Temporary	Full-time	Temporary
1. Human Resources	9	-	10	
2. Procurement	6	-	6	
3. Information and technology	6	-	5	-
4. Product Development	5	-	3	-
5. Factory	110	-	90	1
6. Financial and Accounting	18	-	20	-

Department	Numbers of employees (person)			
	Year 2020		Year 2021	
	Full-time	Temporary	Full-time	Temporary
7. Marketing	5	-	6	-
8. Project development	20	-	-	-
9. Business Development	1	-	2	-
10. Maintenance	17	-	15	-
11. Operation	205	702	362	406
12. Administrative	7	-	7	-
13. Operational training	3	-	3	-
14. Internal Audit	1	-	1	-
15. Construction	-	-	21	-
Total	413	702	551	407

Note :

- The internal Audit is under the Accounting Department

● **Employee compensation**

The Company paid the compensation in terms of monetary to employees (including temporary employees) in the forms of salary, overtimes, provident fund, social security fund and other compensation as follows :

	Year 2020		Year 2021	
	Number of employees (persons)	Amount (million Baht)	Number of employees (persons)	Amount (million Baht)
Compensation	2,264	163.3	2,157	127.3

The Company has set up the provident fund with One Asset Management Co.,Ltd which the Company has begun to pay contributions to the fund since July 2011 with the objective to build employee morale and to motivate employees to work with the Company in the long run. The rate of employees' cumulative contribution and the contributions of the Company is at the same rate depending on the length of service of each employee as follows :

- Working period less than 3 years , the rate is 3%
- Working period between 3-6 years , the rate is 4%
- Working period over 6 years , the rate is 5%

● **Labor disputes**

In the past 4 years, the Company has not had any significant labor dispute that has negative impact on the Company

- **Human resource development policy**

The Company has emphasizes on the training and developing knowledge of employees continuously from the operational level to the management level to enhance skills, transfer knowledge, expertise, ability and good attitude to work which will help to perform tasks and duties to be efficient and increase the ability to work including improving the quality of service.

In terms of operating in various branches, the Company provides the training courses for employees of the stores in order to perform their duties within the branches and provide services to customers efficient and standardized. This covers the work of all types of employees such as receptionists, waitress, cashier, desk attendant, staff checking food at the food bar, store cleaning staff, food preparation and cooking staff etc. as well as training for management team and branch management. In order to have a standardized store management system by focusing on the management of raw materials, products and inventories, cash management, human resources management, branch planning and management, cost and expense control, and how to create sales and profits of the branch.

On the part of factory workers, the Company also provides the training which emphasize on the production, quality control of raw materials and products, developing new recipes and types of food to meet the needs of customers, trends and festive, standardized production, having delicious and consistent food taste, cost reduction and increase productivity including skill training on specialized work techniques or professional knowledge such as service strategies for success, logistics management, freight ordering products etc. to employees in the office of the factory or various related departments as well as providing an orientation for new employees (orientation) in the matter of safety, occupational health and working environment including knowledge and understanding of the GMP/HACCP quality standard system.

In addition to the In-House Training, the Company still also encourage employees to attend external training and seminars to improve their knowledge, capacity and capability to employees so that they can perform their responsibilities more efficiently and effectively.

In 2021, the Company has organized a total training course of 26 courses which are internal training courses, representing the number of hours that employees receive training on an average of 8 hours per person. For the training plan in year 2020, the Company focuses on intensive courses and select only courses that are up-to-date and suite to the needs of the operations department. As a result, the course of training was reduced from the previous year but focused on reviewing the original content to provide knowledge, understanding and expertise because the Company focuses on content both in theory and practice. This gives employees more hours of learning per person.

In 2021, the Company has organized 26 In-house Training courses as follows:

1. The course “ **Food cost calculation and Cost of sales for profitability**” is a branch management course. The contents comprise of cost control and flexible and variable costs, efficient and cost

effective use of all assets, the use with reasons ,not to be superfluous which leads to a systematic cost of sales analysis as a way to earn profits and be able to understand the procedures and tools used in cost management in accordance with various situations.

2. The course “ **Knowledge about the organization and safety at work in the branch**” is a course for branch employees to provide the employees the knowledge about the organization and cultivate a sense of love for the organization and most important is to increase work safety and reduce risks or hazards arising from work.
3. The course “**Controlling the order to the store and managing as a team**” is a course for the trainee executive level to the brach executive level. The contents contains the risk management of deteriorated, expired, spoiled products from ordering a large number of products, reduce the chance of loss from products ordered in stock that are too high which leads to a good control over the expenses of the branch.
4. The course “ **Basic standards for cooking the right formulation**” is a course for the kitchen staff. The objective is to be able to prepare food in the correct amount and clearly meet the standards. The look and taste of food is the same in every branch including the systematic work, reducing the amount of waste of raw materials leading to an impression of customers who come to use the services.
5. The Course “**Hotpot Home Delivery**” is a training course for executives from the trainee branch to branch management level in order to be in consistent with the current situation to meet the needs of customers as well as to increase the Company’s distribution channels, therefore this is the improvements and changes in the form of service.
6. The course “ **Elevate Work Standards**” is a course for branch staff, kitchen staff, daily employees , trainee manager and branch manager. It is a course that allows employees to work more properly according to their roles and responsibilities, which will lead them to feel confident in their work. As a result, all the staffs can work more efficiently.
7. The course “**Knowledge about the organization and safety at work of office staff**” which focuses on creating an organizational culture for all employees to have the same work practices and work together in the same direction to increase the efficiency of collaboration in the organization and create awareness and understanding of the imporatanace of safety at work.
8. The course “**Team Motivation – Motivation for work and complaint resolution**” is a course that will strengthen the participants’ knowledge about the development of a positive attitude. Motivated to transcend one’s own potential to have a better understanding of colleagues and organizations as well as being able to work with others amoothly and happily, having good motivation in working. This course will keep people motivated and bring out their deepest potential to use and understanding of the procedures and prohibitions for receiving customer complaints.

9. The course “ **Cooking skill development program for restaurant managers and kitchen staffs**” is a course that focuses on services. Both the style of serving food to meet the same standards in every branch, to learn the skill of cooking and can control the loss of raw materials as well.
10. The course “ **Organizational knowledge and factory work safety**” focuses on creating the organizational culture for all employees to have the same work practices and work together in the same direction to increase the efficiency of collaboration in the organization and create awareness and understanding of the importance of safety at work.
11. The course “Management of insects and vectors in the workplace” which focus on creating knowledge and understanding about the practice of managing insects and vectors correctly and safely. The knowledge can be applied to prevent and manage insects and vectors in the factories, warehouses as well as being able to solve problems correctly and safely.
12. The course “**Team Building for success JCKH**” or team building course for success in the orazation. The objective is to make the participants aware of and understand the organization and be able to work as a team by knowing their own duties and responsibilities leading to work to achieve the goals that have been set.
13. The course “**Building Assistant Area Manager, Area Manager with quality**” This course focuses on branch management both in terms of leadership, sales management and cost control within the branch. Moreover it includes the knowledge about the preparation of the profit and loss statement of the branch in order to use the information for further management of sales and expenses
14. The Course “ **Fire Evacuation Drills**” which focuses on providing employeeed with knowledge and understanding in the use of fire estinguishing equipment., be able to suppress the initial fire and know the correct fire evacuation procedures and able to survive in the event of a fire safely and received the least harm.

7.6 Other significant informations

7.6.1 List of persons assigned to be responsible for the following

1. Company Secretary

The Board of Directors Meeting No. 1/ 2020 held on February 28, 2020 resolved to appoint Mrs. Rathatip Apichotikorn , Chief Financial Officer to be the Company’s Acting Company Secretary (More details about the Company Secreatary appear in Attachment 1) with duties and responsibilities as specified in Section 89/15 and 89/16 of the Securities and Exchange Act (No.4), 2008 with responsibility, caution and honesty as well as to comply with the law, objectives, Company’s regulations, Board of Directors’ Resolutions and the Shareholders’ meeting resolutions. The qualification of the person holding this position as the

Company Secretary appears in Attachment 1. The scope of powers and duties of the Company secretary are as follows:

1. Prepare and keeping the following documents :
 - a. Register of directors
 - b. Notice of the meeting of the Board of Directors , Board's minutes and the Company's annual report
 - c. Notice of the shareholders' meeting and the minutes of the shareholders' meeting
2. Keeping the stakeholder reports reported by directors or executives and send a copy of the report of stakeholding under section 89/14 to the Chairman of the committee and the chairman of the Audit Committee within 7 working days from the date the Company has reported it.
3. Perform other activities as announced by the Capital Market Supervisory Board.

In addition, the Company Secretary has other duties assigned by the Company (or the Board of Directors) as follows ;

- Provide preliminary advice and recommendations to the Board of Directors on matters of law, rules and regulations and Company's regulations including follow up to ensure proper and consistent practice and to report significant changes in legal requirements to the directors.
- Organize a meeting of the Board of Directors and the shareholders' meeting to be in accordance with the law, Company's Articles of Association and Code of conduct.
- Prepare and keep the file of documents of the Board of Directors and shareholders which comprises of the register of directors, Notice of Board of Directors and Shareholders' meeting , Minutes of the Board of Directors and Shareholders Meeting and Company's Annual Report including quarterly financial statements of the Company.
- Keeping the stakeholder reports which prepared by the Company's directors and executives and present a report as required by law.
- Supervise the disclosure of information and reports in the areas responsible to regulatory agencies in accordance with the law, rules and regulations for disclosure of Company Information
- Communicate with shareholders to know their rights and Company's news.
- Perform other tasks as assigned.

2. **Person assigned the highest responsibility in accounting and finance and who received the assignment to be directly responsible for supervising the accounting of the Company**

The Company has assigned Mrs. Rathatip Apichotikorn, Accounting and Finance Executive, to be the highest responsible person in Accounting and Finance and supervising of the Company's accountin (Details appear in Attachment 1)

3. Head of the Company's internal audit department of the Company

The Company contracted to hire Mr. Saksri Ampawan from Dharmniti Internal Audit Company Limited to be an internal auditor with the duties and responsibilities to conduct internal audits and other related tasks as assigned by the Audit Committee. The details of duties and responsibilities as the head of the internal audit department are stated in Attachment 3 as follows :

- 1) Conduct audit and consulting work fairly and independently according to the approved plan
- 2) Examine and review documentary evidence from operations, analyze, assess, provide opinions/suggestions, give advice on the governance process, risk management and internal control system of activities monitored and / or corporate consulting
- 3) The nature of the scope of duties of the audit generally involves the following matters
 - 3.1 Review and report the reliability and completeness of financial and operating reports
 - 3.2 Review of operations to ensure that they are in line with the objectives and goals set and have to operate according to the specified plan, including adequate and appropriate internal control system
 - 3.3 Review the work system that has a significant impact on the operation and reporting that it has been performed in accordance with the policies, plans , procedures laid down including relevant laws
 - 3.4 Review the suitability of asset preservation as well as assess the use of the organization's resources to be efficient, effective and economical

7.6.2 Head of Investor Relations

The Company has set up the investor relations to serve for investors, securities analysts, media and general public in case of having any questions , they can be contact and asked at anytime by reaching by telephone number 0-2286-9959Ext 8807 or at the e-mail cs@jckhgroup.com or on the Company's website www.jckhgroup.com

7.6.3 Auditor's Remuneration

The Company has appointed the auditor from EY Office Company Limited to be the Company's auditor for the year 2021 by requiring one of the following auditors to audit and express an opinion on the Company's financial statements and in the event that such auditors are unable to perform their duties, EY Office Company Limited shall procure another certified public accountant of the Office to audit the accounts and express opinions on the Company's financial statements on behalf of this auditor.

1. Ms. Supanee Triyanantakul CPA No. 4498 and/or
(as an auditor since 2019 totaling 2 year)
2. Ms. Watoo Kayankannavee CPA No. 5423 and/or
(as an auditor since 2019 totaling 2 year)
3. Mr. Preecha Arunnara CPA No. 5800
(as an auditor since 2019 totaling 2 year)

1. Audit Fee

The Company has paid the audit fee of the Company for the year 2021 in total amount of 1,650,000 Baht, a decrease of 200,000 Baht from the remuneration in 2020

2. Non-Audit Fee

-None-

7.6.4 Remuneration for auditors of subsidiaries

In 2021, the Company has appointed auditors from AM Audit and Associates Company Limited to be auditors of 2 subsidiaries, namely 1) CPT Hotels and Resorts Company Limited (CPT) and 2) ASP Hotel and Resort Company Limited (ASP) by requiring the auditor to audit and express an opinion on the subsidiary's financial statements as follows :

1. Mrs. Amornrat Wallopsiri Certified Public Accountant No. 5444 (as the auditor of the subsidiary since 2021 for a total period of 1 year)

In this regard, the Company has paid audit fees of subsidiaries for the year 2021 as follows:

Name of Subsidiaries	Audit fee	Non-Audit Fee
1. CPT Hotels and Resorts Company Limited (CPT)	50,000.-Baht	20,000.-Baht
2. ASP Hotel and Resort Company Limited (ASP)	50,000.-Baht	20,000.-Baht

8. Report on important corporate governance performance

8.1 Summary of the performance of the Board of Directors in the past year

In 2021, there were 13 meetings of the Board of Directors, 4 meetings of the Audit Committee and the executive committee – meetings, which were in accordance with the meeting plan that had been set in advance throughout the year by the Board of Directors and the Audit Committee has complied with the scope, powers, duties, roles and responsibilities set out in the Company's Articles of Association

8.1.1 Nomination, development and evaluation of the Board's performance

Nomination of the Directors and Executive Committee

The Company doesn't have Specific Recruitment Committee for the Directors and Executive Committee. Therefore, the Company recruits the Director and Executive Committee by appointing the meeting among the current Executive Committee members to identify the qualified member who have the sufficient knowledge, skills, specific expertise, genders, ability experiences which may enhance the Company's business and must have fully qualification specified under the section no. 68 of Public Limited Company Act B.E. 2535 (A.D. 1992) and according to the relevant Notification of the Securities and Exchange Commission (More details about the selection of directors and senior management please see item 6, Corporate Governance Policy 6.1, Overview of Corporate Governance Policy and Guidelines)

Development of Directors and Executives

The Board of Directors specifies that whenever there is a new director, the Company's Secretary shall provide documents and useful information which shall be beneficial to the duty operation of the new director such as code of conduct manual, good corporate governance policy, charter, annual report, shareholding structure, management structure including relevant rules and regulation. In addition, the Company's Secretary shall arrange the orientation by the management to the new director about business nature and business operation of the Company.

The Board of Directors supports and facilitates directors, executives, the Company's Secretary and investor relations to attend training or seminar courses arranged by the Thai Institute of Directors (IOD) regularly, the Stock Exchange of Thailand, the Securities and Exchange Commission or other independent organization in order to increase knowledge and improve their performance.

Self-assessment of the Board of Directors

The Board of Directors arranges for its own performance assessment once a year by assessing the performance of the Board of Directors both individually and collectively including evaluating the performance of sub-committees. The topics and criteria for the assessment are consistent with the guidelines recommended by the Stock Exchange of Thailand to be appropriate for the organization. The company secretary sends the assessment form to each director for evaluation. When the results of the evaluation have been concluded, the committee has determined ways to improve collaboration and allow all directors to express their opinions independently.

- The criteria of the self assessment is divided into 5 levels as follows;
 - 0 = Extremely disagree or have not carry out such topic
 - 1 = Disagree or carry out such topic little
 - 2 = Agree or carry out such topic moderately
 - 3 = Quite agree or carry out such topic fairly
 - 4 = Extremely agree or carry out such topic excellently

1. The assessment result of The Board of Directors' performance (by Group)

Topic	Result
	% in 2021
1). Structure and qualifications of the Board of Directors	87.01
2). Roles, duties, and responsibilities of the Board of Directors	87.68
3). Meeting of the Board of Directors	86.11
4). Performance of The Board of Directors	86.22
5). Relationship with the Executive Committee Team	82.86
6). Self-development of the Board of Directors and the development of Executive Committee Team	84.52
Total Scores	86.39

2. The assessment result of The Board of Directors' performance (by individual)

Topic	Result
	% in 2021
1). Structure and qualifications of the Board of Directors	89.29
2). Meeting of the Board of Directors	88.39
3). Roles, duties, and responsibilities of the Board of Directors	89.29
Total Scores	88.96

3. The assessment result of the sub-committee's performance

Topic	Result (%)	
	Audit Committee	Executive Committee
1). Structure and qualifications of the Committee	95.24	75.00
2). Meeting of the Committee	100.00	78.75
3). Roles, duties, and responsibilities of the Committee	100.00	80.00
Total	98.33	78.65

8.1.2 Attendance and Remuneration of Directors

The Board of Directors' Meeting attendance in 2021

No.	Name	Position	Meeting Attandancy	
			Board of Directors' Meetings	Audit Committee Meetings
1.	Dr. Apichai Taechaubol	Chairman Chairman of Executive	13/13	-
2.	Mr. Prasong Vara-ratanakul	Independent Director Chairman of Audit Committee	13/13	4/4
3.	Mr. Chotiwit Taechaubol	Director Executive Committee Member Chief Executive Officer	13/13	-
4.	Mr. Athawut Taechaubol *	Director Executive Committee Member Joint - Chief Executive Officer	12/13	-
5.	Mr. Chetawan Anuntasomboon	Independent Director Audit Committee Member	13/13	4/4
6.	Mrs. Rachanee Siwawej	Director Executive Committee Member	13/13	-
7.	Dr. Varnadharna Kanchanasuvarna	Independent Director Audit Committee Member	13/13	4/4

Remark : * Mr. Athawut Taechaubol was appointed as a director on March 26, 2021

Remuneration of Directors and Executives

1. Remuneration of Directors

- Monetary Remuneration

The 2021 Annual General Meeting of shareholders held on March 26, 2021 resolved to approve the remuneration of Directors at Baht 2,000,000 per year for the Board of Directors and Audit Committee. The remuneration of Directors has passed consideration by the Board of Directors taking into consideration of their responsibility, scope of work and duties as well as rational and references to the same type and size of the industry. The Board of Directors has been allocated for Meeting Allowance and Director Compensation as follows:

Title	Year 2021			Year 2020		
	Monthly Allowance Baht/person	Meeting Allowance Baht /Time /Person		Monthly Allowance Baht/person	Meeting Allowance Baht /Time /Person	
		Director	AC ¹		Director	AC ¹
Chairman and Chairman of Executive Committee	30,000	30,000		30,000	30,000	
Director, Executive Committee Member and Chief Executive Officer	20,000	-		20,000	-	
Director, Executive Committee Member	15,000	-		15,000	-	
Director	15,000	15,000		15,000	15,000	
Chairman of Audit Committee	20,000	15,000	15,000	20,000	15,000	15,000
Audit Committee Member	15,000	15,000	10,000	15,000	15,000	10,000

Remark: 1. Meeting of Audit Committee

In 2021, each of the Board of Directors' members received meeting allowances and other benefits as follows;

Name – surname	Title	Meeting Allowance (Baht/Year)	Director Compensation (Baht/Year)	Total Remuneration (Baht/Year)
1. Mr. Apichai Taechaubol	Director Chairman Chairman of Executive Committee	120,000	150,000	270,000

2. Mr. Prasong Vara-ratanakul	Independent Director Audit Committee Chairman	270,000	240,000	510,000
3. Mr. Chetawan Anuntasomboon	Independent Director Audit Committee Member	250,000	180,000	430,000
4. Dr. Varnadharna Kanchanasuvarna	Independent Director Audit Committee Member	250,000	180,000	430,000
5. Mrs. Rachanee Siwawej	Director Executive Committee Member	60,000	75,000	135,000
6. Mr. Chotiwit Taechaubol	Director Executive Committee Member Chief Executive Officer	45,000	125,000	170,000
7. Mr. Athawut Taechaubol*	Director Executive Committee Member Joint - Chief Executive Officer	15,000	40,000	55,000
Total		1,010,000	990,000	2,000,000

Remark : * Mr. Athawut Taechaubol was appointed as a director on March 26, 2021

- **Other remuneration**

-None-

2. Remuneration of Executives

- **Monetary remuneration**

The Company paid monetary remuneration, which is salary for the Executives as follows;

Remuneration	2021		2020	
	Number of Executive (Person)	Amount (Baht)	Number of Executive (Person)	Amount (Baht)
Salary	6	8,419,228	5	7,748,565

Remark : 1) In 2021, there were 6 executives consisting of 1) Mr. Chotiwit Taechaubol, 2) Mr. Athawut Taechaubol

3) Mrs. Rathatip Apichotikorn, 4) Mr. Tanasin Tana-ananchoke, 5) Mrs. Rujinart Pornkittikun,

6) Mr. Peerawat Samutsin *

2) Mr. Peerawat Samutsin has resigned from his position Human Resources Manager on June 2, 2021.

- Other remuneration

Remuneration	2021		2020	
	Number of Executive (Person)	Amount (Baht)	Number of Executive (Person)	Amount (Baht)
Provident fund contribution, social security contribution and other benefits after resignation	6	14,925	5	123,679

8.1.3 Supervision of subsidiaries and associated companies in the future

The Company has a policy to invest in other types of restaurants or other related businesses which benefit the restaurant business, which is the Company's main business. It is a business that has potential and can generate profits for the Company in the long run. In case it is an investment in subsidiary, the Company will control or set the management policy as well as sending representatives to join as directors in proportion to the Company's shareholding and attend the meeting as a shareholder. The Company's representative has the duty to vote at the meeting in accordance with the guidelines or the direction that the Board of Directors has considered. For the investment in associated companies. The Company does not have a policy to control so much. In this regard, the submission of a representative to be a director of the Company will be considered as appropriate and subject to mutual agreement.

8.1.4 Monitoring to ensure the compliance with corporate governance policies and guidelines

The Company has established a written corporate governance policy which the Board of Directors' meeting No. 1/ 2011 dated July 18, 2011 has approved the mentioned policy. The Board has regularly review the policy and its implementation. Recently , the Board of Directors Meeting No 11/21 dated November 15, 2021 has reviewed the Company's corporate governance policy and communicated to everyone in the organization to share the same information correctly and to encourage everyone in the organization to comply with the specified policies.

8.2 Report on the performance of the Audit Committee in the past year

The Audit Committee comprises of 3 independent directors with Mr. Prasong Vara-Ratanakul, Chairman of the Audit Committee has competent knowledge and experience in accounting and finance to review the reliability of the financial statements. In 2021, the Audit Committee has held the meeting and independently performed their duties within the scope of powers and duties.

8.2.1 Number of meetings and attendance of the individual audit committee

Name	Position	Number of times attended / Total number of time
1. Mr. Prasong Vara-ratanakul	Chairman of Audit Committee and Independent Director	4/4
2. Mr. Chetawan Anuntasomboon	Audit Committee Member and Independent Director	4/4
3. Dr. Varnadharma Kanchanasuvarna	Audit Committee Member and Independent Director	4/4

8.2.2 Performance of the Audit Committee in the past year

In 2021, the Audit Committee has performed various duties in summary as follows:

1. The Audit Committee reviewed and approved the 2021 auditing plan of the Internal Audit Department where it focused at strengthening the internal control system, reinforcing adequate auditing in required areas and reporting results of such internal control to the Audit Committee on a regular basis. Having reviewed and assessed the Internal Audit Department's operation in 2021, the Audit Committee had an opinion that the internal control system was efficient enough to control and supervise the operation of the Company and no material defect was found.
2. Both quarterly and annual financial statements of the Company were reviewed to provide full and accurate financial information based on the generally-accepted accounting principles in a timely fashion as well as a true reflection of the Company's financial status before they were submitted to the Board of Directors.
3. The Audit Committee reviewed an evaluation form of the adequacy of the Company's internal control system to ensure that it had an appropriate and adequate internal control system to supervise operation based on its business objectives.
4. The Audit Committee reviewed risk management procedures by taking into consideration a risk management policy and a risk management plan and guideline based on prevailing corporate risks. It also regularly reviewed the efficiency and suitability of the Company's risk management system.
5. The Company was requested to be compliant with corporate governance on the basis of the Stock Exchange of Thailand's guidelines and to develop its CG practice to match the international standards.
6. The Audit Committee reviewed the Company's compliance with the laws and the authorities' rules and regulations.
7. The Audit Committee reviewed connected transactions and items that could cause conflict of interest as well as ensured that the information was accurately and completely disclosed.
8. The Audit Committee appointed an auditor and set his remuneration before submitting the information to the Board of Directors for proposing to the Shareholders' Meeting for its approval.

9. Internal Control and Related Party Transactions

9.1 Internal Control

9.1.1 The adequacy and appropriateness of the Company's internal control system

In 2021, the internal auditor implemented the auditing system to assess the Company's internal control system through the various transactions of the Company which consisting of transactions of production for sale, quality assessment, transaction of warehouse management, cost management, transaction of fixed asset control, transaction of human resource management including sales and payment transaction at the restaurant branches. After assessment, the Audit Committee provided the feedback that the Company's internal control system was adequate and appropriate in a certain level but there was only few weak points which the management team should bring these points to consider, implement the practices to improve these weak point in order to eliminate the weak points to be lesser or completely eliminate in the future. Furthermore, the Company shall be able to improve the business operations more effectively with continual growth sustainably.

For the year 2021, the Audit Committee arranged 4 meetings with the external auditor and the internal auditor to consider and express opinions on financial statements which were audited or reviewed by the external auditor. The Audit Committee was aware of the continuing improvement of internal control system which is more sufficient and appropriate. In addition, the Audit Committee held the meeting with the external auditor without the presence of management team.

9.1.2 Summary of the Audit committee's opinion

At the Audit Committee's meeting No1/. 2022 on February 28, 2022, The Audit Committee consider approving the evaluation checklist of internal control system for the year 2020 assessed by internal auditor and reviewed by the Audit Committee. The assessment result has mentioned that the Company's internal control system is fairly appropriate and efficient. Therefore, it granted that the Company's assets were suitably protected and maintained, accounting transactions were recorded properly, and resources were utilized efficiently. In addition, the Board of Directors gave opinion that the Company had adequate internal control system for related transactions with major shareholder, executive and related persons.

The Company's operation and management procedures are in lined with the integrated framework of internal control determined by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) which consists of 5 components and 17 concepts. The Company had adapted this principles for operation and management practices as follow :

1. Environment Control

- 1) The Independent Directors and Executive Committee determine the guideline and practices based on integrity and business code of conduct which cover daily operation practice and practices towards the Company's partner, client and third party. The written regulation are established and followed by management team and employees in order to perform their duties with honest and ethics. In addition, there are restrictions to prohibit any of management team and employees not having any conflict of interest with the Company's business, including prohibition of corruption which may cause the Company's damage. Anyone who fails to perform in accordance with the above instructions shall be subjected to reasonable penalty.
- 2) The committee composed of the independent Directors who have knowledge, competency, reliability, and independent in performing their duties. Their roles are to govern the internal control which cover establishment of control environment, risk assessment, control activities, information and communication, including monitoring activities.
- 3) Top managements of the Company determine the organization structure by considering all related business practice and related law as well as arranging the efficient internal control system in place. The Duties of core functions are segregated to counterbalance. The Internal auditor reports directly to the Independent Directors with clear reporting line.
- 4) The Company has policy and work procedure for recruit, develop and retain employees who have suitable knowledge and competency. The Company also sets the procedure to review such a policy and work procedure periodically.
- 5) The Independent Directors and Executive Committee reinforce the procedures and communication to ensure that everyone aware of his/her responsibility for the internal control and may change the practice to improve the work procedure if necessary.

2. Risk Assessment

- 1) The Company determines objectives of risk management clearly and sufficiently in order to be able to identify and evaluate any risks related to achievement towards the Company's objectives.
- 2) The Company sets up procedures regarding to the risk identification and risk in order to prioritize the risks by considering likelihood and impact of such risks, which is proceeded before and after managing such risks, in both inherent risk and residual risk.
 - Likelihood means frequency or possibility of risk occurrence

- Impact means severity of damage occurred in correspondence with risk occurrence, which can be assessed by means of qualitative (e.g. product and service quality, Company's reputation) and by mean of quantitative.
 - Degree of risk means status of risk derived from assessment of likelihood and impact of each risk factor.
- 3) The Company evaluates the opportunity of corruption occurrence by covering all types of corruption and review the goal of operation carefully. In addition, the Company also considers the incentives or benefits programs of the employee to ensure that practice don't lead to any persuasion to do inappropriate actions.
 - 4) The Company reviews and evaluates the changes of external factors which may affect business operation, internal control, and financial reports. In addition, the Company introduced the practices to respondse to any change by identify the additional risk and control activities.

3. Control Activities

- 1) The Company has the procedures to reduce risk to acceptable level by establishing risk management manual and work procedures of each system in written format. The Company also sets up corporate chain of command, job descriptions, and clearly segregated responsibility of each position.
- 2) The Company arranges the general control activities by using information technology, such as set up password for information accessing of each level and set up the standard to protect leaking out confidential information, etc.
- 3) The Company arranges the control activity through the policy by requiring each department to evaluate its operations and allow internal audit unit to monitor its operation regularly.

4. Information Technology & Information Communication

- 1) The Company utilizes information technology system to manage the Company's information transferring such as assessing the effective and on time daily sale datas, utilizing the data analysis for dection, etc.
- 2) The Company uses video conference for internal communication.
- 3) The Company communicates with third parties via available channels in order to let the outsiders provide the suggestion, clues complaints or feedback such as website, e-mail, telephone, facsimile and letter etc.

5. Monitoring Activities

- 1) The Company follows up and evaluates internal control continuously. The internal auditor performs its duties to audit and evaluate the internal control system each departments or quarterly basis.
- 2) The Company evaluates and communicates the failure of internal audit on timely basis. The subordinate is required to reports any failure to his/her supervisor / or direct manager in order to find the solution to improve the failure effectively.

9.1.3 Internal Auditor

The Audit Committee has considered and selected the Internal Audit Dharmniti Company Limited, which is an external auditor company to be an internal auditor for the Company from 2020 to the present. This is due to the fact that the Internal audit Dharmniti Co., Ltd is independent, has sufficient resources and budget and is appropriate for the operation with the duty of giving advice, audit and evaluate the internal control system, monitor the Company's risk management and corporate governance whether it is sufficient and effective in accordance with the objectives, including operational audits, compliance audits and regulations and financial audit by reporting the audit results and performance directly to the Audit Committee and also assigned the Company's Secretary to act as a liaison between the internal auditors and various departments within the Company

9.2 Related Party Transactions

The related party transactions between the Company and the persons/ or entity that may have a conflict of interest including the relationship can be summarized as per the following;

Person/Entiry having a conflict of interest	Relationship
JC Kevin Development Co., Ltd. (JCKD)	Mr. Apichai Taechaubol (Chairman and Major Shareholder of the Company) is JCKD's Director and holding 31.25% of shares. Mrs. Chalida Taechaubol (Mr. Apichai's wife) is JCKD's Director and holding 23.75% of shares. Mr. Chotiwit Taechaubol (Executive Director and Chief Executive Director of the Company) is JCKD's Director and holding 7.5% of shares.
High Active Consultant Co., Ltd.	Business related to shareholders, directors

Person/Entiry having a conflict of interest	Relationship
JC Kevin Food & Beverage Co., Ltd.	Business related to shareholders, directors
JCK International PCL.	Business related to shareholders, directors
JCK Utilities Co., Ltd.	Business related to shareholders, directors
SG Land Co., Ltd.	Business related to shareholders, directors
Lobster Power Co., Ltd.	Business related to shareholders, directors
No Name Food and Beverage Co., Ltd.	Business related to shareholders, directors
High Active Consultant Tech Co., Ltd.	Business related to shareholders, directors
Dr. Apichai Taechaubol	Chairman, Executive Chairman, Major Shareholder of the Company, holds 23.14% of total shares of the Company (as of the date of the latest shareholders record date on November 4, 2021).
Mr. Chotiwiit Taechaubol	Mr. Apichai Taechaubol' son, Director, Executive Committee Member, Chief Executive Officer, holds 1.34% of total shares of the Company (as of the date of the latest shareholders record date November 4, 2021).
Mr. Athawut Taechaubol	Son of Mr. Apichai Taechaubol and holds the position of Director, Executive Director, and Chief Executive Officer. Holds 0.11% of the Company's shares sold of the Company (as of the date of collecting the li of shareholders on November 4, 2021)
Mr. Kittawat Taechaubol	Persons related to shareholders, Directors

9.2.1 Related Party Transactions in 2021

Person/ or Entiry having a conflict of interest	Relationship	Type of Transaction	Amount (Baht)		Necessity and appropriateness of the related transactions
			2021	2020	
1. JC Kevin Development Co., Ltd.	Related business to shareholders, directors and executive	<u>Agreement of rent of office space and service fee</u> The Company has agreed to the agreement of rental of office space and service	4,788,288	1,049,332	The price of renting space and services in the building area and the rules for placing the security deposit it is the price that is not higher than that rented to other

Person/ or Entiry having a conflict of interest	Relationship	Type of Transaction	Amount (Baht)		Necessity and appropriateness of the related transactions
			2021	2020	
		fee at total of 890.56 square meters on the 2 nd floor and partial of the 4 th floor of JC Kevin building. The rental has been extended for 3 years to end on December 31, 2024 (In 2020, the JCK Kevin has dropped the agreement due to the outbreak of COVID -19)			tenants and not higher than the market price. Which the Audit Committee is of the opinion that it is reasonable and benefit the company.
2. Mr. Apichai Taechaubol	Director and Major Shareholder	<u>Short-term Loan:</u> Mr. Apichai Taechaubol has lent a short-term loan to the Company with a call tenure in the sum of Baht 280,000 to be used for the business operation in form of promissory note with interest rate of 3.50 per annum (a referred rate of 1 year government bond plus a spread of debenture rating BBB with 3 years term.	280,000	5,380,000	The short-term loan was to be used in business operation pursuant to conditions specified in the promissory note, and the Company shall pay interest at the rate lower than that of lending by a financial institution. The Audit Committee considered and gave the comment that such a related transaction is reasonable and beneficial to the Company.

Person/ or Entiry having a conflict of interest	Relationship	Type of Transaction	Amount (Baht)		Necessity and appropriateness of the related transactions
			2021	2020	
3. Mr. Krittawat Taechaubol	Person related to shareholders, Director	<u>Short Term Loan :</u> Mr. Krittawat Taechaubol has provided the short term loan with maturity at call amounting to 16,090,505 Baht for use as working capital in the form of promissory notes, with an interest rate of 3.50% per annum (interest rate is based on 1 year government Bond yield plus average spread of Debentures rating BBB, maturity not over 3 years.)	16,090,505	9,500,000	The short term loan is for use as working capital in the business with the conditions set forth in the promissory note. The Company pays interest at a lower rate than the loan rate of a financial institution. The Audit Committee is of the opinion that the transaction is reasonable and benefit the Company.
4. SG Land Co., Ltd	Related business to shareholders, directors and executive	<u>Agreement of rent of office space and service fee</u> The Company has entered into the agreement of rent of office space and service fee with SG Land Co., Ltd.on M floor at total of 299 square meters, for the restaurant business of Bonsai with the term of 3 years starting from August 1, 2019 and will end by July 31, 2022. (In 2020, SG Land has gave discount on rental fee due to the outbreak of COVID-19)	361,876	881,595	The rate of rental of the office space and service fee including the deposit was not higher than the normal charge of the landlord which may charge to other customers and the price is not higher than the market price which the Audit Committee had evaluated the transaction as reasonable and of beneficial to the Company.
5. JCK International PCL.	Related business to shareholders,	<u>Revenue from Sales of Foods and Services</u> Revenue from the sales of	1,023,275	1,793,148	The price of foods, services and gift vouchers are at the

Person/ or Entiry having a conflict of interest	Relationship	Type of Transaction	Amount (Baht)		Necessity and appropriateness of the related transactions
			2021	2020	
	directors and executive	foods and services and Restaurant gift voucher			same price sold to third party which the Audit Committee had evaluated the transaction as reasonable and of beneficial to the Company.
6. JCK Utilities Co., Ltd.	Related business to shareholders, directors and executive	<u>Revenue from Sales of Foods and Services</u> Revenue from the sales of foods and services and Restaurant gift voucher	258,994	3,116,231	The price of foods, services and gift vouchers are at the same price sold to third party which the Audit Committee had evaluated the transaction as reasonable and of beneficial to the Company
7. Noname Food and Beverage Co.,Ltd	Business with directors and/or joint shareholders	<u>Sell equipment</u> Sell equipment, sell assets of the Company	-	247,080	The purchase is based on market value which the Audit Committee is of opinion that it is reasonable and provide benefit to the Company
8. High active Consultant Co.,Ltd	Business with directors and/or joint shareholders	<u>Sell a restaurant</u> Sell a restaurant with assets and equipment related to the restaurant	12,000,000	-	The purchase is based on market value which the Audit Committee is of opinion that it is reasonable and provide benefit to the Company

12.2 Necessity and Relational of Related Party Transactions

Agreement of rent of office space and service fee was done for the best interests of the Company's operating business which has potential growth and expansion. The rental rate when compared to those of other nearby office building is consistent to the criteria.

The borrowing of short-term loan from the director and major shareholder of the Company was for the purpose of increase the liquidity of its business and the time period and interest rate is in line with the normal business practices and straightforward, and the Company received the benefit from the borrowing with the lower finance cost than the rate from the bank.

12.3 Practices and Approval Process of the Related Party Transactions

The Board of Directors of the Company will approve the related-party transaction by:

- Management have to prepare the report to submit to the Board of Directors which should have adequate and complete information so as to consider in order to protect the investors and have to state the necessity and reasonability
- Related party will have no right to vote
- Must have the price appraisal by the accepted independent appraiser
- The independent directors or Audit directors shall provide their comments
- Process in line with the law and related regulations.

Section 3

Financial Statements

JCK Hospitality Public Company Limited
and its subsidiaries
Report and financial statements
31 December 2021

Independent Auditor's Report

To the Shareholders of JCK Hospitality Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of JCK Hospitality Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2021, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of JCK Hospitality 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 JCK Hospitality Public Company Limited and its subsidiaries and of JCK Hospitality Public Company Limited as at 31 December 2021, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

I draw attention to note 1 b) to the financial statements regarding the ability of the Group to continue as a going concern, the Group has incurred operating losses for a number of consecutive years, and as at 31 December 2021, the Group's total current liabilities exceeded its total current assets by Baht 658 million and it had a deficit of Baht 1,148 million.

Currently, the COVID-19 Pandemic is adversely impacting most businesses and industries. This situation significantly affects the Company's business activities in terms of sales from restaurant since it has an impact on the consumers' spending and dining behavior. Despite the current relaxation of measures on restaurant opening, consumers' spending and purchasing power remain uncertain. This is significantly impacting the Group's financial position, operating results, and cash flows, including compliance with debt covenants at present and is expected to do so in the future. The Group's management has continuously monitored ongoing developments and is evaluating the financial impact in respect of the valuation of assets, provisions and contingent liabilities.

The Group has planned to issue the additional convertible debentures in 2022 to fund its operation. In addition, the Group is in the process of negotiating with financial institutions, lenders, and business partners to extend payment terms and expects the negotiation to yield a positive outcome. The Group is seeking a co-investor and seeking additional sources of funds, with the major shareholder has agreed in writing to provide the financial support to the Group. The Group is also in the process of implementing plans to change its business strategies and business model. The Group's management believes that the Group will be able to continue as a going concern.

The above circumstances indicate that there are significant uncertainties which may raise substantial doubt about the Group's ability to continue as a going concern. This will depend on the success of the offer and issue of the convertible debentures, negotiations with the financial institutions, lenders and business partners and the search for co-investor and additional sources of funds including funds from the major shareholder, plan to change its business strategies and business model as well as the impact of the COVID-19 Pandemic.

My opinion is not modified in respect of this matter.

Emphasis of matters

I draw attention to notes to the financial statements as follows:

Investment in shares in subsidiaries

As described in Note 12 to the financial statements, in August 2021 the Company invested in the hotel business by purchasing ordinary shares accounting for 100 percent of the registered capital of two subsidiaries from a group of sellers, including a shareholder of the Company, at prices of Baht 30 million and Baht 1 million, respectively. As a result, the Company prepared the consolidated financial statements for the year ended 31 December 2021 in accordance with the basis of preparation discussed in Note 2.2 to the financial statements. However, based on assessment of these transactions, the management determined that the acquisitions of ordinary shares of the subsidiaries were purchases of assets because the assets acquired are not business units as defined in Thai Financial Reporting Standard No.3 (revised 2018) Business Combinations.

a) The first subsidiary (purchase price of Baht 30 million)

As described in Note 12 to the financial statements, the Group recorded transaction costs of the land and hotel buildings of the subsidiary company of Baht 145 million in the consolidated statement of financial position. The Group arranged for the appraisal of the land and hotel buildings by an independent appraiser using the market approach for land and depreciated replacement cost for the hotel buildings and recorded a surplus from asset revaluation amounting to Baht 56 million (net of income tax) in other comprehensive income for the current year.

b) The second subsidiary (purchase price of Baht 1 million)

As described in Note 12 to the financial statements, in December 2021 the Company negotiated with the group of sellers requesting compensation as a result of purchasing investments in the subsidiary because legal ownership of the land and hotel buildings of that subsidiary has been transferred to a bank loan creditor (those assets having been pledged as collateral) through a public auction sale. This transaction occurred before the agreement to purchase ordinary shares of the subsidiary. The group of sellers agreed to join the Company in negotiating a compromise regarding the subsidiary's debt with the bank creditor for the compensation. Currently, they are in the process of requesting the bank for a reduction of the loan and accrued interest of the subsidiary amounting to Baht 70 million, which was the remaining debt after deducting the auction sale of the assets. However, the bank creditor is considering whether to approve this transaction. The Group recorded the losses resulting from these transactions, amounting to Baht 82 million, in statement of comprehensive income for the current year. Currently, the Company is negotiating with the bank creditor to buy back the land and hotel buildings.

My opinion is not modified in respect of these 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 matter and how audit procedures respond for each matter are described below.

Revenue recognition

Revenues from sales are the Company's main transactions that have significant volume of transactions and amounts, and directly affect profit or loss of the Company. The Company has numerous sales made by cash and credit cards through a large number of branches nationwide. In addition, because of the COVID-19 Pandemic situation, the Company 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 Company.

I examined the Company's revenue recognition by assessing and testing the Company's 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 key controls. In addition, I applied a sampling method to select sales transactions occurring during the year and near the end of the accounting period to examine the supporting documents. I also performed analytical procedures on sales account.

Impairment of right-of-use assets and property, plant and equipment

As discussed in Notes 14 and 15.1 to the financial statements, the Company recognised impairment loss of leasehold building improvement and rights-of-use assets amounting to Baht 7 million and Baht 29 million, respectively in the consolidated financial statements of this year. In determining the provision for impairment loss, management had to exercise judgment with respect to its projections of future operating performance plans, and determination of an appropriate discount rate and key assumptions. There is a risk with respect to the amount of allowance for impairment of assets.

- I assessed the management's identification and selection of cash generating units by gaining an understanding of management's decision-making process and evaluating whether the decisions were consistent with how assets are utilised. In addition, I gained an understanding of and assessed the assumptions applied in preparing plans and cash flow projections for assets, based on the understanding I gained of the process by which the figures were arrived at, comparison of the long-term growth rate of the Company with economic and industry forecasts, and the discount rate, based on comparison of the average cost of capital and other data with those used by comparable organisations.

Fair value of land and building

As discussed in Note 14 to the financial statements, the Group measured land and building at revalued amounts. Their fair value was determined based on the fair value appraised by an independent appraiser, and this requires certain assumptions and estimates. I therefore addressed this transaction as a key audit matter since it is material to the financial statements taken as a whole.

I gained an understanding of the methods and assumptions applied by the independent appraiser in calculating the fair value of land and building, assessed the reasonableness and appropriateness of the methods applied, reviewed the reasonableness of the data used, and performed analytical procedures on relevant data. In addition, I assessed knowledge, competence and objectivity of the independent appraiser.

Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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



Watoo Kayankannavee
Certified Public Accountant (Thailand) No. 5423

EY Office Limited
Bangkok: 28 February 2022

JCK Hospitality Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2021

(Unit: Baht)

		Consolidated		
		financial statements	Separate financial statements	
	Note	2021	2021	2020
Assets				
Current assets				
Cash and cash equivalents	7	9,104,232	9,094,232	5,163,777
Trade and other receivables	8	64,526,828	60,491,499	49,007,582
Inventories	9	51,024,604	51,024,604	49,847,805
Advances		7,966,732	48,998,456	9,261,845
Other current assets	10	22,933,779	22,933,779	20,953,808
Total current assets		155,556,175	192,542,570	134,234,817
Non-current assets				
Restricted bank deposits	11	3,000,000	3,000,000	3,000,000
Investments in subsidiaries	12	-	30,000,000	-
Investment properties	13	81,626,681	-	-
Property, plant and equipment	14	654,167,062	439,372,062	427,566,597
Right-of-use assets	15.1	232,078,504	232,078,504	415,477,453
Intangible assets		2,640,748	2,640,748	3,828,673
Other non-current financial assets	16	67,091,143	67,091,143	77,874,701
Total non-current assets		1,040,604,138	774,182,457	927,747,424
Total assets		1,196,160,313	966,725,027	1,061,982,241

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

JCK Hospitality Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2021

(Unit: Baht)

	<u>Note</u>	Consolidated	Separate financial statements	
		<u>financial statements</u>	<u>2021</u>	<u>2020</u>
Liabilities and shareholders' equity				
Current liabilities				
Bank overdrafts and short-term loans				
from financial institutions	17	88,790,815	88,790,815	93,152,951
Short-term loans	18	124,240,877	124,240,877	101,595,151
Trade and other payables	19	329,811,180	220,191,903	224,177,132
Current portion of long-term loans from financial institution	20	59,795,689	15,000,000	15,000,000
Current portion of lease liabilities	15.2	118,540,726	118,540,726	198,624,418
Other current liabilities		92,057,116	92,056,585	76,397,583
Total current liabilities		813,236,403	658,820,906	708,947,235
Non-current liabilities				
Long-term loans from financial institution,				
net of current portion	20	73,108,183	6,252,890	6,252,890
Lease liabilities, net of current portion	15.2	151,739,803	151,739,803	218,904,328
Provision for decommissioning	21	16,962,843	16,962,843	22,050,870
Deferred tax liabilities	30	72,690,343	58,650,066	60,818,955
Provision for long-term employee benefits		4,389,837	4,389,837	3,524,735
Convertible debenture	22	25,658,952	25,658,952	-
Options	22	3,888,889	3,888,889	-
Long-term provision	23	20,400,000	-	-
Total non-current liabilities		368,838,850	267,543,280	311,551,778
Total liabilities		1,182,075,253	926,364,186	1,020,499,013

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

JCK Hospitality Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2021

(Unit: Baht)

	Note	Consolidated	Separate financial statements	
		financial statements	2021	2020
Shareholders' equity				
Share capital	24			
Registered				
2,149,793,700 ordinary shares of Baht 0.25 each				
(31 December 2020: 812,860,972 ordinary shares of Baht 0.25 each)		537,448,425	537,448,425	203,215,243
Issued and paid-up				
1,317,362,719 ordinary shares of Baht 0.25 each				
(31 December 2020: 812,860,972 ordinary shares of Baht 0.25 each)		329,340,680	329,340,680	203,215,243
Premium on ordinary shares		601,187,021	601,187,021	470,844,664
Retained earnings				
Appropriated - statutory reserve	26	7,055,720	7,055,720	7,055,720
Unappropriated (deficit)		(1,148,130,499)	(1,065,693,610)	(810,577,897)
Other components of shareholders' equity		224,632,138	168,471,030	170,945,498
Total shareholders' equity		14,085,060	40,360,841	41,483,228
Total liabilities and shareholders' equity		1,196,160,313	966,725,027	1,061,982,241

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

Directors

JCK Hospitality Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2021

(Unit: Baht)

		Consolidated	Separate financial statements	
		financial statements		
	Note	2021	2021	2020
Profit or loss:				
Revenues				
Sales		427,612,675	427,612,675	685,796,847
Other income		15,981,032	13,509,771	15,571,639
Total revenues		<u>443,593,707</u>	<u>441,122,446</u>	<u>701,368,486</u>
Expenses				
Cost of sales		224,674,765	224,674,765	289,721,530
Selling and distribution expenses		244,553,848	244,553,848	367,218,362
Administrative expenses		157,878,547	156,937,957	137,985,243
Loss on impairment of assets	14, 15.1	36,000,000	36,000,000	10,726,811
Loss on impairment of investment in a subsidiary	12	-	1,000,000	-
Loss on purchase in shares in a subsidiary	12	82,400,501	-	-
Other expenses		3,064,058	3,064,058	9,576,507
Total expenses		<u>748,571,719</u>	<u>666,230,628</u>	<u>815,228,453</u>
Loss from operating activities		<u>(304,978,012)</u>	<u>(225,108,182)</u>	<u>(113,859,967)</u>
Finance cost	28	(37,217,947)	(34,650,888)	(29,010,677)
Loss before income tax		<u>(342,195,959)</u>	<u>(259,759,070)</u>	<u>(142,870,644)</u>
Income tax benefits	30	2,168,889	2,168,889	855,948
Loss for the year		<u>(340,027,070)</u>	<u>(257,590,181)</u>	<u>(142,014,696)</u>
Other comprehensive income:				
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>				
Gain on revaluation of land and building		70,201,385	-	45,096,005
Actuarial gains		-	-	206,967
Less: Income tax effect	30	(14,040,277)	-	(9,019,201)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of tax		<u>56,161,108</u>	<u>-</u>	<u>36,283,771</u>
Other comprehensive income for the year		<u>56,161,108</u>	<u>-</u>	<u>36,283,771</u>
Total comprehensive income for the year		<u>(283,865,962)</u>	<u>(257,590,181)</u>	<u>(105,730,925)</u>
Earnings (loss) per share	31			
Basic loss per share		<u>(0.35)</u>	<u>(0.27)</u>	<u>(0.20)</u>

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

JCK Hospitality Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2021

(Unit: Baht)

	Consolidated financial statements					
	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Other components of equity	
			Appropriated - statutory reserve	Unappropriated (deficit)	comprehensive income	Total other components of shareholders' equity
Balance as at 1 January 2021	203,215,243	470,844,664	7,055,720	(810,577,897)	170,945,498	41,483,228
Increase share capital (Note 24)	42,596,525	73,609,610	-	-	-	116,206,135
Convert convertible debentures to ordinary shares (Note 22)	83,491,413	56,732,747	-	-	-	140,224,160
Ordinary shares issuance from exercised warrants to purchase new ordinary shares (Note 25)	37,499	-	-	-	-	37,499
Loss for the year	-	-	-	(340,027,070)	-	(340,027,070)
Other comprehensive income for the year	-	-	-	-	56,161,108	56,161,108
Total comprehensive income for the year	-	-	-	(340,027,070)	56,161,108	(283,865,962)
Transfer surplus on revaluation of assets to retained earnings (Note 27)	-	-	-	2,474,468	(2,474,468)	-
Balance as at 31 December 2021	329,340,680	601,187,021	7,055,720	(1,148,130,499)	224,632,138	14,085,060

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

JCK Hospitality Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2021

(Unit: Baht)

Separate financial statements

	Other components of equity						
	Other						Total other components of shareholders' equity
	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings	comprehensive income	Surplus on revaluation of assets	Shareholders' equity	
			Appropriated - statutory reserve	Unappropriated (deficit)			Total
Balance as at 1 January 2020	156,319,418	451,843,277	7,055,720	(671,316,798)	137,415,324	137,415,324	81,316,941
Increase share capital	46,895,825	19,001,387	-	-	-	-	65,897,212
Loss for the year	-	-	-	(142,014,696)	-	-	(142,014,696)
Other comprehensive income for the year	-	-	-	206,967	36,076,804	36,076,804	36,283,771
Total comprehensive income for the year	-	-	-	(141,807,729)	36,076,804	36,076,804	(105,730,925)
Transfer surplus on revaluation of assets to retained earnings (Note 27)	-	-	-	2,546,630	(2,546,630)	(2,546,630)	-
Balance as at 31 December 2020	<u>203,215,243</u>	<u>470,844,664</u>	<u>7,055,720</u>	<u>(810,577,897)</u>	<u>170,945,498</u>	<u>170,945,498</u>	<u>41,483,228</u>
Balance as at 1 January 2021	203,215,243	470,844,664	7,055,720	(810,577,897)	170,945,498	170,945,498	41,483,228
Increase share capital (Note 24)	42,596,525	73,609,610	-	-	-	-	116,206,135
Convert convertible debentures to ordinary shares (Note 22)	83,491,413	56,732,747	-	-	-	-	140,224,160
Ordinary shares issuance from exercised warrants to purchase new ordinary shares (Note 25)	37,499	-	-	-	-	-	37,499
Loss for the year	-	-	-	(257,590,181)	-	-	(257,590,181)
Other comprehensive income for the year	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(257,590,181)	-	-	(257,590,181)
Transfer surplus on revaluation of assets to retained earnings (Note 27)	-	-	-	2,474,468	(2,474,468)	(2,474,468)	-
Balance as at 31 December 2021	<u>329,340,680</u>	<u>601,187,021</u>	<u>7,055,720</u>	<u>(1,065,693,610)</u>	<u>168,471,030</u>	<u>168,471,030</u>	<u>40,360,841</u>

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

JCK Hospitality Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2021

(Unit: Baht)

	Consolidated	Separate financial statements	
	financial statements	2021	2020
	2021	2021	2020
Cash flows from operating activities			
Loss before tax	(342,195,959)	(259,759,070)	(142,870,644)
Adjustments to reconcile loss before tax to net cash provided by (paid from) operating activities			
Depreciation and amortisation	211,913,463	211,913,463	184,424,429
Allowance for expected credit loss	1,948,767	1,948,767	1,336,064
Loss on impairment of investment in a subsidiary	-	1,000,000	-
Loss on impairment of assets	36,000,000	36,000,000	10,726,811
Gain on sales of equipment	(1,365,828)	(1,365,828)	(50,774)
Loss on closure of branches	6,436,294	6,436,294	8,653,716
Loss on write-off of intangible assets	152,723	152,723	-
Loss on purchase in shares in a subsidiary	82,400,501	-	-
Loss (gain) on lease modification	(126,061)	(126,061)	453,803
Difference from negotiations with suppliers	(68,199,705)	(68,199,705)	(9,092,521)
Write off withholding tax	-	-	293,634
Provision for long-term employee benefits (reversal)	1,584,812	1,584,812	(133,934)
Amortisation of transaction costs of convertible debentures	10,889,818	10,889,818	-
Interest income	(10,917)	(10,917)	(33,863)
Interest expense	33,227,947	30,660,888	29,010,677
Profit (loss) from operating activities before changes in operating assets and liabilities	(27,344,145)	(28,874,816)	82,717,398
Operating assets (increase) decrease			
Trade and other receivables	(15,124,455)	(11,089,126)	284,436
Inventories	(1,176,799)	(1,176,799)	(13,667,135)
Advances	1,295,112	(39,736,611)	(1,345,744)
Other current assets	(8,438,302)	(8,438,302)	(4,992,642)
Other non-current financial assets	10,783,558	10,783,558	27,767,914
Operating liabilities increase (decrease)			
Trade and other payables	(6,572,640)	(4,819,414)	(12,023,217)
Provision for long-term employee benefits	(719,710)	(719,710)	(536,320)
Other current liabilities	15,659,532	15,659,001	41,312,983
Cash flows from (used in) operating activities	(31,637,849)	(68,412,219)	119,517,673
Cash received from interest income	11,459	11,459	41,275
Cash paid for income tax	(243,886)	(243,886)	(156,033)
Net cash flows from (used in) operating activities	(31,870,276)	(68,644,646)	119,402,915

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

JCK Hospitality Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2021

(Unit: Baht)

	Consolidated	Separate financial statements	
	financial statements	2021	2020
	2021	2021	2020
Cash flows from investing activities			
Acquisition of property, plant and equipment	(113,099,212)	(77,099,212)	(5,727,798)
Proceed from sale of equipment	4,079,301	4,079,301	717,301
Acquisition of intangible asset	(42,090)	(42,090)	(21,000)
Purchase in shares in subsidiaries	(31,000,000)	(31,000,000)	-
Net cash flows used in investing activities	(140,062,001)	(104,062,001)	(5,031,497)
Cash flows from financing activities			
Decrease in bank overdrafts and short-term loans from financial institutions	(4,362,136)	(4,362,136)	(2,319,921)
Cash receipt from short-term loans	240,455,221	240,455,221	324,153,677
Repayment of short-term loans	(217,809,495)	(217,809,495)	(375,770,000)
Repayment of long-term loans from financial institutions	(66,138)	-	(3,000,000)
Payment of lease liabilities	(93,300,200)	(93,300,200)	(110,496,419)
Cash paid for interest expenses	(30,287,154)	(29,588,922)	(27,591,796)
Cash receipt from increase in share capital	116,206,135	116,206,135	65,897,212
Cash receipt from issuance of convertible debentures	175,000,000	175,000,000	-
Cash paid for transaction cost of convertible debentures	(10,001,000)	(10,001,000)	-
Cash receipt from increase in share capital from exercised warrant	37,499	37,499	-
Net cash flows from (used in) financing activities	175,872,732	176,637,102	(129,127,247)
Net increase (decrease) in cash and cash equivalents	3,940,455	3,930,455	(14,755,829)
Cash and cash equivalents at beginning of year	5,163,777	5,163,777	19,919,606
Cash and cash equivalents at end of year	9,104,232	9,094,232	5,163,777
Supplemental cash flow information			
Non-cash item			
Increase in account payables from purchase of assets	48,461,960	3,961,960	550,751
Increase in account receivables from sale of assets	11,790,000	11,790,000	-

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

JCK Hospitality Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2021

1. General information

- a) JCK Hospitality Public Company Limited ("the Company") is a public limited company incorporated and domiciled in Thailand. The Company is principally engaged in operation of food and beverage outlets. The registered address of the Company, which is head office, is at 18 Soi Sathorn 11 Yaek 9, TFD Building, Yannawa, Sathorn, Bangkok. Its factory is located at 11/1 Moo 3, Liab Klong 7 Road, Bueng Kham Phroi, Lamlukka, Pathumthani.

As at 31 December 2021, the Company has 67 branches (2020: 82 branches).

- b) The Group has incurred operating losses for a number of consecutive years, and as at 31 December 2021, the Group's total current liabilities exceeded its total current assets by Baht 658 million and it had a deficit of Baht 1,148 million.

Currently, the COVID-19 Pandemic is adversely impacting most businesses and industries. This situation significantly affects the Company's business activities in terms of sales from restaurant since it has an impact on the consumers' spending and dining behavior. Despite the current relaxation of measures on restaurant opening, consumers' spending and purchasing power remain uncertain. This is significantly impacting the Group's financial position, operating results, and cash flows, including compliance with debt covenants at present and is expected to do so in the future. The Group's management has continuously monitored ongoing developments and is evaluating the financial impact in respect of the valuation of assets, provisions and contingent liabilities.

The Group has planned to issue the additional convertible debentures in 2022 to fund its operation. In addition, the Group is in the process of negotiating with financial institutions, lenders, and business partners to extend payment terms and expects the negotiation to yield a positive outcome. The Group is seeking a co-investor and seeking additional sources of funds with the major shareholder has agreed in writing to provide the financial support to the Group. The Group is also in the process of implementing plans to change its business strategies and business model. The Group's management believes that the Group will be able to continue as a going concern.

These financial statements have been prepared on a going concern basis. In addition, there were no adjustments relating to the recoverable amount and classification of assets or amounts and classification of liabilities that may be required if the Group is unable to continue its operation as a going concern.

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, issued under the Accounting Act B.E. 2543.

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

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

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of JCK Hospitality Public Company Limited ("the Company") and the following subsidiary companies ("the subsidiaries") (collectively as "the Group"):

Company's name	Nature of business	Country of incorporation	Shareholding percentage	
			31 December	31 December
			2021	2020
			(%)	(%)
C P T Hotel and Resort Company Limited	Hotel	Thailand	100.00	-
A S P Hotel and Resort Company Limited	Hotel	Thailand	100.00	-

- 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 Group have been eliminated from the consolidated financial statements.
- 2.3 The separate financial statements present investments in subsidiaries under the cost method.

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current year

During the year, the Group has adopted the 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 adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

Furthermore, the Group elected to adopt the amendments to TFRS 16 Leases relating to COVID-19-related rent concessions. These amendments provide a practical expedient that permits a lessee to not assess whether rent concessions are lease modifications. The practical expedient applies only to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all of the conditions are met, i.e., the change in lease payments results in a revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease preceding the change; any reduction in lease payments affects only payments originally due on or before 30 June 2022; and there is no substantive change to other terms and conditions of the lease.

The Group apply the practical expedient to all rent concessions that meet the above conditions and the effects of the application of this expedient due to resulting changes in payments under leases as recognized in profit or loss for the year ended 31 December 2021 amounting to Baht 68 million (The Company only: Baht 68 million). There was no impact on the opening balance of retained earnings.

3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2022

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2022. 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, for some standards, providing temporary reliefs or temporary exemptions for users.

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

4. Significant accounting policies

4.1 Revenue and expense recognition

Sales of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally upon delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns and discounts.

Rendering of service

Service revenue is recognized at a point in time upon completion of the service.

Finance cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks and all highly liquid investments with an original maturity of 3 months or less and not subject to withdrawal restrictions.

4.3 Inventories

Finished goods are valued at the lower of cost and net realisable value. The cost of inventories is measured using the standard cost method, which approximates actual cost and includes all production costs and attributable factory overheads.

Raw materials are valued at the lower of cost and net realisable value. The cost of inventories is measured using the standard cost method, which approximates actual cost and are charged to production costs whenever consumed.

4.4 Investments in subsidiaries

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

4.5 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives.

Depreciation of the investment properties is included in determining income. No depreciation is provided on investment properties of land and buildings under construction.

4.6 Property, plant and equipment and depreciation

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

Land and buildings are initially recorded at cost on the acquisition date, and subsequently revalued by an independent professional appraiser to their fair values. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from fair value at the end of reporting period.

Differences arising from the revaluation are dealt with in the financial statements as follows:

- When an asset's carrying amount is increased as a result of a revaluation of the Group's assets, the increase is credited directly to the other comprehensive income and the cumulative increase is recognised equity under the heading of "Revaluation surplus". However, a revaluation increase is recognised as income to the extent that it reverses a revaluation decrease in respect of the same asset previously recognised as an expense.
- When an asset's carrying amount is decreased as a result of a revaluation of the Group's assets, the decrease is recognised in profit or loss. However, the revaluation decrease is charged to the other comprehensive income to the extent that it does not exceed an amount already held in "Revaluation surplus" in respect of the same asset.

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

Buildings and building improvement	10 - 30 years
Leasehold building improvement	9 - 12 years
Furniture, fixtures and office equipment	5 - 15 years
Operating equipment	12 - 15 years
Vehicles	5 - 12 years

Depreciation is included in determining income. No depreciation is provided on land, hotel building awaiting renovation and assets under construction.

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

4.7 Intangible assets

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

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

The estimated useful lives of computer software are 5 and 10 years.

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

4.9 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 recognises 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 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 recognised, initial direct costs incurred and lease payments made at or before the commencement date of the lease, and an estimate of costs to dismantle less any lease incentives received.

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

Rental areas	9 years
Vehicles and others	5 - 10 years

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 recognised 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 recognised as expenses on a straight-line basis over the lease term.

4.10 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 other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. 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 recognised in profit or loss. However, in cases where land and building was previously revalued and the revaluation was taken to equity, a part of such impairment is recognised in equity up to the amount of the previous revaluation.

4.11 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Group treats 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 defined benefit plans are recognised immediately in other comprehensive income.

4.12 Provisions

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

4.13 Income tax

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

Current tax

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

Deferred tax

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

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

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

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

4.14 Financial instruments

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

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 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 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.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

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.

4.15 Fair value measurement

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

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

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

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

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

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

5. Significant accounting judgements and estimates

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

Leases - The Group as a lessee

Determining the lease term with extension and termination options

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 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 receivables

In determining an allowance for expected credit losses of receivables, the management needs to make judgement and estimates based upon the analytical of receivables' financial position and payment plan for each receivable. This information may not be representative of whether a customer will actually default in the future.

Property plant and equipment/Depreciation

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

The Group measures land and buildings at revalued amounts. Such amounts are determined by the independent valuer using the market approach for land and the depreciated replacement cost approach for buildings. The valuation involves certain assumptions and estimates as described in Note 14 to the financial statements.

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

Provision for decommissioning

The Group is obligated to remove decoration and fixtures and restore the rental spaces before returning them to the lessors at the end of the rental agreements. In estimating of decommissioning costs, the management exercises judgement in predicting future decommissioning costs, discount rate and economic useful lives of the assets.

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 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 property, plant and equipment and right-of-use assets recognised by the Group. The key assumptions used to determine the recoverable amount are disclosed in Notes 14 and 15.1 to the financial statements.

Litigation

The Group has contingent liabilities as a result of litigation. The management has used judgement to assess of the results of the litigation and believes that no loss will result. Therefore, no contingent liabilities are recorded as at the end of reporting period

6. Related party transactions

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

(Unit: Million Baht)

	Consolidated financial statements	Separate financial statements		
	<u>2021</u>	<u>2021</u>	<u>2020</u>	Transfer pricing policy
Transactions with related companies				
Revenue from sale	1	1	6	Comparable price offered to third parties
Other income	1	1	-	As agreed price
Sales of assets	12	12	-	As stipulated in agreements
Rental expenses	3	3	1	As stipulated in agreements
Service expenses	3	3	1	As stipulated in agreements
Other expenses	4	4	6	As stipulated in agreements
Interest expense	1	1	1	Interest rate of 6 percent per annum
Transactions with director				
Interest expenses	-	-	1	Interest rate of 3.5 percent per annum

The balances of the accounts as at 31 December 2021 and 2020 between the Group and those related parties are as follows.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements	
	<u>2021</u>	<u>2021</u>	<u>2020</u>
Trade receivables - related parties (Note 8)			
<u>Related companies</u>			
JCK International Public Company Limited	606	606	799
JC Kevin Development Company Limited	616	616	616
JCK Utilities Company Limited	-	-	622
Lobster Power Company Limited	66	66	100
Noname Foods and Beverages Company Limited	-	-	78
Others	62	62	48
Total	1,350	1,350	2,263

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements	
	2021	2021	2020
Other receivables - related parties (Note 8)			
<u>Related companies</u>			
JC Kevin Development Company Limited	29,880	29,880	28,451
High Active Consultant Company Limited	27,491	27,491	12,072
JCK International Public Company Limited	24	24	570
Noname Foods and Beverages Company Limited	-	-	247
JC Kevin Food and Beverages Company Limited	103	103	103
High Active Consultant Tech Company Limited	78	78	22
Director	198	198	58
Total	57,774	57,774	41,523
Less: Allowance for expected credit losses	(2,790)	(2,790)	(1,051)
Net	54,984	54,984	40,472
Advances - related parties			
<u>Subsidiary companies</u>			
A S P Hotel and Resort Company Limited	-	42,810	-
C P T Hotel and Resort Company Limited	-	1,221	-
<u>Related companies</u>			
High Active Consultant Company Limited	2,245	2,245	2,245
Director	535	535	535
Total	2,780	46,811	2,780
Trade payables - related parties (Note 19)			
<u>Related companies</u>			
High Active Consultant Company Limited	156	156	-
JC Kevin Development Company Limited	1,568	1,568	1,568
Total	1,724	1,724	1,568
Other payables - related parties (Note 19)			
<u>Related companies</u>			
SG Land Company Limited	4,160	4,160	3,452
JC Kevin Development Company Limited	5,638	5,638	6,122
JC Kevin Food and Beverages Company Limited	55	55	55
JCK International Public Company Limited	63	63	63
High Active Consultant Company Limited	2,481	2,481	1,401
Ratchadamri Real Estate Company Limited	1,000	1,000	-
Total	13,397	13,397	11,093

	(Unit: Thousand Baht)		
	Consolidated	Separate	
	financial statements	financial statements	
	<u>2021</u>	<u>2021</u>	<u>2020</u>
Accrued interest expenses - related parties			
(Note 19)			
Director	519	519	506
Related person	209	209	19
Total	728	728	525

In February 2021, the Company entered into an agreement to sell a restaurant together with assets and equipment related to the restaurant to a related company at a price of Baht 12 million. The buyer paid deposit of Baht 0.4 million to the Company at the contract date. The remaining amount will be paid by December 2021. During the current year, the Company received partial payment of Baht 1 million. In addition, in December 2021, the Company and the related company agreed to extend the remaining payment within December 2022.

Short-term loan from related parties (Note 18)

As at 31 December 2021 and 2020, the balance of loan between the Group and related parties and the movement are as follows:

	(Unit: Thousand Baht)			
	Consolidated / Separate			
	financial statements			
	Balance as at			Balance as at
	31 December	Increase	Decrease	31 December
Short-term loans	2020	during the year	during the year	2021
Promissory note from director	380	-	(100)	280
Promissory note from related person	14,500	20,800	(19,209)	16,091
Promissory note from related company	-	9,400	(9,400)	-
Total	14,880	30,200	(28,709)	16,371

The above short-term loans carried interest at rate of 3.50 and 6.00 percent per annum. They are repayable at call.

Directors and management's benefits

During the years ended 31 December 2021 and 2020, the Group had employee benefit expenses payable to its directors and management as below.

	(Unit: Thousand Baht)		
	Consolidated	Separate	
	financial statements	financial statements	
	<u>2021</u>	<u>2021</u>	<u>2020</u>
Short-term employee benefits	7,455	7,455	6,476
Post-employment benefits	113	113	411
Total	<u>7,568</u>	<u>7,568</u>	<u>6,887</u>

7. Cash and cash equivalents

	(Unit: Thousand Baht)		
	Consolidated	Separate	
	financial statements	financial statements	
	<u>2021</u>	<u>2021</u>	<u>2020</u>
Cash	2,658	2,648	3,344
Bank deposits	6,446	6,446	1,820
Total	<u>9,104</u>	<u>9,094</u>	<u>5,164</u>

As at 31 December 2021, bank deposits in saving accounts carried interests between 0.125 and 0.15 percent per annum (2020: between 0.125 and 0.15 percent per annum).

8. Trade and other receivables

	(Unit: Thousand Baht)		
	Consolidated	Separate	
	financial statements	financial statements	
	<u>2021</u>	<u>2021</u>	<u>2020</u>
Trade receivables - related parties (Note 6)			
Aged on the basis of due dates			
Not yet due	307	307	541
Past due			
Up to 3 months	286	286	759
3 - 12 months	297	297	963
Over 12 months	460	460	-
Total trade receivables - related parties	<u>1,350</u>	<u>1,350</u>	<u>2,263</u>

(Unit: Thousand Baht)			
	Consolidated	Separate	
	financial statements	financial statements	
	<u>2021</u>	<u>2021</u>	<u>2020</u>
Trade receivables - unrelated parties			
Aged on the basis of due dates			
Past due			
3 - 12 months	-	-	74
Over 12 months	1,889	1,889	1,815
Total	1,889	1,889	1,889
Less: Allowance for expected credit losses	(1,889)	(1,889)	(1,889)
Total trade receivables - unrelated parties, net	-	-	-
Total trade receivables - net	1,350	1,350	2,263
Other receivables			
Other receivables - related parties (Note 6)	57,774	57,774	41,523
Other receivables - unrelated parties	8,607	4,571	6,476
Total	66,381	62,345	47,999
Less: Allowance for expected credit losses	(3,204)	(3,204)	(1,255)
Total other receivables - net	63,177	59,141	46,744
Total trade and other receivables - net	64,527	60,491	49,007

9. Inventories

(Unit: Thousand Baht)			
	Consolidated	Separate	
	financial statements	financial statements	
	<u>2021</u>	<u>2021</u>	<u>2020</u>
Finished goods	48,103	48,103	47,446
Raw materials	2,922	2,922	2,402
Total	51,025	51,025	49,848

10. Other current assets

(Unit: Thousand Baht)			
	Consolidated	Separate	
	financial statements	financial statements	
	<u>2021</u>	<u>2021</u>	<u>2020</u>
Prepaid expense	7,371	7,371	2,607
Undue input vat	5,776	5,776	8,178
Supplies	3,507	3,507	4,089
Others	6,280	6,280	6,080
Total	22,934	22,934	20,954

11. Restricted bank deposits

These represent bank deposits pledged with the banks to secure bank overdraft facilities.

12. Investments in subsidiaries

As at 31 December 2021, the details of investments in subsidiaries as presented in the separate financial statements are as follow:

(Unit: Thousand Baht)				
Company's name	Nature of business	Paid-up capital	Shareholding percentage	Cost
			(%)	
A S P Hotel and Resort Company Limited	Hotel	1,000	100	1,000
C P T Hotel and Resort Company Limited	Hotel	120,000	100	30,000
Total				31,000
Less: Allowance for impairment of investment in a subsidiary				(1,000)
Investments in subsidiaries - net				30,000

In August 2021, the Company invested in the hotel business by purchasing ordinary shares of A S P Hotel and Resort Company Limited and C P T Hotel and Resort Company Limited from a group of sellers, including a shareholder of the Company at a price of Baht 1 million and Baht 30 million respectively, accounting for 100 percent of its registered capital. The Company received the ordinary shares transfer and made full payment for all shares. Based on assessment of the above transaction, the management determined that the acquisition of ordinary shares of the subsidiaries is a purchase of assets because the acquired assets are not business units as defined in Thai Financial Reporting Standard No.3 (revised 2018) Business Combination.

The allocation of purchasing price of assets and liabilities of A S P Hotel and Resort Company Limited and C P T Hotel and Resort Company Limited as at the acquisition date are as follows:

(Unit: Million Baht)			
	A S P Hotel and Resort Company Limited	C P T Hotel and Resort Company Limited	Total
Other receivable	4	-	4
Property, plant and equipment	-	145	145
Trade and other payables	(35)	(33)	(68)
Long-term loans from financial institutions	(45)	(67)	(112)
Long-term provision	(6)	(15)	(21)

A S P Hotel and Resort Company Limited

In December 2021 the Company negotiated with the group of sellers requesting compensation as a result of purchasing investments in the subsidiary because legal ownership of the land and hotel buildings of that subsidiary has been transferred to a bank loan creditor (those assets having been pledged as collateral) through a public auction sale. This transaction occurred before the agreement to purchase ordinary shares of the subsidiary. The group of sellers agreed to join the Company in negotiating a compromise regarding the subsidiary's debt with the bank creditor for the compensation. Currently, they are in the process of requesting the bank for a reduction of the loan and accrued interest of the subsidiary amounting to Baht 70 million, which was the remaining debt after deducting the auction sale of the assets. However, the bank creditor is considering whether to approve this transaction. The Group reversed land and hotel building amounting to Baht 261 million, recorded a reduction of loan from the bank creditor of Baht 96 million due to the sale of assets at auction, reversed the surplus on asset revaluation of Baht 66 million (net of income tax) that had been recorded in other comprehensive income in the third quarter of the current year due to the revaluation of land and hotel buildings of the subsidiary and recognised losses from these transactions amounting to Baht 82 million in statement of comprehensive income for the current year. Currently, the Company is in the process of negotiating with bank creditors to buy back the land and hotel buildings.

C P T Hotel and Resort Company Limited

The Group recorded transaction costs of the land and hotel buildings of the subsidiary amounting to Baht 145 million in the consolidated statement of financial position. The Group also arranged for the appraisal of the land and hotel buildings by an independent appraiser using the market approach for land and depreciated replacement cost for the hotel buildings and recorded a surplus from asset revaluation amounting to Baht 56 million (net of income tax) in other comprehensive income for the current year.

13. Investment properties

A reconciliation of the net book value of investment properties for the year 2021 is presented below.

	(Unit: Thousand Baht)
	Consolidated financial statements
Net book value as at 1 January 2021	
Purchase land and building under construction	81,627
Net book value as at 31 December 2021	81,627

In September 2021, a subsidiary (A S P Hotel and Resort Company Limited) entered into a contract to buy land and construction thereon from a group of sellers, who are the same group selling ordinary shares of the subsidiary described in Note 12 to the financial statements. The land and construction that the subsidiary agreed to purchase were assets that had been pledged as collateral under the debt restructuring agreement between the group of sellers and a financial institution creditor and the contract price amounted to Baht 140 million, to be paid in 3 installments as follows.

1. The subsidiary will pay Baht 60 million by offsetting with all debts of the sellers to the subsidiary.
2. The subsidiary will pay Baht 44 million to the seller within a period of 1 year from the date of the contract.
3. The sellers require the subsidiary to pay an amount of Baht 36 million to the financial institution creditor which the sellers have outstanding debt under the debt restructuring agreement mentioned above.

During September 2021 to December 2021, the subsidiary completed the payment under 3) and ownership of the land and construction thereon was transferred to the subsidiary in December 2021. The subsidiary has not yet made the payment under 2) to the sellers. The subsidiary recorded cost of land and construction amounting to Baht 82 million (including transfer fees and related tax), which is equal to the amount that the subsidiary has to pay or has an obligation to pay, and recorded an account payable for the purchase of the assets of Baht 44 million in the consolidated statement of financial position as at 31 December 2021.

Additional information of the investment properties

The fair value of land and buildings under construction of Baht 180 million was appraised by an independent appraiser, using the market approach for land amounting to Baht 42 million and the depreciated replacement cost approach for buildings under construction amounting to Baht 138 million.

(Unit: Thousand Baht)

	Separate financial statements							
	Revaluation basis				Cost basis			
	Land	Buildings and building improvement	Leasehold building improvement	Furniture, fixtures and office equipment	Operating equipment	Vehicles	Assets under construction	Total
Cost / Revalued amount:								
1 January 2020	158,800	106,038	464,398	52,472	385,317	38,310	676	1,206,011
Additions	-	-	4,910	591	576	6	195	6,278
Disposals / write-off	-	-	(58,262)	(853)	(4,738)	-	-	(63,853)
Transfers	-	-	400	5	22	-	(427)	-
Revaluations	45,096	-	-	-	-	-	-	45,096
31 December 2020	203,896	106,038	411,446	52,215	381,177	38,316	444	1,193,532
Additions	66,469	-	12,656	442	852	-	643	81,062
Disposals / write-off	-	-	(86,924)	(3,035)	(67,640)	(3,866)	-	(161,465)
31 December 2021	270,365	106,038	337,178	49,622	314,389	34,450	1,087	1,113,129
Accumulated depreciation:								
1 January 2020	-	26,827	332,935	42,580	321,613	32,466	-	756,421
Depreciation for the year	-	6,245	23,717	3,512	12,471	1,137	-	47,082
Depreciation on disposals / write-off	-	-	(34,042)	(742)	(4,058)	-	-	(38,842)
31 December 2020	-	33,072	322,610	45,350	330,026	33,603	-	764,661
Depreciation for the year	-	5,726	19,899	2,635	10,626	1,137	-	40,023
Depreciation on disposals / write-off	-	-	(69,754)	(2,630)	(62,000)	(3,866)	-	(138,250)
31 December 2021	-	38,798	272,755	45,355	278,652	30,874	-	666,434

(Unit: Thousand Baht)

	Separate financial statements							
	Revaluation basis				Cost basis			
	Land	Buildings and building improvement	Leasehold building improvement	Furniture, fixtures and office equipment	Operating equipment	Vehicles	Assets under construction	Total
Allowance for impairment loss:								
1 January 2020	-	-	15,525	-	-	-	-	15,525
Decrease during the year	-	-	(15,525)	-	-	-	-	(15,525)
Increase during the year	-	-	1,304	-	-	-	-	1,304
31 December 2020	-	-	1,304	-	-	-	-	1,304
Decrease during the year	-	-	(1,304)	-	-	-	-	(1,304)
Increase during the year	-	-	7,323	-	-	-	-	7,323
31 December 2021	-	-	7,323	-	-	-	-	7,323
Net book value:								
31 December 2020	203,896	72,966	87,532	6,865	51,151	4,713	444	427,567
31 December 2021	270,365	67,240	57,100	4,267	35,737	3,576	1,087	439,372
Depreciation for the year								
2020 (Baht 1.3 million included in manufacturing cost, and the balance in selling and distribution and administrative expenses)								47,082
2021 (Baht 1.1 million included in manufacturing cost, and the balance in selling and distribution and administrative expenses)								40,023

During the current year, the Company acquired ordinary shares of the subsidiaries from a group of sellers and recorded the transaction cost of land and hotel buildings of the subsidiary company of Baht 145 million in the consolidated statement of financial position. The Group arranged for the appraisal of the land and hotel buildings by an independent appraiser using the basis as described in the next paragraph and recorded a surplus from asset revaluation amounting to Baht 56 million (net of income tax) in other comprehensive income for the current year.

In 2021 and 2020, the group arranged for an independent professional valuer to appraise the value of land and building. The basis of the revaluation was as follows:

- Land was revalued using the market approach.
- Building were revalued using the depreciated replacement cost approach.

Key assumptions used in the valuation are summarised below:

	Consolidated financial statements	Separate financial statements		Result to fair value whereas an increase in assumption value
	<u>2021</u>	<u>2021</u>	<u>2020</u>	
Price per square wha (Baht)	38,500 - 80,000	38,500	38,500	Increase in fair value

If the Group present the value of land and building using the cost method, net book value as at 31 December 2021 and 2020 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements	
	<u>2021</u>	<u>2021</u>	<u>2020</u>
Land	121,164	98,034	31,565
Buildings and building improvement	28,984	28,984	32,128
Hotel building awaiting renovation	121,463	-	-

As at 31 December 2021, the Group had plant and equipment items 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 477 million (the Company only: Baht 477 million 2020: Baht 557 million).

The Group has pledged land and construction thereon with net book value as at 31 December 2021 of Baht 486 million (the Company only: Baht 271 million 2020: Baht 277 million) as collateral against credit facilities of bank overdrafts and loans from financial institutions.

As at 31 December 2021 and 2020, the Company entered into asset insurance for branches, factory building, other structure, equipment and motor vehicles, and inventories. The beneficiary of these insured assets is the financial institution to secure for the loan.

During the current year, the Company recognises an impairment loss for leasehold building improvement amounting to Baht 7.3 million because the Company plans to close the branches in 2022.

15. Leases

The Group, as a lessee, has lease contracts for assets used in its operations. Lease terms are between 1 - 25 years.

15.1 Right-of-use assets

Movement of right-of-use assets for the years ended 31 December 2021 and 2020 are summarised below:

	(Unit: Thousand Baht)		
	Consolidated financial statements		
		Vehicles and others	Total
1 January 2021	411,322	4,155	415,477
Increase during the year	16,086	490	16,576
Cost of assets decommissioning	429	-	429
Decrease during the year	(45,009)	-	(45,009)
Adjustment of provision for decommissioning	174	-	174
Lease modification	43,923	-	43,923
Depreciation for the year	(169,244)	(1,570)	(170,814)
Allowance for impairment loss	(28,677)	-	(28,677)
31 December 2021	229,004	3,075	232,079

(Unit: Thousand Baht)

	Separate financial statements		
	Rental areas	Vehicles and others	Total
1 January 2020	592,546	5,677	598,223
Increase during the year	18,307	-	18,307
Cost of assets decommissioning	267	-	267
Decrease during the year	(23,155)	-	(23,155)
Adjustment of provision for decommissioning	(142)	-	(142)
Lease modification	48,211	-	48,211
Depreciation for the year	(134,518)	(1,522)	(136,040)
Difference from lease reduction	(80,913)	-	(80,913)
Allowance for impairment loss	(9,281)	-	(9,281)
31 December 2020	411,322	4,155	415,477
Increase during the year	16,086	490	16,576
Cost of assets decommissioning	429	-	429
Decrease during the year	(45,009)	-	(45,009)
Adjustment of provision for decommissioning	174	-	174
Lease modification	43,923	-	43,923
Depreciation for the year	(169,244)	(1,570)	(170,814)
Allowance for impairment loss	(28,677)	-	(28,677)
31 December 2021	229,004	3,075	232,079

During the year 2021, the Group recognises an impairment loss for right-of-use assets amounting to Baht 28.7 million (the Company only: Baht 28.7 million, 2020: Baht 9.3 million), to reduce the carrying amount of the assets to their recoverable amounts. The Group has determined the recoverable amounts of its assets based on value in use using cash flow projections from financial estimation approved by management.

Key assumptions used in value in use calculations are as follows:

	(Unit: percent per annum)
	Consolidated/Separate financial statements
Pre-tax discount rate	11.0
Long-term growth rate	0.7

15.2 Lease liabilities

	(Unit: Thousand Baht)		
	Consolidated	Separate	
	financial statements	financial statements	
	<u>2021</u>	<u>2021</u>	<u>2020</u>
Lease payments	298,331	298,331	456,684
Less: Deferred interest expenses	(28,050)	(28,050)	(39,156)
Total	270,281	270,281	417,528
Less: Portion due within one year	(118,541)	(118,541)	(198,624)
Lease liabilities - net of current portion	151,740	151,740	218,904

Movements of the lease liabilities account during the years ended 31 December 2021 and 2020 are summarised below:

	(Unit: Thousand Baht)		
	Consolidated	Separate	
	financial statements	financial statements	
	<u>2021</u>	<u>2021</u>	<u>2020</u>
Balance at beginning of year	417,528	417,528	574,381
Additions	16,561	16,561	18,305
Accretion of interest	14,999	14,999	23,387
Repayments	(108,300)	(108,300)	(133,881)
Difference from lease reduction	(68,199)	(68,199)	(90,004)
Decrease	(46,106)	(46,106)	(23,321)
Lease modification	43,798	43,798	48,661
Balance at end of year	270,281	270,281	417,528

A maturity analysis of lease payments is disclosed in Note 37.1 to the financial statement under the liquidity risk.

15.3 Expenses relating to leases that are recognised in profit or loss

	(Unit: Thousand Baht)		
	Consolidated	Separate	
	financial statements	financial statements	
	<u>2021</u>	<u>2021</u>	<u>2020</u>
Depreciation expense of right-of-use assets	170,814	170,814	136,040
Interest expense on lease liabilities	14,999	14,999	23,387
Expense relating to variable lease payments that do not depend on an index or a rate	3,186	3,186	3,250

The Group has lease contracts for building area space that contains variable payments based on sales. The lease term is 2 years.

15.4 Others

The Group had total cash outflows for leases for the year ended 31 December 2021 of Baht 108 million (the Company only: Baht 108 million, 2020: Baht 137 million), including the cash outflow related to variable lease payments that do not depend on an index or a rate.

Currently, the Group is in the process of negotiating for a building area rental discount with the lessor continuously due to the COVID-19 pandemic situation.

16. Other non-current financial assets

	(Unit: Thousand Baht)		
	Consolidated	Separate	
	financial statements	financial statements	
	<u>2021</u>	<u>2021</u>	<u>2020</u>
Rental deposit	45,016	45,016	55,015
Service deposit	17,328	17,328	15,861
Electricity deposit	1,276	1,276	1,791
Equipment deposit	202	202	1,315
Decoration deposit	2,187	2,187	2,621
Other deposit	1,082	1,082	1,272
Total	67,091	67,091	77,875

17. Bank overdrafts and short-term loans from financial institutions

(Unit: Thousand Baht)

	Interest rate (percent per annum)	Consolidated	Separate	
		financial statements	financial statements	
		<u>2021</u>	<u>2021</u>	<u>2020</u>
Bank overdrafts	MOR, MRR-1	58,791	58,791	63,153
Promissory note	MLR	30,000	30,000	30,000
Total		<u>88,791</u>	<u>88,791</u>	<u>93,153</u>

Bank overdrafts are secured by the mortgage of the Group's land and structures thereon and fixed deposits.

18. Short-term loans

(Unit: Thousand Baht)

	Interest rate (percent per annum)	Consolidated	Separate financial statements	
		financial statements		
		<u>2021</u>	<u>2021</u>	<u>2020</u>
Short-term loans	9.00	32,000	32,000	32,000
Promissory notes - unrelated person	3.75 - 12.00	76,300	76,300	55,000
Promissory notes - director (Note 6)	3.50	280	280	380
Promissory notes - related parson (Note 6)	6.00	16,091	16,091	14,500
Less: prepaid interest expense		(430)	(430)	(285)
Total		<u>124,241</u>	<u>124,241</u>	<u>101,595</u>

As at 31 December 2021, the Group has short-term loans from unrelated persons of Baht 12 million (the Company only: Baht 12 million, 2020: Baht 12 million), secured by the mortgage of land of the Group's director, and short-term loans from unrelated persons of Baht 20 million (the Company only: Baht 20 million, 2020: Baht 20 million), which are unsecured.

19. Trade and other payables

	(Unit: Thousand Baht)		
	Consolidated	Separate	
	financial statements	financial statements	
	<u>2021</u>	<u>2021</u>	<u>2020</u>
Trade payables - related parties (Note 6)	1,724	1,724	1,568
Trade payables - unrelated parties	57,198	57,198	77,346
Other payables - related parties (Note 6)	13,397	13,397	11,093
Other payables - unrelated parties	73,089	73,029	95,343
Payables for construction and purchase of assets	61,031	8,169	4,207
Accrued interest expenses - related parties (Note 6)	728	728	525
Accrued interest expenses - unrelated parties	57,506	967	991
Accrued expenses	63,974	63,816	31,851
Others	1,164	1,164	1,253
Total	<u>329,811</u>	<u>220,192</u>	<u>224,177</u>

The two subsidiaries were sued by creditors with total of debt amounting to Baht 8.4 million, demanding payment of outstanding debts and the court has ordered the subsidiaries to pay such debt to the creditors together with the relevant interest.

20. Long-term loans from financial institutions

(Unit: Thousand Baht)					
Loan	Interest rate	Repayment schedule	Consolidated	Separate	
			financial	financial statements	
			statements	2021	2020
	(percent per annum)		<u>2021</u>	<u>2021</u>	<u>2020</u>
1	MLR-1.3	Monthly installments starting from the 13th month and full payment to be made within 5 years from the drawdown date.	21,253	21,253	21,253
2	MLR-1.0 to MLR-2.0	Monthly installments within 9 years from the contract date	44,796	-	-
3	MLR-1.5	Monthly installments from August 2021 to July 2026.	66,855	-	-
Total			132,904	21,253	21,253
Less: Current portion			(59,796)	(15,000)	(15,000)
Long-term loans, net of current portion			<u>73,108</u>	<u>6,253</u>	<u>6,253</u>

Movements of the long-term loan account during the years ended 31 December 2021 and 2020 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements	
	<u>2021</u>	<u>2021</u>	<u>2021</u>
Balance - beginning of year	21,253	21,253	24,253
Repayments	(66)	-	(3,000)
Acquisition of subsidiaries	111,717	-	-
Balance - end of year	<u>132,904</u>	<u>21,253</u>	<u>21,253</u>

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In March 2020, the Company signed the loan agreements (Amendment version) with amendment made to the term of loan repayment which has been suspended from March 2020 onwards. The Company will commence making repayment on the last day of March 2021.

Subsequently, in March 2021, the Company signed the loan agreements (Amendment version No. 2) with amendment made to the term of loan repayment which has been suspended from March 2021 onwards. The Company will commence making repayment on the last day of March 2022 and the loan will be repaid in full within May 2023.

The subsidiaries

The subsidiaries' loans from bank were delivered a verdict by a court to pay debts and related interest.

Currently, a subsidiary (C P T Hotel and Resort Company Limited) has entered into a debt restructuring agreement with a bank for debt amounting to Baht 67 million, whereby the repayment period runs from August 2021 until July 2026.

The Company and the group of sellers of the investment in the subsidiary are in the process of requesting a reduction of the loan debt of another subsidiary (A S P Hotel and Resort Company Limited) to the bank amounting to Baht 70 million (including accrued interest) as described in Note 12 to the financial statement.

The loans are secured by the mortgage of the Group's land and construction thereon and guarantees provided by individuals.

Under the long-term loan agreement, the Company is required to comply with some financial conditions as mentioned in the agreement. These include maintaining the debt to equity ratio and the debt service coverage ratio to be in accordance with the stipulated rate in the agreement.

As at 31 December 2021 and 2020 the Company was unable to comply with certain financial ratios stipulated in the loan agreements with the bank. However, the Company already received a letter from the bank, to inform that they agreed to waive covenant relating to maintenance of the financial ratios. Therefore, the Company did not reclassify long-term loan balance as at 31 December 2021 and 2020.

21. Provision for decommissioning

	(Unit: Thousand Baht) Consolidated financial statements
1 January 2021	22,051
Increase during the year	52
Increase from open of new branches	429
Reversal of provisions from closure of branches	(5,838)
Increase from assumptions changes	269
31 December 2021	16,963

	(Unit: Thousand Baht) Separate financial statements
1 January 2020	24,912
Increase during the year	330
Increase from open of new branches	267
Reversal of provisions from closure of branches	(3,316)
Decrease from assumptions changes	(142)
31 December 2020	22,051
Increase during the year	52
Increase from open of new branches	429
Reversal of provisions from closure of branches	(5,838)
Increase from assumptions changes	269
31 December 2021	16,963

22. Convertible debentures/Options

On 15 June 2021, the Extraordinary Shareholder's Meeting of the Company passed a resolution to approve on issuance and offering of the convertible debentures on a private placement basis to Advance Opportunities Fund ("AO Fund") and Advance Opportunities Fund I ("AO Fund 1"). Details are as follows:

Total principal amount of convertible debentures	<p>Not exceeding Baht 300 million divided into 3 tranches as follows:</p> <ol style="list-style-type: none">1) Tranche 1 Convertible debentures in the amount of not exceeding Baht 100 million divided into 40 equal sub-tranches, each of which is Baht 2.5 million.2) Tranche 2 Convertible debentures in the amount of not exceeding Baht 100 million divided into 40 equal sub-tranches, each of which is Baht 2.5 million.3) Tranche 3 Convertible debentures in the amount of not exceeding Baht 100 million divided into 25 equal sub-tranches, each of which is Baht 4 million.
Issuance condition	<p>The Company will issue the convertible bond following by Tranche (1-4) according to the liquidity of the Company. The issuance has to follow the condition president including condition and conversion of such convertible debentures.</p> <p>However, the timeframe of the issuance is within 3 years after shareholder's meeting approved the issuance, but it can be reconsidered by shareholder if the Company would like to extend these matter.</p>
Interest rate	2 percent per annum, provided that the interest will be paid on a quarterly basis.
Maturity Period	3 years after the issuance of each Tranche.
Payback Condition	Repay in lump sum after each due of specific Tranche.
Conversion Price	Will not lower than 90 percent of the weighted average price of the Company's shares trading on the Stock Exchange of Thailand (MAI) for not less than 7 consecutive business days but not more than 15 consecutive business days before the date that convertible debenture holders exercise their convertible debentures.

On 7 July 2021, the Company entered into a contract to issue unsubordinated and unsecured convertible debentures to investors with a total value of not more than Baht 300 million as described above. During 2021, the Company gradually offered and issued the newly convertible debentures and convertible debentures holders have notified the Company of the conversion convertible debentures as follow:

	Offered and issued convertible debentures	Exercised the convertible debentures	Number of ordinary shares derived from conversion
	(Thousand Baht)	(Thousand Baht)	(Thousand Shares)
No. 1/2021	30,000	30,000	62,568
No. 2/2021	10,000	10,000	21,786
No. 3/2021	20,000	20,000	44,500
No. 4/2021	20,000	20,000	47,281
No. 5/2021	20,000	20,000	48,696
No. 6/2021	15,000	15,000	40,335
No. 7/2021	20,000	20,000	54,987
No. 8/2021	10,000	5,000	13,812
No. 9/2021	20,000	-	-
No. 10/2021	10,000	-	-

Movements of the convertible debentures and options for the year ended 31 December 2021 are summarised below.

	(Unit: Thousand Baht) Consolidated/Separate financial statements
<u>Convertible debentures</u>	
Balance as at 1 January 2021	-
Add: The issuance of convertible debentures	175,000
Less: Transaction cost	(37,195)
Less: Exercise of conversion rights	(140,000)
Add: Amortised - transaction cost	27,854
Balance as at 31 December 2021	25,659

(Unit: Thousand Baht)
Consolidated/Separate
financial statements

Options

Balance as at 1 January 2021	-
Add: The issuance of options	19,444
Less: Exercise of conversion rights	(15,555)
Balance as at 31 December 2021	<u>3,889</u>

23. Long-term provision

The balance are provision of the subsidiaries relating to tax expense and penalty that may occur in the future.

24. Share capital

On 26 March 2021, the Annual General Meeting of the shareholders of the Company passed the following significant resolutions:

- a) To increase its registered capital from Baht 203,215,243 to Baht 264,179,815.50 by issuing 243,858,290 new ordinary shares at a par value of Baht 0.25 per share. The new ordinary shares will be offered to the existing shareholders on a rights offering basis and on a private placement basis under the general mandate.
- b) To allocate the newly issued ordinary shares as detailed below:
 1. Newly issued ordinary shares of not greater than 162,572,194 shares are to be offered to existing shareholders (Rights Offering).
 2. Newly issued ordinary shares of not greater than 81,286,096 shares are to be offered in a single tranche or multiple tranches for offering from time to time to investors on a private placement basis.

The Company registered the increase in its share capital with the Ministry of Commerce on 29 March 2021.

On 30 March 2021, the Board of Directors' Meeting of the Company passed a resolution approving the offering of 18,750,000 newly ordinary shares to investors on a private placement basis at a price of Baht 0.80 each. The Company received payment for the newly issued shares and registered the increase in its issued and paid-up share capital with the Ministry of Commerce on 1 April 2021.

On 7 April 2021, the Board of Directors' Meeting of the Company passed a resolution approving the offering of 30,000,000 newly ordinary shares to investors on a private placement basis at a price of Baht 0.80 each. The Company received payment for the newly issued shares and registered the increase in its issued and paid-up share capital with the Ministry of Commerce on 8 April 2021.

On 20 April 2021, the Board of Directors' Meeting of the Company passed a resolution approving the offering of 32,250,000 newly ordinary shares to investors on a private placement basis at a price of Baht 0.80 each. The Company received payment for the newly issued shares and registered the increase in its issued and paid-up share capital with the Ministry of Commerce on 23 April 2021.

Subsequently, on 15 June 2021, the Extraordinary General Meeting of the shareholders of the Company passed the following significant resolutions:

- a) To decrease its registered capital from Baht 264,179,815.50 to Baht 223,465,243 by canceling 162,858,290 ordinary shares remaining unsold or not yet sold at a par value of Baht 0.25 per share.
- b) To increase its registered capital from Baht 223,465,243 to Baht 402,215,090.75 by issuing 714,999,391 new ordinary shares at a par value of Baht 0.25 per share. The new ordinary shares will be offered to the existing shareholders on a rights offering basis and on a private placement basis under the general mandate, to accommodate the exercise of warrant (JCKH-W1) and the conversion of the newly issued convertible debentures.
- c) To issue and offer the 1st tranche of 223,465,243 units of warrants to purchase the ordinary shares of the Company (JCKH-W1) to existing shareholders at a ratio of 4 existing shares per 1 unit without charges. The exercise price is Baht 0.25 per share.
- d) To issue and offer the Company's newly issued convertible debentures of not exceeding Baht 300,000,000 to investors on a private placement basis. In this regard, the Board of Directors shall be authorized to determine the details, amend or take any actions as necessary for and in connection with the issuance and offering of the convertible debentures.
- e) To allocate the newly issued ordinary shares as detailed below:
 1. Newly issued ordinary shares of not greater than 178,772,194 shares are to be offered to existing shareholders (Rights Offering) under the general mandate.
 2. Newly issued ordinary shares of not greater than 89,386,097 shares are to be offered in a single tranche or multiple tranches for offering from time to time to investors on a private placement basis under the general mandate.

3. Newly issued ordinary shares of not greater than 223,465,243 shares are to be reserved for the exercise of JCKH-W1.
4. Newly issued ordinary shares of not greater than 223,375,857 shares are to be reserved for the conversion of the newly issued convertible debentures.

The Company registered the decrease in its share capital and the increase in its share capital as discussed in a) and b) on 16 June 2021 and 17 June 2021, respectively.

On 25 June 2021, the Board of Directors' Meeting of the Company passed a resolution approving the offering of 16,760,900 newly ordinary shares to investors on a private placement basis at a price of Baht 0.80 each. The Company received payment for the newly issued shares and registered the increase in its issued and paid-up share capital with the Ministry of Commerce on 28 June 2021.

On 25 August 2021, the Board of Directors' Meeting of the Company passed a resolution approving the offering of 56,604,000 newly ordinary shares to investors on a private placement basis at a price of Baht 0.53 each. The Company received payment for the newly issued shares and registered the increase in its issued and paid-up share capital with the Ministry of Commerce on 27 August 2021.

On 19 October 2021, the Board of Directors' Meeting of the Company passed a resolution approving the offering of 15,061,447 newly ordinary shares to investors on a private placement basis at an offer price of Baht 0.48 each and 959,750 newly ordinary shares to investors on a private placement basis at an offer price of Baht 0.80 each. The Company received payment for the newly issued shares and registered the increase in its issued and paid-up share capital with the Ministry of Commerce in October 2021.

On 22 November 2021, the Extraordinary General Meeting of Shareholders of the Company No.2/2021 passed the following significant resolutions:

- a) To decrease its registered capital from Baht 402,215,090.75 to Baht 357,522,042.25 by canceling 178,772,194 ordinary shares remaining unsold or not yet sold at a par value of Baht 0.25 per share.
- b) To increase its registered capital from Baht 357,522,042.25 to Baht 537,448,425 by issuing 719,705,531 new ordinary shares at a par value of Baht 0.25 per share. The new ordinary shares will be offered to the existing shareholders on a rights offering basis and on a private placement basis under the general mandate and the reserved for conversion of the newly issued convertible debentures.

c) To allocate the newly issued ordinary shares as detailed below:

1. The number of newly issued ordinary shares not greater than 238,998,732 shares to be offered to existing shareholders (Rights Offering) under the General Mandate.
2. The number of newly issued ordinary shares not greater than 119,499,366 shares to be offered in a single tranche or multiple tranches for offering from time to time to investors on a private placement basis under the General Mandate.
3. The number of newly issued ordinary shares not greater than 361,207,433 shares to be reserved for the conversion of the newly issued convertible debentures.

The Company registered the decrease and increase in its registered share capital as a) and b) with the Ministry of Commerce on 23 November 2011 and 24 November 2021, respectively.

A reconciliation of the number of shares issued and fully paid up is presented below.

	Consolidated/Separate financial statements	
	Number of shares	Par value
	(Thousand shares)	(Thousand Baht)
As at 1 January 2020	625,278	156,319
Increase share capital	187,583	46,896
As at 31 December 2020	812,861	203,215
Increase share capital	170,386	42,596
Convertible debentures' holders exercised to new ordinary shares	333,966	83,492
Warrants' holders exercised warrants to purchase new ordinary shares	150	38
As at 31 December 2021	1,317,363	329,341

25. Warrant

On 15 July 2021, the Company allocated the first tranche of 223,465,141 units of warrants to purchase the ordinary shares of the Company (JCKH-W1) to existing shareholders whose names are on the list of shareholders entitled to be allocated warrants on 21 June 2021 (Record date) at a ratio of 4 existing shares per 1 unit without charges (with fractional shares to be disregarded). The exercise price is Baht 0.25 per share at a exercise ratio of 1 unit per 1 ordinary share. The warrants have an exercise period of 3 years from the date of issue and are exercisable on the last business day of March, June, September and December of each year.

In September 2021, warrant holders of 149,997 units to purchase the ordinary shares of the Company No. 1 (JCKH-W1) have exercised their rights to purchase the Company's ordinary shares. The Company received payment for shares at the exercise price and registered the increase in the issued and paid-up share capital with the Ministry of Commerce on 30 September 2021.

Presented below is a summary of movement in the number of 1st tranche warrants (JCKH-W1) for the year ended 31 December 2021.

	(Unit)
Balance as at 1 January 2021	-
Issue warrants during the year	223,465,141
Exercised during the year	(149,997)
Balance as at 31 December 2021	223,315,144

26. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 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.

27. Revaluation surplus

This represents surplus arising from revaluation of land and building.

The surplus from revaluation of building is amortised to retained earnings on a straight-line basis over the remaining life of the related assets.

	(Unit: Thousand Baht)
	Consolidated financial statements
	<u>2021</u>
Balance - beginning of year	170,945
Add: Revaluation	56,161
Less: Transfer to retained earnings	(2,474)
Balance - end of year	224,632

	(Unit: Thousand Baht)	
	Separate financial statements	
	<u>2021</u>	<u>2020</u>
Balance - beginning of year	170,945	137,415
Add: Revaluation	-	36,077
Less: Transfer to retained earnings	(2,474)	(2,547)
Balance - end of year	168,471	170,945

The revaluation surplus can neither be offset against deficit nor used for dividend payment.

28. Finance cost

	(Unit: Thousand Baht)		
	Consolidated	Separate	
	financial statements	financial statements	
	<u>2021</u>	<u>2021</u>	<u>2020</u>
Interest expenses on borrowings and convertible debentures	21,823	19,500	14,928
Interest expenses on lease liabilities	14,999	14,999	14,075
Other interest expenses	396	152	8
Total	<u>37,218</u>	<u>34,651</u>	<u>29,011</u>

29. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)		
	Consolidated	Separate	
	financial statements	financial statements	
	<u>2021</u>	<u>2021</u>	<u>2020</u>
Salaries and wages and other employee benefits	140,170	140,004	198,953
Depreciation	210,837	210,837	183,122
Amortisation expenses	1,077	1,077	1,302
Rental expenses from operating lease agreements	918	918	5,690
Raw materials and consumables used	208,472	208,472	268,880
Changes in inventories of finished goods	(656)	(656)	(13,547)
Advertising and promotion expenses	3,680	3,680	5,893

30. Income tax

Income tax expenses for the years ended 31 December 2021 and 2020 are made up as follows:

	(Unit: Thousand Baht)		
	Consolidated	Separate	
	financial statements	financial statements	
	<u>2021</u>	<u>2021</u>	<u>2020</u>
Current income tax:			
Current income tax charge	-	-	-
Deferred tax:			
Relating to origination and reversal of temporary differences	(2,169)	(2,169)	(856)
Income tax benefit reported in profit or loss	<u>(2,169)</u>	<u>(2,169)</u>	<u>(856)</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2021 and 2020 are as follows:

	(Unit: Thousand Baht)		
	Consolidated	Separate	
	financial statements	financial statements	
	<u>2021</u>	<u>2021</u>	<u>2020</u>
Deferred tax on gain from revaluation of land and buildings	14,040	-	9,019

The reconciliation between accounting loss and income tax expense is shown below

(Unit: Thousand Baht)

	Consolidated	Separate financial statements	
	financial statements	2021	2020
Accounting loss before tax	(342,196)	(259,759)	(142,871)
Applicable tax rate	20	20	20
Accounting loss before tax multiplied by income tax rate	(68,439)	(51,952)	(28,574)
Tax loss on which deferred tax asset have not been recognised	50,711	34,224	18,305
Effects of:			
Non-deductible expenses	63,691	63,691	56,666
Additional expense deductions allowed	(48,132)	(48,132)	(47,253)
Others	-	-	-
Total	15,559	15,559	9,413
Income tax benefit reported in profit or loss	(2,169)	(2,169)	(856)

The components of deferred tax liabilities are as follows:

(Unit: Thousand Baht)

	Statements of financial position		
	Consolidated	Separate financial statements	
	financial statements	2021	2020
Deferred tax liabilities			
Prepaid expenses	18	18	75
Surplus from revaluation of land and building	56,158	42,118	42,736
Accumulated depreciation - plant and equipment	16,251	16,251	17,776
Lease liabilities	263	263	232
Total	72,690	58,650	60,819

As at 31 December 2021, the Group has unused tax losses totaling Baht 622 million (2020: Baht 532 million), on which deferred tax assets have not been recognised as the Group believes future taxable profits may not be sufficient to allow utilisation of the unused tax losses. The unused tax losses will expire by 2022 - 2026 (2020: 2021 - 2025).

31. Earnings (loss) per share

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

Diluted earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued.

However, the Company did not present diluted earnings per share as conversion of the convertible debentures including the exercise of warrant to purchase the Company's ordinary shares will result in an increase in earnings per share.

32. 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.

During the current year, the Group invested in the hotel business by acquiring shares of the two subsidiaries as described in Note 12 to the financial statements. However, as at 31 December 2021 the hotels are awaiting for renovation and the subsidiaries have no operating income. Therefore, as at 31 December 2021, the Group is principally engaged in food and beverage outlet segment. Its operations are carried on only in Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, revenues and operating profits (loss) as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment and geographical area.

Major customer

For the year 2021 and 2020, the Group has no major customer with revenue of 10 percent or more of an entity's revenues.

33. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both the Company and employees contribute to the fund monthly at the rate of 5 percent of basic salary. The fund, which is managed by One AM Master fund, will be paid to employees upon termination in accordance with the fund rules.

34. Commitment and contingent liabilities

34.1 Capital commitments

As at 31 December 2021, the Company had capital commitments of approximately Baht 5 million, relating to branches renovation.

34.2 Service commitments

As at 31 December 2021, the Group has future service payments required under these non-cancellable service contracts of Baht 7 million (the Company only: Baht 7 million, 2020: Baht 4 million).

34.3 Bank guarantees

As at 31 December 2021, the Group had the letter of guarantees issued by a bank to secure the performance relating to rental and service agreements and electricity usage in the amount of Baht 8.3 million and Baht 0.7 million, respectively (the Company only: Baht 8.3 million and Baht 0.7 million, respectively, 2020: Baht 19.0 million and Baht 21.5 million, respectively).

35. Litigation

As at 31 December 2021, the Company has pending lawsuits in connection with breaches of hire-of-work agreement, purchase agreement together with claim for damages, and breach of lease agreement with the total amount in dispute of Baht 11.5 million. However, the Company has not recorded a provision for liabilities from such lawsuits because the Company is currently defending the lawsuits and the management believes that the Company will incur no significant losses.

36. Fair value hierarchy

As at 31 December 2021 and 2020, the Group had the assets and liabilities that were measured at fair value or disclosed the fair value using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	As at 31 December 2021			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Land and building	-	-	552	552

(Unit: Million Baht)

	Separate financial statements			
	As at 31 December 2021			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Land and building	-	-	338	338

(Unit: Million Baht)

	Separate financial statements			
	As at 31 December 2020			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Land and building	-	-	277	277

37. Financial instruments

37.1 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade and other receivable, rental deposits, bank overdrafts, trade and other payable, short-term loans, long-term loans, convertible debentures 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 and other receivables, deposits with banks and rental deposits. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

Trade and other receivables

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade and other receivables are regularly monitored.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on reasonable and supportable information that is available at the reporting date.

Cash deposits

The Group manages the credit risk of balances with banks and financial institutions by making investments only with approved counterparties.

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

Rental deposits

The Group manages the risk by making lease contracts only with reliable and approved counterparties. The Group's risk is low. In the past, loss rate of non-refund rental deposits was low.

Market risk

The Group's market risk is interest rate risk.

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its cash at banks, bank overdrafts, loans, convertible debentures and lease liabilities. 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.

As at 31 December 2021 and 2020, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Consolidated financial statements						
2021						
Fixed interest rates						
Within	1-5	Floating	Non- interest	Total	Interest rate	
1 year	years	interest rate	bearing			
						(% per annum)
<u>Financial Assets</u>						
Cash and cash equivalent	-	-	6	3	9	0.125 - 0.15
Trade and other receivables	-	-	-	65	65	-
Restricted bank deposits	3	-	-	-	3	0.15
Other non-current financial	-	-	-	67	67	-
assets - rental deposits						

(Unit: Million Baht)

Consolidated financial statements

2021

	Fixed interest rates				Total	Interest rate (% per annum)
	Within 1 year	1-5 years	Floating interest rate	Non- interest bearing		
<u>Financial liabilities</u>						
Bank overdrafts and short-term loans from financial institutions	-	-	89	-	89	MOR, MRR-1, MLR
Short-term loans	124	-	-	-	124	3.50 - 12.00
Trade and other payables	8	-	-	322	330	7.50
Long-term loans from financial institutions	45	-	88	-	133	MLR-1.0 to MLR-1.5, 8
Lease liabilities	118	152	-	-	270	1.89 - 9.07
Convertible debentures	-	26	-	-	26	2.00

(Unit: Million Baht)

Separate financial statements

2021

	Fixed interest rates				Total	Interest rate (% per annum)
	Within 1 year	1-5 years	Floating interest rate	Non- interest bearing		
<u>Financial Assets</u>						
Cash and cash equivalent	-	-	6	3	9	0.125 - 0.15
Trade and other receivables	-	-	-	60	60	-
Restricted bank deposits	3	-	-	-	3	0.15
Other non-current financial assets - rental deposits	-	-	-	67	67	-
<u>Financial liabilities</u>						
Bank overdrafts and short-term loans from financial institutions	-	-	89	-	89	MOR, MRR-1, MLR
Short-term loans	124	-	-	-	124	3.50 - 12.00
Trade and other payables	-	-	-	220	220	-
Long-term loans from financial institutions	-	-	21	-	21	MLR-1.3
Lease liabilities	118	152	-	-	270	1.89 - 9.07
Convertible debentures	-	26	-	-	26	2.00

(Unit: Million Baht)

Separate financial statements

2020

	Fixed interest rates					
	Within	1-5	Floating	Non- interest		
	1 year	years	interest rate	bearing	Total	Interest rate
						(% per annum)
<u>Financial Assets</u>						
Cash and cash equivalent	-	-	2	3	5	0.125 - 0.15
Trade and other receivables	-	-	-	49	49	-
Restricted bank deposits	3	-	-	-	3	0.22
Other non-current financial assets - rental deposits	-	-	-	78	78	-
<u>Financial liabilities</u>						
Bank overdrafts and short-term loans from financial institutions	-	-	93	-	93	MOR, MRR-1. MLR
Short-term loans	102	-	-	-	102	3.50 - 12.00
Trade and other payables	-	-	-	224	224	-
Long-term loans from financial institutions	-	-	21	-	21	MLR-1.3
Lease liabilities	199	219	-	-	418	2.62 - 9.07

Interest rate sensitivity

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in interest rates on that portion of floating rate loans from, affected as at 31 December 2021 and 2020, with all other variables held constant.

Consolidated financial statements

2021

Currency	Increase/decrease	Effect on profit before tax
	(%)	(Thousand Baht)
Baht	+1	(513)
	- 1	513

Separate financial statements

Currency	2021		2020	
	Increase/ decrease	Effect on profit before tax	Increase/ decrease	Effect on profit before tax
	(%)	(Thousand Baht)	(%)	(Thousand Baht)
Baht	+1	(513)	+1.00	(1,144)
	- 1	513	-1.00	1,144

The above analysis has been prepared assuming that the amounts of the floating rate loans from and all other variables remain constant over one year. Moreover, the floating legs of these loans from are assumed to not yet have set interest rates. As a result, a change in interest rates affects interest 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 a shortage of liquidity through the use of bank overdrafts, loans and convertible debentures. The Group has debt maturing within 12 months that expected be rolled over with existing lenders.

The table below summarises the maturity profile of the Group's financial liabilities as at 31 December 2021 and 2020 based on contractual undiscounted cash flows:

(Unit: Thousand Baht)

	Consolidated financial statements				
	As at 31 December 2021				
	Less than				Total
	On demand	1 year	1 to 5 year	> 5 years	
Bank overdraft and short-term loans					
from financial institutions	-	88,791	-	-	88,791
Trade and other payables	-	329,811	-	-	329,811
Short-term loans	16,371	107,870	-	-	124,241
Lease liabilities	-	118,541	120,930	30,810	270,281
Long-term loans from financial institutions	44,796	15,000	73,108	-	132,904
Convertible debentures	-	-	25,659	-	25,659
Total	61,167	660,013	219,697	30,810	971,687

(Unit: Thousand Baht)

	Separate financial statements				
	As at 31 December 2021				
	On	Less than			
	demand	1 year	1 to 5 year	> 5 years	Total
Bank overdraft and short-term loans					
from financial institutions	-	88,791	-	-	88,791
Trade and other payables	-	220,191	-	-	220,191
Short-term loans	16,371	107,870	-	-	124,241
Lease liabilities	-	118,541	120,930	30,810	270,281
Long-term loans from financial					
institutions	-	15,000	6,253	-	21,253
Convertible debentures	-	-	25,659	-	25,659
Total	16,371	550,393	152,842	30,810	750,416

(Unit: Thousand Baht)

	Separate financial statements				
	As at 31 December 2020				
	On	Less than			
	demand	1 year	1 to 5 year	> 5 years	Total
Bank overdraft and short-term loans					
from financial institutions	-	93,153	-	-	93,153
Trade and other payables	-	224,177	-	-	224,177
Short-term loans	14,880	87,678	-	-	102,558
Lease liabilities	-	213,494	200,660	42,530	456,684
Long-term loans from financial					
institutions	-	15,648	6,308	-	21,956
Total	14,880	634,150	206,968	42,530	898,528

37.2 Fair values of financial instruments

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

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

38. Capital management

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2021, the Group's debt to equity ratio was 83.9:1 and the Company's was 22.9:1 (2020: 24.6:1).

39. Subsequent event

39.1 In January and February 2022, the Company offered and issued the newly convertible debentures of Baht 49 million and convertible debenture holders have notified the Company of the conversion convertible debenture totaling Baht 84 million to 242,371,011 ordinary shares.

39.2 On 28 February 2022, the Board of Directors meeting of the Company No.1/2022 passed the following significant resolutions:

- a) To decrease its registered share capital from Baht 537,448,425 to Baht 447,823,900.50 by canceling 358,498,098 ordinary shares remaining unsold or not yet sold at a par value of Baht 0.25 per share.
- b) To increase its registered share capital from Baht 447,823,900.50 to Baht 701,490,270.50 by issuing 1,014,665,480 new ordinary shares at a par value of Baht 0.25 per share. The new ordinary shares will be offered to the existing shareholders on a rights offering basis and on a private placement basis under the general mandate and the conversion of the newly issued convertible debentures.
- c) To allocate the newly issued ordinary shares as detailed below:
 1. The number of newly issued ordinary shares not greater than 155,973,373 shares to be offered to existing shareholders (Rights Offering) under the General Mandate.
 2. The number of newly issued ordinary shares not greater than 311,946,746 shares to be offered in a single tranche or multiple tranches for offering from time to time to investors on a private placement basis under the General Mandate.
 3. The number of newly issued ordinary shares not greater than 546,745,361 shares to be reserved for the conversion of the newly issued convertible debentures.

40. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 28 February 2022.

Certify Correct Information

“The Company has carefully reviewed the information in this annual registration statement for the year 2021 (Form 56-1 One Report). The Company certifies that such information is correct, complete and not causing misunderstanding to others or lacking information that should be disclosed in material respects. Moreover, the Company certified that:

- (1) The financial statements and financial information summarized in the annual registration statement for the year 2021 (Form 56-1 One Report) have accurately and completely information regarding the financial position, performance and cash flows of the Company's and its subsidiaries.
- (2) The Company has a good information disclosure system to ensure that the Company has disclosed the Company and its subsidiaries' information that is materiality with correctly and completely as well as to control and supervise the implementation of the system.
- (3) The Company has set up a good internal control system and supervise to ensure compliance with the system. The Company has informed the internal control system assessment information as of February 25, 2022 to the Company's Auditor and the Audit Committee. This covers deficiencies and significant changes in the internal control system, including wrongful acts that may affect the preparation of financial reports of the Company and its subsidiaries.

In this regard, as evidence that all documents are the same set of documents that the Company has certified. The Company has assigned Mr. Athawut Taechaubol has signed this document on every page as well. If any document does not have the signature of Mr. Athawut Taechaubol, the Company will assume that it is not the information that the Company has certified the accuracy of the information mentioned above.”

Authorized Director

Name	Position	Signature
1. Mr. Athawut Taechaubol	Director and Joint – Chief Executive Officer	
2. Mrs. Rachanee Siwawej	Director and Executive Committee Member	



Attorney

Name	Position	Signature
Mr. Athawut Taechaubol	Director and Joint – Chief Executive Officer	

Attachment Details

- Attachment 1 Details of Directors, Executives, Persons with Controlling Authority and Company Secretary.
- Attachment 2 Details about the Directors of the Subsidiaries.
- Attachment 3 Details about the Head of Internal Audit and Head of Compliance.
- Attachment 4 Assets used in business and details about property appraisals.
- Attachment 5 Corporate Governance Policy and Guidelines and business ethics.
- Attachment 6 Audit Committee Report.

Details of the Board of Directors and Executives

Dr. Apichai Taechaubol

Chairman

Executive Chairman

Age	66 years
Date of appointment	January 16, 2017
Years of service	5 years
Expertise	Finance and real estate management
Director type	Director

Education

- Honorary Doctorate of Business Administration (General Management), Ramkhamhaeng University
- Master's Degree in Political Science, Ramkhamhaeng University
- Bachelor's Degree in Business Administration, North Central University, Arizona, USA
- Bachelor's Degree in Political Science, Ramkhamhaeng University
- Industrial Business Development and Investment for Senior Executive Program Class 3, Institute of Business and Industrial Development, under the Foundation of Industrial and Business Entrepreneur.

Director Training at Thai Institute of Directors Association (IOD)

- Corporate Governance for Capital Market Intermediaries (CGI), Class 3/2015
- Director Accreditation Program (DAP), Class 39/2005
- Chairman 2000

Shareholding in the Company (%) :

- 23.14% (Holding 276,472,784 shares as of 4 Nov 21)

Family Relationship with Other Directors and Executives :

- Father, Mr. Chotiwit Taechaubol and Mr. Athawut Taechaubol

Working Experience: (5 years)

Listed Companies:

Apr. 2018 - Present	Executive Chairman
Feb. 2017 - Present	Chairman
Jan. 2017 - Present	Director
	JCK Hospitality Public Company Limited

Mar 14, 2018 – Present	Chairman Executive Chairman
Apr 23, 2015 – Mar 14, 2018	Vice Chairman Executive Chairman
Mar 20, 2012 – Apr 22, 2015	Director Executive Chairman JCK International Public Company Limited
2014 - 2015	Director AEC Securities Public Company Limited
<u>Other Non-Listed Companies:</u>	
2015 - Present	Chairman TFD Real Estate Management Co., Ltd.
2015 - 2019	Director Bognor Regis Warehouse Limited
2014 - 2018	Director Barnsley Warehouse Limited
Dec. 2017 – Present	Chairman
Feb. 2013 - Present	Vice Chairman.
2003 - Feb. 2013	Executive Chairman JCK Utilities Co., Ltd.
2011 - Present	Director and Executive Chairman JC Kevin Development Co., Ltd.
Feb. 2017 – Aug, 10 2021	Chairman and Executive Chairman
2001 – Feb. 2017	Director and Executive Chairman Crown Development Co., Ltd.
2016 – Present	Director JC Kevin Food and Beverage Co., Ltd.
2010 – Present	Director Fine Two Asset Co., Ltd.

2022 – Present	Director AP Prime Property Co., Ltd.
Oct, 29 2018 - Present	Director High Active Consultant Co., Ltd.
Oct, 16 2018 - Present	Director High Active Consultant Communication Co., Ltd.
Aug, 16 2018 - Present	Director Akara Holding Co., Ltd.
Aug, 10 2018 – Present	Director Akara Food Co., Ltd.
Nov, 19 2018 – Present	Director JCK Ratchada Hotel Co., Ltd.
May, 30 2016 – Present	Director Lobster Power Co., Ltd.
Mar, 5 2018 – Feb, 1 2022	Director Akara Holding Co., Ltd. (Former name : No Name Food And Beverage Co., Ltd.)
Oct, 29 2018 – 2020	Director Citi Vibe Co., Ltd. (Former name : Another Day Desserts Co., Ltd.)
Oct, 15 2015 – Present	Director Rim Nam Bangpakong Co., Ltd.
Mar, 19 2020 – Present	Director High Active Consultant Tech Co., Ltd.

Mr. Prasong Vara-ratanakul

Independent Director

Audit Committee Chairman

Age	74 years
Date of appointment	January 16, 2017
Years of service	5 years
Expertise	Commercial account and jurisprudence
Type of director	Independent director

Education

- Master of Public Administration, Chulalongkorn University
- Bachelor of Commercial, Chulalongkorn University
- Bachelor of Law, Ramkhamhaeng University

Director Training at Thai Institute of Directors Association (IOD)

- Ethical Leadership Program (ELP) Class 2/2015
- Advanced Audit Committee Program (AACP) Class 16/2014
- Director Accreditation Program (DAP) Class 51/2006
- Director Certification Program (DCP) Class 72/2006
- Audit Committee Program (ACP) Class 12/2006

Shareholding in the Company (%) :

- -None-

Family Relationship with Other Directors and Executives :

- -None-

Working Experience: (5 years)

Listed Companies:

Apr. 2017 – Present	Independent Director, Audit Committee Chairman
Jan. 2017 – Apr. 2017	Independent Director, Audit Committee Member JCK Hospitality Public Company Limited
1999 - Present	Independent Director, Audit Committee Chairman and Corporate Governance, Nomination Remuneration Committee Chairman JCK International Public Company Limited
1972 - Present	Independent Director, Audit Committee Member We Retail Public Company Limited
1972 - Present	Independent Director and Audit Committee Member Thai Property Public Company Limited

Mr. Chetawan Anuntasomboon

Independent Director

Audit Committee Member

Age 68 years
Date of appointment March 29, 2018
Years of service 4 years
Expertise Law
Type of director Independent Director

Education

- Barrister at Law, Institute of Legal Education of the Thai Bar Association
- Bachelor's Degree in Law, Ramkhamhaeng University

Director Training at Thai Institute of Directors Association (IOD)

- Ethical Leadership Program (ELP) รุ่น 17/2019

Shareholding in the Company (%) :

- -None-

Family Relationship with Other Directors and Executives :

- -None-

Working Experience: (5 years)

Listed Companies:

Mar 29, 2018 - Present	Independent Director, Audit Committee Member JCK Hospitality Public Company Limited
Feb 28, 2018 - Present	Independent Director, Audit Committee Member JCK International Public Company Limited (Former name: Thai Factory Development Public Company Limited)

Other Non-Listed Companies:

Nov. 2014 – Mar. 2017	Director JCK Utilities Co., Ltd.
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Other Agency :

Dec. 2005 – Nov. 2014	Deputy Director General Department of Public Works and Town & Country Planning
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Dr. Varnadharma Kanchanasuvarna

Independent Director

Audit Committee Member

Age 51 years
Date of appointment April 23, 2018
Years of service 4 years
Expertise Political Science, Political, Administration
Type of director Independent Director
Education

- Doctor of Public Administration in Public Administration,
Ubon Ratchathani University
- Master of Arts in Governance Faculty of Political Science,
Chulalongkorn University
- Bachelor of Arts in Political Science,
Ramkhamhaeng University

Director Training at Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DAP), Class 155/2018

Shareholding in the Company (%) :

- -None-

Family Relationship with Other Directors and Executives :

- -None-

Working Experience: (5 years)

Listed Companies:

Feb 28, 2020 – Present	Audit Committee Member
Apr 23, 2018 – Present	Independent Director
	JCK Hospitality Public Company Limited

Other Non-Listed Companies:

1997 - Present	Associate Professor in Political Science, Sukhothai Thammathirat Open University
Jul. 2015 - Present	Independent Director
	TFD Real Estate Management Co., Ltd.
Oct. 2015 - Aug. 2017	Member of the National Reform Steering Assembly

-
- | | |
|----------------|--|
| 2010 – 2012 | - Deputy Secretary-General to the Prime Minister
for Political Affairs |
| 2006 – 2007 | - Board Member and Secretary to form the Political
Development Council, Prime Minister's Office |
| 2007 – Present | - Initiate the Bachelor program for subdistrict
headmen and village headmen under the project
of Department of Provincial Administration,
Ministry of Interior. |

Mr. Chotiwiit Taechaubol

Director

Executive Committee Member

Chief Executive Officer

Age	32 years
Date of appointment	January 16, 2017
Years of service	5 years
Expertise	Restaurant business management
Type of director	Director

Education

- Bachelor of Mathematic in Finance and Account, Queen Mary University of London, UK.

Director Training at Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DAP) Class 138/2017

Shareholding in the Company (%) :

- 1.34% (Holding 15,975,000 shares as of 4 Nov 21)

Family Relationship with Other Directors and Executives :

- Son of Mr. Apichai Taechaubol

Working Experience: (5 years)

Listed Companies:

Mar 29, 2018 – Present	Director, Executive Committee Member, Chief Executive Officer and Acting Chief Administrative Officer
Jan. 2017 – Mar 28, 2018	Director, Executive Committee Member and Deputy Chief Executive Office

Other Non-Listed Companies:

2014 - Present	Director and Executive Director JC Kevin Development Co., Ltd.
2014 - Present	Director and Executive Director JC Kevin Food and Beverage Co., Ltd.

Nov. 2017 – Present

Director

High Active Consultant Co., Ltd.

Feb. 2018 – Present

Director

High Active Consultant Communications Co., Ltd.

Mrs. Rachanee Siwawej

Director

Executive Committee Member

Age	70 years
Date of appointment	March 31, 2018
Years of service	4 years
Expertise	Finance and Accounting
Type of director	Director

Education

- Bachelor's Degree in Commerce, Thammasart University

Director Training at Thai Institute of Directors Association (IOD)

- Corporate Secretary Program (CSP) 19/ 2006
- Effective Minutes Taking Program (EMP) 2006
- Director Accreditation Program (DAP) 2005

Shareholding in the Company (%) :

- -None-

Family Relationship with Other Directors and Executives :

- -None-

Working Experience: (5 years)

Listed Companies:

Mar 31, 2018 - Present	Director and Executive Committee Member JCK Hospitality Public Company Limited
May 16, 2016 – Present	Deputy Managing Director, Finance
2009 – May 15, 2016	Assistant Managing Director, Finance JCK International Public Company Limited

Other Non-Listed Companies:

Present	Director Success – Innovation Company Limited
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Mr. Athawut Taechaubol

Director

Executive Committee Member

Joint-Chief Executive Officer

Age	28 years
Date of appointment	March 26, 2021
Years of service	1 years
Expertise	Business Information Management
Type of director	Director

Education

- Bachelor of Science, Information Management for Business
University College London (UCL), London, United Kingdom.
- Master of Science, Information Management for Business,
University College London (UCL), London, United Kingdom

Director Training at Thai Institute of Directors Association (IOD)

- -None-

Shareholding in the Company (%) :

- 0.11% (Holding 1,272,800 shares as of 4 Nov 21)

Family Relationship with Other Directors and Executives :

- Son of Mr. Apichai Taechaubol

Working Experience: (5 years)

Listed Companies:

Mar 26, 2021 – Present	Director, Executive Committee Member, Joint-Chief Executive Officer
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Other Non-Listed Companies:

Present	Director JCK Global Limited (London, United Kingdom)
Present	Director Atalanta Holding Co., Ltd. (Former name Beauty Co., Ltd.)

Present	Director JC Kevin Development Co., Ltd.
Present	Director JC Kevin Food and Beverage Co., Ltd.
Present	Director Lobster Power Co., Ltd.
Present	Director Spacecult Co., Ltd.

Mrs. Rathatip Apichotikorn

Financial Controller and Acting Company Secretary

Age 37 years

Education

- Master of Accounting
Thammasat University
- Bachelor of Accounting
Kasetsart University

Director Training at Thai Institute of Directors Association (IOD)

- -None-

Shareholding in the Company (%) :

- -None-

Family Relationship with Other Directors and Executives :

- -None-

Working Experience: (5 years)

Listed Companies:

Feb 20 – Present	Acting Company Secretary
Aug 19 – Present	Financial Controller
	JCK Hospitality Public Company Limited
	(Former name: Hot Pot Public Company Limited)

Other Non-Listed Companies: (current: none)

2015 – 2019	Accounting Manager
	Real Asset Development Company Limited
2011 – 2015	Assistant Accounting Manager
	Estate Perfect Company Limited

Details of the Directors of the Subsidiary

List of Companies List of Directors	JCKH	Subsidiary	
		CPT	ASP
1. Mr. Apichai Taechaubol	/***, C	/***	/***
2. Mr. Prasong Vara-ratanakul	/, AC.C		
3. Mr. Chotiwit Taechaubol	/, X, CEO	/	/
4. Mr. Chetawan Anuntasomboon	/, AC		
5. Mrs. Rachanee Siwawej	/, X	/	/
6. Dr. Varnadharm Kanchanasuvarna	/, AC		
7. Mr. Athawut Taechaubol	/, X, J-CEO	/	/

Remark : /*** = Chairman, CEO = Chief Executive Officer, J-CEO = Joint Chief Executive Officer, / = Director, AC.C = Audit Committee Chairman, AC = Audit Committee Member, C = Executive Chairman, X = Executive Committee Member

JCKH	Mean	JCK Hospitality Public Company Limited
CPT	Mean	CPT Hotel & Resort Company Limited
ASP	Mean	ASP Hotel & Resort Company Limited

Details of Internal Auditors : Dharmniti Internal Audit Company Limited

Name - Surname	Age (Years)	Education	Position in the Company	Working Experience	Training
Mr. Saksit Ampawan	53	<ul style="list-style-type: none"> - Bachelor's Faculty of Business Administration, Accounting, Ramkhamhaeng University - Internal Auditor of Thailand (CPIAT) - CAC SME Independent Auditor Certification - TAX Auditor 	Chief Internal Auditor <ul style="list-style-type: none"> - Consultants and Senior Professional Auditors - Director 	Dharmniti Audit Company Limited <ul style="list-style-type: none"> - Auditing for 10 years (1992-2002) Dharmniti Audit Company Limited and Dharmniti Internal Audit Company Limited <ul style="list-style-type: none"> - Internal Audit for 18 years (2003-2021) 	<ul style="list-style-type: none"> - Internal Auditing, Courses 1-2 - Risk Assessment to Plan Internal Audits - Operational Auditing - Enterprise Risk Management (ERM) และ COSO ERM 2017 - Risk Management and Internal Control According to the Guideliness of COSO - Thai Internal Auditor Certificate Program (CPIAT) - Principles of Good Corporate

Name - Surname	Age (Years)	Education	Position in the Company	Working Experience	Training
					<p>Governance</p> <ul style="list-style-type: none"> - The International Conference of the Institute of Internal Auditors. Sydney, Australia / 23-26 July 2017. - Seminar ready to receive important changes in financial reports (SEC)

Scope and responsibilities of Internal Auditors

- 1) Conduct audit and consulting work fairly and independently according to the approved plan
- 2) Examine and review documentary evidence from operations, analyze, assess, give opinions/suggestions, give advice on the governance process risk management and internal control system of activities monitored and/or corporate consulting.
- 3) The nature of the scope of duties of the audit generally involves the following matters:
 - 3.1 Review and report the reliability and completeness of financial and operating reports.
 - 3.2 Review of operations to ensure that they are in line with the objectives and goals set and have to operate according to the specified plan there is an adequate and appropriate internal control system.
 - 3.3 Review the work system that has a significant impact on the operation and reporting that it has been performed in accordance with the policies, plans, procedures laid down including relevant laws.
 - 3.4 Review the suitability of asset preservation as well as assess the use of the organization's resources to be efficient, effective and economical.

Details about the property appraisal list

Property Appraisal	
Property Type	Land with buildings (Hotel type)
Ownership	CPT Hotel & Resort Company Limited
Property Location	No. 446 Moo 20, adjacent to Kwai Wai Road, adjacent to Kok Tong Road, and adjacent to Rim Kok Soi 6, separated from Phaholyothin Road (Thor Lor. 1), Rob Wiang Subdistrict, Mueang Chiang Rai District Chiang Rai
Land Title Document	Title deed No. 28273, Land No. 276, Survey Page 9353, Area 1-0-29.5 rai or 429.5 sqwa, Wiang Subdistrict, Mueang Chiang Rai District Chiang Rai
Building	Number of 1 items is a seven-story hotel building with swimming pool
Obligation	The mortgage is insured against Government Savings Bank PCL.
Assessment Date	29 October 2020
Government Appraisal	5,250 baht per square wah, the amount is 2,254,875 baht
Appraised Land Value	80,000 baht per square wah, amounting to 34,360,000 baht
Building Value	180,435,000 Baht (7-storey hotel building with swimming pool)
Appraised Asset Value	214,795,000 baht
Assessor	Tree Tree Appraisal Company Limited

Good Corporate Governance Policy

The Company places importance on an efficient, transparent and accountable management system. This will create confidence with all parties involved and resulting in sustainable business growth under the operation with ethics and in accordance with the relevant laws. Therefore, the Company has established Good Corporate Governance Policy to enhance the existing operations to have a clear standardized system and spread the practice to employees of the Company at all levels in order to reinforce a culture of corporate governance. The Company has adopted the Principles of Good Corporate Governance for Listed Companies 2012 as stipulated by the Stock Exchange of Thailand, which covers the principles in 5 sections as follows:

- | | |
|-----------|--|
| Section 1 | The Rights of Shareholders |
| Section 2 | The Equitable Treatment of Shareholders |
| Section 3 | The Role of Stakeholders |
| Section 4 | Disclosure and Transparency |
| Section 5 | Responsibilities of the Board of Directors |

Section 1: The Rights of Shareholders

The Company aware of the shareholders' fundamental rights and recognizes the importance of all shareholders both in terms of investors and owners of the Company, for instance the rights to buy, sell, and transfer shares held independently, the rights to share dividends from the Company's retained earnings, the rights to obtain relevant and sufficient information of the Company, the rights to participate in the Annual General Meeting of Shareholders, the rights to give their opinions, the rights to make decisions on the key issues of the Company such as dividend payment, the appointment or removal of directors, nomination of auditor, approval for important transactions that affect direction of the business operations, the amendment of the Memorandum of Association and/or the Articles of Association, etc.

In addition to the fundamental rights as stated above, the Company also encourages and facilitates the shareholders, including institute shareholders, to exercise of their rights to participate at the shareholders' meeting as follows;

1. As the Company is required to convene the Annual General Meeting of shareholders within four months from the last day of its fiscal year, the Company established the notice of Meeting specifying the venue, date, time, agenda and items with appropriate details to be proposed to the Shareholders' Meeting. The proposed items, submitted together with the comments of the Board of Directors, were identified clearly whether they are for information, approval, or consideration as the case maybe. The invitation letter was delivered to the shareholders and to Thailand Securities Depository (TSD)

through the securities registration services, within 7 days before the meeting date or as specified by the rules and regulations of the Securities Exchange Commission and the Stock Exchange of Thailand. Furthermore, the invitation letter was published on the newspaper not less than 3 days before the meeting date according to the law. The Company also disclosed the invitation letter on the Company's website before meeting date so that the shareholders have sufficient time for consideration.

2. The Company encouraged the Board of Directors, the management, and relevant organizations, including the external auditor to participate in the Shareholders' Meeting simultaneously.
3. The Company provided the shareholders a chance for delivery any comment, suggestion, and questions to the Company prior to the Shareholders' Meeting date.
4. Before starting the Shareholders' Meeting, the Chairman clearly announced number and percentage of shareholders attending the meeting in person and by proxies, meeting rules and voting procedures in each agenda.
5. In the Shareholders' Meeting, before casting the votes in each agenda, the Company provided the shareholders a chance to share their opinions, suggestions, or questions independently and equally. The relevant directors and management attending the Shareholders' Meeting provided the answers for the shareholders. The key issues and comments were recorded in the minute of the Meeting for shareholders' verification.
6. For the election of Directors in the Shareholders' Meeting, the Company gave opportunity to shareholders to vote for directors, one by one, which shareholders are entitled to elect a qualified person to be the Company's director to protect their beneficial and for the diversification as well as to be the true representative of the shareholders.
7. In the Shareholders' Meeting, the Company shall run the Shareholders' Meeting by following the agenda provided in the notice of the Meeting. The Company did not add any agenda or change priority of them.
8. To be transparent and verifiable, the Company uses ballots for all agenda. In addition, the registration and vote submission of the Shareholders were carried out via computer system for quick and precise process. Additionally, the representative of the auditor was invited to be an inspector in the vote counting.
9. After the Meeting, the Company shall announce the voting result and the resolutions of the Shareholders' Meeting not later than 9.00 a.m. on the next business day after the Shareholders' Meeting date via the system of the Stock Exchange of Thailand (SET) and the Company's Website. The Company also established the minute of the Meeting with correct and complete information within 14 days after the Shareholders' Meeting date

and then announced it via the system of the Stock Exchange of Thailand (SET) and the Company's website for the Shareholders' verification.

Section 2: The Equitable Treatment of Shareholders

1. Agenda Proposal and Director Nomination

The Company has policy to treat all shareholder groups whether are major, minor, management or non-management, with fair treatment. One or several shareholders continuously holding the Company's shares with the minimum amount of 2,000,000 shares for not less than 1 year and on the date of submission are allowed to propose additional agendas which deemed important and appropriate to the Annual General Meeting of Shareholders and to nominate persons who have knowledge, competency, and qualification for election as directors in advance of the Meeting. Thus, the Board of Directors shall consider and select such an issue for being an agenda of the Meeting. By this case, the Company has determined clear criteria of entitlement and announced to the shareholders via the Company's website.

2. Appointment of Proxy in the Shareholders' Meeting

The Company sent Proxy Form B. determined by Ministry of Commerce, together with the notice of the Meeting so that shareholders can appoint other persons as their proxy to attend the meeting and vote on their behalf in the case that they are unable to attend the meeting. In this regard, in case those shareholders prefer to use Proxy Form A. or Proxy Form C., they can download such a Proxy Form from the Company's website. Shareholders independently decide to select any proxy form as they prefer, however the Company encourages shareholders to use Proxy form B. since they can specify the voting for each agenda item by themselves. In addition, the Company proposed an independent director to be appointed as proxy, attached together with the invitation letter.

3. Preventive Measures for Abusive self-dealing in the Use of Inside Information by themselves or others

To ensure fairness and equality for all stakeholders, the Company strictly controlled the use of inside information to prevent abusive self-dealing. The Company has established guidelines in written to maintain inside information of the Company and to protect the use of internal information for personal benefits. Directors, managements and staff are prohibited, by using the Company's confidential/inside information, from trading the Company's securities and/or enter to any juristic acts directly or indirectly harmful to the Company.

Directors, managements and staff who can access to inside information are prohibited to utilize such information before disclosure to the public. Within one month before the Company discloses its' quarterly or year-ended financial statements and one day after the disclosure date, every person involves to inside information is prohibited from trading the Company's securities by himself/herself, spouse and their immature children both direct or indirect trading (such as trading with nominee through private fund).

The Company has imposed disciplinary penalty on the person seeking benefit from utilizing or disclosing inside information that may cause damage to the Company by penalizing that person as reasonable for the case, including verbal warning, written warning, probation, as well as termination of employment by way of dismissal, removal or discharging, as the case may be.

4. Conflict of Interest Management

The Company has determined guidelines to handle conflict of interest issues transparently and verifiably, especially consideration of transaction between the Company and stakeholders or any relevant party. Once there was conflict of interest issue, the person who related to the issue must report the Company immediately without taking any part in consideration or vote in the issue. In addition, the Company has determined guidelines to prevent the relevant director or management who has gain or loss in such an issue take part in consideration of the transaction and shall not be entitled to vote in such an issue.

Section 3: The Role of Stakeholders

1. Treatment of Each Stakeholder Group

The Company takes majority in concerning the rights of all stakeholder groups, include internal stakeholders i.e. shareholders, management, and employees of the Company, or external stakeholders i.e. creditors, clients, suppliers, competitors, public sector, society and community etc. Thus, the Company shall perform in accordance with related laws and regulations to take a good care of the stakeholders' rights. In addition, the Company always operates its business by concerning of the rights of all stakeholders according to the guidelines present in the Code of Conducts Manual.

The Board of directors realizes an importance of communicating the Company's operation with all stakeholders which is a crucial component of good corporate governance process. The Company provides a range of communication channels suitable for each stakeholder group to access to the information equitably, quickly and efficiently as well as using technology in communication.

2. Whistleblowing and Complaint Channel

The Company has managed the channel for stakeholders enabling to send their suggestions, opinions, queries, and complaints directly to our Chairman at email address : chairman@jckhgroup.com or via the Company's website or suggestion box at branch restaurant or direct phone call according to telephone number as posted at every branch restaurant or postal mailing to the Chairman of the Board of Directors, JCK Hospitality Public Company Limited, No. 18, Soi Sathorn 11 Yaek 9, TFD Building, Yannawa, Sathorn, Bangkok 10120.

The Company shall proceed with its investigations pursuant to the procedure and record the outcomes in writing without disclosure of whistle-blower's name including keeping complaint filing confidentially for protection of contingent impact toward that whistleblower.

Section 4: Disclosure and Transparency

The Board of Directors has strong determination to reveal correct, complete, updated, and reliable information necessary for making decisions of the investors and stakeholders, while adhering to the regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). The Company has conducted the Company's information as follows:

- Prepare financial report and the Management Discussion and Analysis (MD&A) as supplement of financial statements disclosure on quarterly basis and disclosed via the Company's website as well as SET's online.
- Disclose shareholding of directors and executives in the Annual Report and Annual Disclosure Information. In addition, the Company has a policy requiring directors and executives to report a change in their securities holding within 3 business days from the date the securities have been purchased, sold, transferred or accepted transfer. The Company's secretary shall coordinate on submission of such a report to the Stock Exchange of Thailand and the Securities and Exchange Commission. It is also specified that any change of such securities holding of directors and executives shall be reported to the Board of Directors' Meeting quarterly.
- Disclosed connected transactions or transactions which might have conflicts of interest of directors and executives and reported to the Board of Directors for approval or acknowledge quarterly.
- Provided several channels for information disclosure, which were SET's Communication system, Annual Report, Annual Disclosure Information (Form 56-1), the Company's website in both Thai and English language, research analysts, investors visiting the Company, interviewing of the executives, and press release i.e. newspaper. Furthermore, the Company assigned the investor relations to answer any questions of investors, securities analysts, news reporters, and people in general on regularly basis, which can be contacted by telephone number 0-2286-9959 ext. 8807 or e-mail address: cs@jckhgroup.com or on the Company's website: www.jckhgroup.com

The Company gives opportunities to institutional investors, retail investors, and securities analysts to attend meetings with the management to ask questions about business operations, performance, and business trend. In 2021, no investors and securities analysts requested for meeting with the Company's management.

Section 5: Responsibilities of the Board of Directors

1. The Board of Directors' Structure

1) Composition of the Board of Directors

The Board of Directors composed of the persons with diversity including knowledge, profession, skill, gender, competency, and experience that are beneficial to the Company. The Board takes an important role in establishing the policy and overview the organization and business plan as well as overseeing, auditing and assessing the Company's operating result to comply with the plan and in accordance with laws, regulations, and resolutions of the Shareholders' Meeting. The Board concerns in integrity, business code of conduct, controlling of the management's administration to meet specified goal and procedure including to maximize profits for the Company and shareholders.

2) Appointment of the Audit Committee

The Board of Directors has appointed the Audit Committee to support in corporate governance of the Company. The Company has clearly segregated roles, duties and responsibilities of the Board of Directors, the Audit Committee, and the Executive Committee. The Audit Committee shall make decision independently, conduct its special assignment and propose it to the Board of Directors for consideration or acknowledge according to the defined authority.

3) Segregation of roles and responsibilities of the Chairman and the Chief Executive Director

The Company has determined that the Chairman of the Board of Directors and the Chief Executive Officer shall not be the same person in order to clarify responsibilities among policy establishment, supervision, and day-to-day administration with clear segregation of roles, duties and responsibilities between the Board of Directors and the Executives in order to enhance balance of operating power. The Board of Directors has duties to establish policy and supervise the executives' operations in policy level, whereas the executives have duties to manage operation pursuant to specified policies.

4) Election and Term of Office

The Board of Directors shall hold the position for a certain term in accordance with the determination in the Articles of Association. In every subsequent year of the Annual General Meeting of Shareholders one-third of the directors, who have been in the longest role in office, shall retire. In the case that the number of directors cannot be divided by three, then refer to the closest number. However, the retired directors are eligible to be re-elected for another term by obtaining majority vote. The Company has determined the terms of the Independent Directors that they can serve on the directorship no longer than 9 years.

5) Position of Directors in other listed companies

According to the Company's policy, each director shall take positions in listed companies not more than 5 companies.

6) Position of Executive Directors and the Chairman of Executive Committee in other listed companies

The Company has no policy to allow directors who are also executives and the Chairman of Executive Committee to be in positions in other listed companies (except for subsidiaries and associated companies of the Company), unless they are approved by the Board of Directors.

7) Appointment of the Company's secretary

The Board of Directors shall appoint the Company Secretary to take roles and responsibilities set by the Securities and Exchange Act.

2. Roles, Duties, and Responsibilities of the Board of Directors

To Consider and Approve key matters in the Company's operation

The Board of Directors shall consider and approve key matters in the Company's operation i.e. vision and mission, strategy, action plan, and budget; as well as supervise the management to comply with the designed policy and plan effectively and efficiently. Vision and Mission shall be reviewed and approved in annual basis and announced to all department managers to be aware and execute appropriately.

To Segregate roles and responsibility between formulation of policy and daily administration

The Board of Directors has clearly segregated roles and responsibility in formulation of corporate governance policy from daily administration. The Chairman of the Board of Directors and Chief Executive Officer shall be elected by the Board of Directors. The Board of Directors shall not appoint same person to attain the position of the Chairman of the Board of Directors and Chief Executive Officer. The Chairman of the Board of Directors will not cooperate on day-to-day operations, instead to provide regularly support and opinion on business operations through the Chief Executive Officer while the Chief Executive Officer shall be responsible for overall management within the authority assigned by the Board of Directors.

Scope of Authority and Responsibilities of the Chairman of the Board

1) Act as the leader and take crucial role in making a decision of the Company's policy which the Board of Directors' meeting and the executives jointly consider and set business goal. The Chairman of the Board also consistently support and advise on the business operations to the management through the Chief Executive Officer.

2) Lead the Board of Directors' meeting in effective and efficient manner. Allow enough time for the management to present and for the board to discuss material issues carefully in all aspects. Encourage all directors to participate the meeting and give their opinion independently. The Chairman of the Board and the Chief Executive Officer will jointly establish the meeting agenda. Ensure that

all important agenda matters are set for the meeting. Opportunities given to each director to purpose any agenda if applicable. The Chairman of the Board will cast the decided vote in case the Board of Directors' meeting has a tie vote.

3) Act as the Chairman of the shareholder's meeting and control the meeting to comply with the Company's Article of Association and specified Agenda of the meeting.

4) Ensure and monitor that all directors engage in promoting corporate culture of ethic and good governance.

5) Strengthen relationship between executive directors and non-executive director, and between the board of directors and management team.

6) Ensure and monitor that director perform their duties efficiently to achieve main objective and goal of the company.

7) Promote the creation and utilization of innovation and technology to enhance competitive capability and response to the need of stakeholders based on corporate social responsibility.

Authority and Scope of Duties of the Chief Executive Officer

1) Supervise and approve the overall operations and/or daily administration according to the Company's objectives, Articles of Association, regulations, direction and resolutions of the meetings of the Board of Directors and shareholders.

2) Formulate policy, business plan, budgets, management structure and level of authority to be proposed to the Executives Committee for consideration before proposing to the Board of Directors for approval.

3) Perform duties according to the Company's policies, plans, and approved budget.

4) Having authority to recruit, assign, rotate, promote, suspend, dismiss and determine salary rate and other remunerations including commission, wage and salary increment and bonus of the Company's employees.

5) Have authority to issue, amend and update commands, regulations, records and work rules to comply with the policies and interests of the Company as well as to maintain the discipline in the workplace.

6) Have authority to approve purchase order, employment contract, rental/leasing agreement of fixed assets for an amount not exceeding Baht 5 million, disposal of fixed assets for an amount not exceeding Baht 2 million including authority to approve the transfer of fixed assets between departments or branches.

7) Have authority to approve purchase requisitions/purchase orders of fresh food, dried food, disposal items, equipment for an amount exceeding Baht 1 million, including authority to add products categories, adjust product's price, improve product sales standard (e.g. weight, shape, etc.)

8) Develop organization and human resource consistently to the utmost quality and performance, foster and maintain a good image of the Company.

9) Perform other duties as assigned by the Board of Directors and/or the Audit committee.

Either the authority of the Chief Executive Officer or other persons authorized by the Chief Executive Officer does not include the power or authority to approve any related transactions that the Chief Executive Officer or the substitutions and their associates who may have conflicts of interests or any other benefits with the Company and its subsidiaries (if any) as well as transactions that do not fall under the normal business operations of the Company because such a transaction has to seek for approval from the Board of Directors' meeting or the shareholders' meeting as the case may be and in comply with the Company's Articles of Association or relevant laws.

Corporate Governance Policy

The Company has established a written corporate governance policy which the Board of Directors Meeting No. 1/2011 dated July 18, 2011 approved the said corporate governance policy. The Board has regularly reviewed the policy and its implementation. The Company communicates so that everyone in the organization understands the good corporate governance policy correctly to encourage everyone in the organization to comply with the specified policies.

Code of Conduct

The Company has established Code of Conduct in writing in order to properly comply with the standard of performance and show the intention to conduct business with transparency, honesty, and have moral responsibility towards stakeholders. It is used and disseminated to employees as a guideline for working and conducting the business correctly which reflect Vision, Missions, values and operational guidelines that all directors, executives and employees should conduct themselves and operate in accordance with the ethical framework set forth in various fields, namely:

- (1) Ethics for Treatment toward Stakeholders including shareholders, employees, customers, business partners, creditors, business competitors, society, community and environment.
- (2) Ethics for Compliance with law, rules and regulations and observing customs, traditions, and good morals.
- (3) Ethics for Respect for Human Rights.
- (4) Ethic for Avoidance of Infringement of Intellectual Property.

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- (5) Ethics for Anti-Corruption.
 - (6) Ethics for Receiving and Offering Gifts, Properties or Other Benefits.
 - (7) Ethics for Conflicts of Interest.
 - (8) Ethics for Keeping Confidential Information, Use of Internal Information and Trading of the Company's Securities.
 - (9) Ethics for Protection of the Company's Properties
 - (10) Ethics for Internal Control
 - (11) Ethics for Distribution of information and Interviews with the Press or the Public
 - (12) Ethics of Directors and Executives
 - (13) Ethics of Employees

In this regard, the Company has announced and notified all directors, executives and employees for their acknowledgment and adherence to the Code of Conduct strictly. The Code of Conduct is also designated as one of the topics for new employee orientation and is also published on the Company's website.

Conflict of Interest

The Board of Directors has established a policy on conflicts of interest by stipulating that directors, executives and employee, including those related to such persons, are not allowed to seek personal benefits that conflict with the Company's interests, avoid actions that cause conflicts of interest. Therefore, any person who is related to or connected to the considered transaction must inform the Company of their relationship or connection with the said transaction and must not participate in the adjudication including no approval authority in that transaction.

The Audit Committee will present to the Board of Directors about the connected transactions and the transactions with conflicts of interest which has been carefully considered suitability. The Company has strictly complied with the regulations of the Capital Market Supervisory Board and the Stock Exchange of Thailand regarding pricing and conditions with a person who may have a conflict of interest as a transaction with a third party by disclosing the transactions in the financial statements and Annual Report (Form 56-1 One Report).

Internal Control

The Board of Directors attaches great importance to governance and internal control, and risk management both at the management level and at the effective operational level. The internal control system and risk management are important mechanisms to build confidence in the management in reducing business risks and helping to run the business efficiently by allocating resources appropriately and achieving the goals, help protect assets from leakage and lost from corruption, make financial reports accurate and reliable. Personnel comply with relevant laws and regulations as well as to protect the investment of shareholders. Therefore, the Company has determined the duties and powers of the operators and

executives in various matters clearly in writing. There is a control over the use of the Company's assets to benefit and there is a separation of duties between operators and followers, control and evaluation in order to achieve proper balance and check between each other.

The Board of Directors has assigned the Audit Committee to be responsible for reviewing the suitability and efficiency of the internal control system and the risk management system provided by the management including the preparation and review of the control system both operational financial reporting compliance with rules, regulations, policies and governance as well as managing risks and also pay attention to early warning signs and unusual transactions.

In this regard, the Company has hired outsiders to act as auditors on the Company's internal control system, namely Dharmniti Internal Audit Company Limited, which audits to ensure that the Company has adequate and appropriate internal control systems and reports the results directly to the Audit Committee for internal auditors to be independent and be able to perform full checks and balances. The Chairman of the Audit Committee will report the quarterly audit results of the internal auditors to the Board of Directors for acknowledgment and used to fix and improve the problematic part. The Company has regular monitoring and evaluation. There is an assessment of the sufficiency of the internal control system at least once a year to assure that the established system can operate efficiently. In this regard, the Company assigns the Company Secretary to act as a liaison between the internal auditors and various departments in the Company.

Committee Report

The Board of Directors is responsible for the Company's financial statements, and financial information appearing in the annual report. The Audit Committee has been assigned to review financial reports and to ensure that financial reports are prepared with quality and accuracy according to generally accepted accounting standards by choosing an appropriate accounting policy and practice regularly. The Company's important information is disclosed transparently and sufficiently. The financial statements are prepared in accordance with accounting standards certified and audited by EY Office Limited, which is the Company's auditor. Disclosure of important information is done on the basis of complete and consistent facts.

3. The Board of Directors' Meeting

1) The meeting dates shall be annually scheduled in advance and notified to the Board of Directors for acknowledgement. The meeting shall be arranged at least every 3 months. The special meeting may be held as necessary with specified agendas in advance including the agenda which may require follow up on regular operations. The Company Secretary shall send the Meeting's invitation to the Board of Directors at least 7 days before the meeting date so that the Board of Directors have sufficient time to review the information sufficiently. Except the emergency case which the meeting may be appointed without proper notice in order to preserve the rights and benefit of the Company.

2) The Chairman of Board of Directors and the Chief Executive Officer shall determine the agendas of the meeting together and shall give the opportunity to each director to propose the agendas to consider in the Board's Meeting.

3) At the meeting, it requires the minimum of attendance with not less than one-half of the board's members shall constitute a quorum.

4) The Chairman of Board of Directors who acts as the president of the meeting will allow all directors to express their opinion independently during the consideration of each agenda. In some agenda the senior executives may be invited to attend the meeting in order to clarify and provide additional information for the proposed agenda as well as to acknowledge the defined policy in order to implement and practice efficiently.

5) To form a quorum at the time of the Board passing a resolution, at least 2/3 of the total number of directors must be presented. The resolution of the Board of Directors' Meeting shall be adopted by the majority votes. Each director shall have one vote. A director who has conflicts of interest on a given matter shall not allow to attend the meeting and has no right to vote for the related agenda. In case of an equality of vote, the Chairman of the meeting shall have a casting vote. In the case that any directors disagree with the resolution, either he or she can request the Company's Secretary to record his or her objection in the Minute of Meeting or he or she can submit the objection notice directly to the Chairman.

6) Every director has the right to investigate supplementary documents of the meeting and other important documents. In case the Independent Directors or the members of Audit Committee have any query, other directors as well as management shall provide answers as quickly and completely as possible.

7) The Company Secretary shall take minutes of the meeting and submit to the Chairman for approval and certified by signature, then allow each director to grant in the next meeting. In addition, the Company Secretary will manage information or documents related to each meeting properly to enable to review easily in future.

8) All the Board of Directors normally attends the meeting, except for necessary cases which shall be notified in advance before the meeting date.

9) As policy, the Board of Directors shall allow those non-executive directors to have an opportunity to arrange a meeting among themselves as deemed necessary in order to discuss about any crucial management issues without the presence of the Executive Committees and inform the result of the meeting to the Chief Executive Officer later.

4. Self-assessment of the Board of Directors

The Board of Directors shall arrange self-assessment for entire committee on annual basis. There is both assessment of the Board of Directors as team and individual, including the assessment of sub-committee. The headline and criteria of the assessment compliance with the guideline and recommendation from Stock Exchange of Thailand (SET) which suitable for the Company's practice. The

Company Secretary shall deliver the assessment form to each director. After the assessment result is concluded, all directors will be appointed to consider the development plan together as well as to give an opportunity to each director to give feedback independently.

5. Remuneration

The Company has set the remuneration policy for the Directors and Executive Committee in suitable level by considering the Company's performance and consistent with the same business or industry including suitable with the duties and responsibilities of each Director or Executive Committee member in term of remuneration and/or salary.

Remuneration of Directors

The Annual General Meeting of Shareholders shall approve the remuneration of directors consisting of remuneration for the Board of Directors and the Audit Committee.

Remuneration of Chief Executive Officer and Executives

The Company carefully determines the proper remuneration to executives of the Company in a competitiveness compared to the same industry to retain qualified executives with the Company. Executives assigned more responsibilities will gain higher remuneration suitable more duties and responsibilities.

6. Development of Directors and Executives

The Board of Directors specifies that whenever there is a new director, the Company's Secretary shall provide documents and useful information which shall be beneficial to the duty operation of the new director such as code of conduct manual, good corporate governance policy, charter, annual report, shareholding structure, management structure including relevant rules and regulation. In addition, the Company's Secretary shall arrange the orientation by the management to the new director about business nature and business operation of the Company.

The Board of Directors supports and facilitates directors, executives, the Company's Secretary and investor relations to attend training or seminar courses arranged by the Thai Institute of Directors (IOD) regularly, the Stock Exchange of Thailand, the Securities and Exchange Commission or other independent organization in order to increase knowledge and improve their performance.

7. Succession Plan

The Board of Directors supervises the establishment of a succession plan at the Chief Executive Officer level and executives in the main position. The suitability is reviewed every year by considering the performance, work plan to present guidelines for action and potential of each individual.

8. Evaluation Chief Executive Officer

The Board of Directors provides an evaluation of the Chief Executive Officer's performance to compare with the performance. The Board of Directors has assigned the Chairman to report the assessment results to the Chief Executive Officer and Board of Directors.

The Board of Directors

1. The Board of Directors

Tenure of the Board of Directors

At the Annual General Meeting each year, one-third of the directors must retire from office. If the number of the directors retiring from office does not amount to exactly one-third, the nearest whole number of one-third shall be used whereas the Directors who are in the role at the longest period shall be considered to primary retirement from the role. The retiring directors are eligible for re-appointment.

Scope of authority and responsibilities of the Board of Directors

1) Carry out all the Company's businesses in line with the legal requirements, the Company's objectives and Articles of Association, as well as the resolutions of the Board of Directors and shareholders with responsibilities, carefulness and honesty while preserving the Company interests.

2) Formulate vision, mission, core value, policies, business strategies, and good corporate governance policy, including implement them in efficient manner.

3) Set up business plan, organization and management structure, authorization, annual budget and annual operating budget as well as supervise operations and performance of management team or any person whom is assigned to perform such a task, to ensure compliance with prescribe policies and plans. Pay attention to an efficiency of resources utilization and waste reduction which are beneficial to cost control and environment. Choose the business model suitable for main business goals and objectives as well as carefully invest and operate business in consideration of stakeholders' impact based on ethics and social responsibility to create sustainable value for the Company.

4) Consider and approve on bank accounts opening, loan acquisition from financial institutes, payment or spending for general business transactions for the Company, such as expenditure for investment, branch expansion, and other operations, etc. Monitor the sufficiency of financial liquidity and debt repayment capability. Moreover, ensure that the Company has the plan, solution or other device to solve financial problem in case the Company face or likely to face financial difficulty based on taking stakeholders' rights in to consideration.

5) Consider, appoint and assign role and responsibilities of Audit Committee, Executive Committee and/or other sub-committees as suitable and necessary to oversee specific business, the Company's benefits, and administrative systems to coincide with the Company's policy.

6) Evaluate management performance consistently, appoint and dismiss the Company's executives such as Chairman of Executive Committee, Chief Executive Officer, Deputy Chief Executive Officer, and other executives as well as control payment mechanism of remuneration for executives and employees suitably.

7) Appoint the Corporate Secretary to assist the Board of Directors to carry out business in conformity with related laws.

8) Arrange appropriate accounting systems, financial reports and accountability auditing, oversee the internal control and internal audit as well as ensure that the Company has govern in accordance with principle of good corporate governance.

9) Oversee the risk management system with effective, reporting and monitoring process.

10) Report responsibility of the Board of Directors in the financial report and present together with the auditor's report in the annual report of the Company.

11) Equitable treatment to both major and minor shareholders for their rights and benefit. Report important information of operating result and financial report to all shareholders and stakeholders correctly and in compliance with applicable laws. In the event that there is any conflict of interest with any agreement with the Company either increment or reduction to the Company or its subsidiaries (if any), the directors must inform the Company without any delay. In addition, if any directors who may have conflict of interest involve in any business transaction with the Company or its subsidiaries (if any), such directors are prohibited to votes for approval of such transactions.

12) Manage to have clear and transparent process of connected transactions between the Company and related persons to prevent conflict of interest, to disclose correct and sufficient information and regularly report to the Board of Directors.

13) Approve and/or give feedback to connected transaction, acquisition or disposal of assets, investment and any operations of the Company including its subsidiaries (if any) to be in accordance with applicable laws, announcement, notifications and regulations; except the issue is specified by laws to seek approval from the shareholders' meeting.

14) Independent Director and Audit Committee Member shall not have signing authority, unless it is presented that the signing is on the matters as previously approved by the Board of Directors and the signatory is jointly signed with another director.

The Board of Directors may authorize one or many members of the Board of Directors to carry out duties in lieu of the Board of Directors. However, such authorization shall not fall in to any characteristic that grant power to directors or substitute persons to approve any transaction that such directors or substitute persons or their associates who may have conflicts of interests or any other benefits with the Company or its subsidiaries (if any) unless such transactions was approved in accordance with the policy and principle given and approved by the shareholder's meeting.

Approval Authorities of the Board of Directors

- 1) Approve the Company's business plan, corporate structure and management authority.
- 2) Approve annual budget and annual operating budget.
- 3) Approve bank accounts opening and loan acquisition from financial institutes in the amount over approval authority of Executive Committee.
- 4) Approve to hire, appoint and dismiss Chief Executive Officer and Deputy Chief Executive Officer, appoint Chief Officers as well as to evaluate performance of Chief Executive Officer.

- 5) Approve salary structure, welfare and other benefits.
- 6) Approve policy regarding fixed assets.

2. The Audit Committee

Tenure of the Audit Committee

Tenure of the Audit Committee is three years except the case of retirement by rotation according to the Company's Articles of Association and they may re-elect.

Authority of the Audit Committee

- 1) Perform according to the scope of duties and responsibilities. The Audit Committee is authorized to invite members of the management, executives or related staffs of the Company to report, give opinion, attend the meetings or provide any required documents if necessary.
- 2) Authorize to hire external independent advisor to advise or give opinion if necessary whereas the Company is responsible for the consultant fee which is specified in the Company's policy.
- 3) The members of Audit Committee are not authorized to sign on behalf the Company unless it can be demonstrated that the binding transaction has been approved by the Board. However, the signatory must be jointly with other directors.

Scope of Duties of Audit Committee

The Audit Committee directly reports to the Board of Director and their scope of duties and responsibilities shall be assigned by the Board of Directors. The Audit Committee shall report to the Board of Directors as follows:

- 1) Review the Company financial report to ensure that it is accurate and sufficient to disclose. Cooperate with external Auditor and executives whom responsible for financial reports issued in quarterly and annually basis.
- 2) Review the Company's internal control system, internal audit system and risk management system to ensure their appropriateness and effectiveness.
- 3) Review the operational performance in accordance with laws of Securities and Exchange, regulations of the Stock Exchange of Thailand and other related laws.
- 4) Consider the independence of internal auditor as well as appoint, transfer and dismiss the chief of internal audit unit or any other units in charge of internal audit.
- 5) Consider the selection, nomination, appointment and dismiss an independent person to be the Company's Auditor as well as consider the auditor's remuneration before proposing to the Board of Directors for consideration and submit to the shareholder's meeting for approval. The Audit Committee shall attend meetings at least once a year with the external auditors without executives present.

6) Consider related transaction or transactions that may lead to any conflict of interest in compliance with laws and regulations of the Stock Exchange of Thailand and the Capital Market Supervisory Board to ensure that such items are reasonable and give the highest benefit to the Company.

7) During performing its duties, if the Audit Committee detects or suspects any doubtful transaction or activities as shown below that may significantly affect the Company's financial status or operating result, the Audit Committee should report to the Board of Directors in order to resolve such transactions or activities promptly.

- Conflict of interest transactions
- Corruption or abnormal transactions, or any fault which is significant in the internal control system of the Company
- Violation or infringement of Securities and Exchange Laws, Regulations and Proclamations of Stock Exchange of Thailand, the Office of the Securities and Exchange Commission, and Capital Market Supervisory Board as well as applicable laws

If the Board of Directors or the Executives cannot promptly resolve such transactions or activities, members of the Audit Committee may report the findings to the Office of the Securities and Exchange Commission or the Stock Exchange of Thailand.

8) If the Company's auditor detects any doubtful events related to a director, manager or any person in charge of the Company's operation result that might violate the law and reports such events to the Audit Committee, the Audit Committee shall promptly inspect and report the outcome of preliminary audit result to the Office of the Securities and Exchange Commission and the auditor within 30 days after receiving the report from the auditor.

9) The Audit Committee's report signed by the Chairman of Audit Committee shall be disclosed in the Company's annual report and consists of at least the following information:

- (a) Opinion on the accuracy, sufficiency and reliability of the Company's finance report.
- (b) Opinion on the sufficiency of the internal control system.
- (c) Opinion on the compliance to the laws of Securities and Exchange, regulations of the Stock Exchange of Thailand or related applicable laws.
- (d) Opinion on the appropriateness of auditor.
- (e) Opinion on the conflict of interest's transactions.
- (f) Number of the Audit Committee's meeting and meeting attendance of each member.
- (g) Opinion or remark of overview observation which the Audit Committee has obtained while performs its duties pursuant to the Charter.
- (h) Any other transactions under the scope of duties and responsibility as assigned by the Board of Directors, if the Audit Committee consider appropriate to inform the shareholders and investors.

10) Review the Audit Committee's charter annually and propose to the Board of Directors for approval.

- 11) Evaluate the performance of the Audit Committee annually and report to the Board of Directors.
- 12) Any other businesses as assigned by the Board of Directors.

In this regard, the Board has the power to amend and change the scope of powers and duties of the Audit Committee as necessary or deemed appropriate.

3. Executive Committee

Tenure of the Executive Committee

Tenure of the Executive Committee is three years and members of the Executives Committee who retires by rotation may be re-elected.

Authority of the Executive Committee

The Executive Committee reports directly to the Board of Directors with authority, duties and responsibilities as assigned by the Board of Directors as per the following;

- 1) Govern and manage the business of the Company as assigned by the Board of Directors.
- 2) Determine the Company's policies, strategies, business plans, budget and annual operating budget and submit them to the Board of Directors for approval.
- 3) Consider and determine the Company's organization chart, level of authorities, remuneration of directors and executives as well as employees' salary structure, welfare and other benefits prior propose them to the Board of Directors for approval.
- 4) Consider and approve capital expenditure not specifying in annual operating budget or cost over annual operating budget with the total amount not over Baht 20 million per year and approve on extra from the annual operating budget not over Baht 10 million and report such approved transactions to the Board of Directors for acknowledgment.
- 5) Consider and approve the Company's loan or credit line not over Baht 30 million per annum. In case of excess the determined limit, the Executive Committee shall propose to the Board of Directors for consideration and approval.
- 6) Consider and approve operations plans such as production and procurement policy, sales strategies and price structure as well as branch opening/closing etc.
- 7) Manage the risk of the Company's operating activities by establishing risk management policy as well as monitoring and evaluating risks in order to propose to the Board of Directors.
- 8) Having authority, duties and responsibilities to make decision and direct under the scope of authorities assigned from the the Board of Directors and pursuant to the level of authorities approved by the the Board of Directors' meeting.
- 9) Examine and monitor the Company's operating result compliance with the Company's policy, business plan and management guideline approved by the Board of Directors to ensure its efficiency and effectiveness.
- 10) Any other duties as assigned by the Board of Directors.

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Either the authority of the Executive Committee or other persons authorized by the Executive Committee does not include the power or authority to approve any related transactions that the authorized persons or their associates who may have conflicts of interests or any other benefits with the Company and its subsidiaries (if any) as well as transactions that do not fall under the normal business operations of the Company because such a transaction requires the approval from the Board of Directors' meeting or the shareholders' meeting as the case may be and in comply with the Company's Articles of Association or relevant laws.

Nomination of the Directors and Executive Committee

The Company doesn't have Specific Recruitment Committee for the Directors and Executive Committee. Therefore, the Company recruits the Director and Executive Committee by appointing the meeting among the current Executive Committee members to identify the qualified member who have the sufficient knowledge, skills, specific expertise, genders, ability experiences which may enhance the Company's business and must have fully qualification specified under the section no. 68 of Public Limited Company Act B.E. 2535 (A.D. 1992) pursuant to related notifications of Securities and Exchange Commission. These qualifications as follow;

1) The Independent Directors

Either the Board of Directors or the Shareholders' Meeting (depends on the case) shall appoint the Independent Directors to be a part of in the Board of Directors. The Company has the policy to nominate the Independent Directors not less than 1 of 3 of the entire Board of Directors, but not less than 3 Independent Directors.

The criteria of the Independent Directors' selection are compliance with the criteria of the Director's Selection defined under the Company's policy. The qualification of the person who is entitled to be the Independent Director shall consider from the qualification and incompatibility pursuant to Public Limited Company Act and Securities and Exchange Law as well as relevant proclamations, regulations and/or rules. The nominated Independent Directors who obtain the qualified educational background, specific expertise, working experiences and other related qualifications shall be proposed to the Shareholder's meeting to consider for selection as the Company's Directors. In case any Independent Director may resign before to his/her expired term of the office, the Board of Directors may select the qualified Independent Director who obtain the qualification as specified above to replace the resigned Independent Director. Whereas the substituted Independent Director shall hold the title at the office only for the remaining term of the office of that resigned Independent Director whom he /or she replace.

The Board of Directors determines the qualifications of Independent Directors as follows:

1. Holding the Company's share not over 1 percent of the total number of shares with the voting rights of the Company, parent company, subsidiaries, associated companies, major shareholders, or controlling persons of the Company. In this case, it also includes the number of shares hold by the blood-related persons of the Independent Directors.

2. Neither being the Company's Director nor used to be the Director who take part in managing the Company's business, as well as not being the employee, full time consultant with paid salary, or the controlling person of the Company, parent company, subsidiaries, associated companies, major shareholders or the controlling person of the Company, unless resigning from such a position for at least two years before the effective date of taking a position as Independent Director.

3. Neither being a blood-related person nor legally related as father, mother, spouse, brother, sister and children, including not being the spouse of the children of the Executive Committee, major shareholders, controlling persons as well as not being the persons who will be nominated as the Executive Committee or controlling person of the Company or subsidiaries.

4. Neither having nor used to have any business relationship with the Company, parent company, subsidiaries, associated companies, major shareholders, or controlling persons of the Company in the manner that may obstruct the exercise of the independent judgment as the Audit Committee member. Moreover, the Audit Committee member must neither being nor used to be a major shareholder including controlling person of the entities which have business relationship with the Company, parent company, subsidiaries, associated companies, major shareholders, or the controlling persons of the Company, unless resigning from such a position for at least two years before the effective date of taking a position as Independent Director.

5. Neither being nor used to be the auditor of the Company, parent company, subsidiaries, associated companies, major shareholders, controlling persons of the Company, and not being major shareholder, controlling person or partner of the audit company which provides auditing service to the Company, parent company, subsidiaries, associated companies, major shareholders, or the controlling persons of the Company unless resigning from such a position for at least two years before the effective date of taking a position as Independent Director.

6. Neither being nor used to be any professional services providers including the legal advisory or financial advisory services that may received the consultant fees in the amount of more than Baht 2 million per year from the Company, parent company, subsidiaries, associated companies, major shareholders, or controlling persons of the Company, not being shareholders, the controlling person, or partner of such a professional services provider, unless resigning from such a position for at least two years before the effective date of taking a position as Independent Director.

7. Not being a director who has been appointed as the Company's representative, major shareholders or shareholders relating to major shareholders.

8. Neither operating the business having the same business nature which significantly competes with the Company's business or its subsidiaries, nor being a key partner or the Director who involves in managing the business, not being an employee, staff and a consultant who receives regular salary, or holding the share more than 1 percent of the total number of shares with the voting rights under the firm/ or business operators that operates the similar business nature and significantly competes with the Company's businesses or its subsidiaries.

9. Not obtaining any conditions that may obstruct the independent expression of comment on the Company's operations.

2) The Directors and Chief Executive Officer

1. Holding the qualifications consistent with Public Limited Company Act, Securities and Exchange Act, Business Code of Conduct, regulations of The Securities and Exchange Commission, Capital Market Supervisory Board and Stock Exchange of Thailand as well as criteria of good corporate governance.

2. Obtaining the knowledge, abilities and experience in various professional fields that will be beneficial and add value to the Company.

3. Holding the qualifications which support and promote the good Corporate Governance in order to create value to the company, enable to perform the duties with accountability, care and loyalty including the time devotion.

The Election and Nomination of Directors in accordance with the procedures specified in the Company's policy. The elected Directors need to get the approval from the Shareholders' Meeting. The resolution of the Shareholders' Meeting shall be based on majority voting rights of the shareholders who attend the meeting.

In this regard, the Company provides an opportunity to shareholders to nominate the potential candidates whom may have knowledge, capability, and obtain the appropriate qualifications to be elected as directors in advance prior to the Annual General Meeting of Shareholders by publicizing via SET's communication system and the Company's website.

The Company has set the policy of appointment and withdrawal of the Director as follow;

- The Company must have a set of the Board of Directors comprising at least 5 Directors, and not less than half of the number of the Directors and all Directors must have their permanent residence in the Kingdom of Thailand. The Board of Directors shall vote the Chair of The Board of Director among the Directors, and may vote the Vice Chairman of the Board of Directors and other positions as discretion. The role of the Vice Chairman of the Board of Directors is defined in the Company's policy which assigned by the Chairman of the Board of Directors.

- The Shareholders' Meeting shall vote the Directors pursuant to the following criteria and procedures as follow;

(1) Each shareholder has voting right equivalent to the number of shares being held.

(2) Each shareholder may use all votes to elect one or more directors, in case of election the number of the Directors, but those votes shall not be divided in any proportion for the specific Director.

(3) The persons who receive the highest respective votes shall be elected as the Directors according to the positions available at that time. The Chairman of the Board of Director shall cast the deciding vote in case a voting is tie between two persons competing for one available position at the time.

- At the Shareholders' Meeting, there's the Directors may retire from their role at least one-third of the number of the Directors. In case the number of the Directors can't divide into three parts, the number of retired Directors shall be the closest number of one-third.

The Directors who retire from the role in the first year and second year of the Company's registration, those Directors may do drawing for retiring from the role. In the later year, the Directors who are in the role the longest shall be selected to retire from the role and those retired Directors may be re-elect to take charge of the role again.

- Any Director shows their intention of resignation requires to send the resignation paper to the Company. The resignation date will be effective when the Company receives the resignation form.

Any Director resign under the condition above may report his/or her resignation to the registrar compliance with the Public Limited Company Act.

- In case the Director role is vacant due to other circumstance besides normal retirement term, the Board of Directors may select the qualified personnel who doesn't have any characteristics which may against the Public Limited Company Act and Securities and Exchange Law to be the substituted Director for the next Board of Directors' Meeting. Unless the term of the Board of Directors is less than two months. The substituted Director shall be in charge in the role until the remaining term.

The resolution of the Board of Directors as mentioned above comprising the vote not less than 3 out of 4 of the number of remaining Directors.

- In case of the retirement of the whole Board of Directors team, the Directors who retire from the role may still in charge of the position in order to support the business operations until the new Board of Directors team take charge. Unless the court may order the differently in case the Board of Directors retire from the role due to the injunction.

In case the whole Board of Directors retires from the role, the shareholders' meeting needs to be held in order to elect the new Board of Directors Team to replace the previous team within one month after the previous team retires from their role. The invitation letter of the Shareholders' Meeting requires to send to the shareholders not less than 14 days prior to meeting date and the advertisement to the local newspaper requires to publish not less than 3 days prior to the meeting date as well. The advertisement to the local newspaper needs to be published in 3 days continually.

- A Shareholders' Meeting may conclude any Director to retire from the role before the term in the office with the voting right not less than 3 out of 4 of the number of shareholders who attend the meeting and entitle to voting rights and the total number of shares not less than half of the number of shareholders who attend the meeting and entitle to voting rights.

3) The Audit Committee

The Board of Directors or the Shareholders' Meeting (depends on the case) shall appoint at least 3 persons to be the members of Audit Committee. Each member of Audit Committee shall be Independent Director and shall not be the Director assigned by the Board of Directors whom making the decision on

business operations of the Company, parent company, subsidiaries, affiliates, subsidiaries in the same sequence, major shareholders or controlling person and shall not be the director of the Company, parent company, subsidiaries, subsidiaries in the same sequence, only listed companies. The member of Audit Committee shall possess the qualification pursuant to Securities and Exchange Law as well as Proclamation, Regulation and/or Rules of Stock Exchange of Thailand stipulated for qualification and operating extent of the Audit Committee.

Anyhow, at least one member of Audit Committee shall have the sufficient knowledge or experience in accounting or finance in order to be able to verify the financial report reliably as well as other duties as the member of Audit Committee.

4) Executives

The Company has no Nomination Committee. Anyhow, the Company has the policy to recruit the person who has knowledge, competency and experience related to the Company's business.

The Chief Executive Officer is assigned to hire and appoint the persons whom have knowledge, ability, and experience in the Company's business to be the employees in several levels. In addition, the Chief Executive Officer shall appoint the supervisor or personnel to in charge of auditing and internal control. where as the nomination need to get approval prior from by the Audit Committee.

Code of Conduct

1. Ethics for Treatment toward Stakeholders

The Company adheres to treat all groups of stakeholders with good faith, honesty and equality. As a result, the Company determines that directors, executives and employees shall perform their tasks in compliance with ethics towards the Company's stakeholders as follows:

1.1 Treatment toward Shareholders

The Company has its policy to make equitable treatment of shareholders, protect shareholders' interests, and avoid performing any action that infringes or deprives the shareholders' rights by defining the following practices:

1. Operate business with honesty and good faith, make decision concerning business operation on a careful and prudent basis and treat all shareholders equally for the maximum benefit of shareholders as a whole.
2. Manage the Company's business to achieve prosperity with good performance and adhere to conduct business in accordance with good corporate governance principles in order to create growth, added value and appropriate returns to shareholders with continuity and sustainability.
3. Disclose the Company's information for investment decision making of shareholders equally, regularly, accurately, completely, sufficiently, timely and accordance with criteria of supervisory agencies as well as provide several channels for information disclosure.
4. Supervise the use of inside information strictly to prevent seeking for their own benefits or other persons' benefits from such inside information improperly (Abusive self-dealing) or proceed with any matter in the manner that may lead to conflicts of interest toward the Company in order to treat shareholders with fairness.

1.2 Treatment toward Employees

The Company recognizes that employees are valuable resources leading to the success of the Company and the achievement of the Company's goals. As a result, the Company treats all employees equally and fairly, without discrimination or violation in any forms by establishing guiding practice as follows:

1. Comply with the laws and regulations relating to employees strictly.
2. Provide fair recruitment, selection and hiring according to knowledge, capability, experience and suitability for job position.
3. Offer fair remuneration to employees based on knowledge, capability, experience, position, job description, responsibility and performance of each staff and in line with the Company's operating results and comparable with other companies in the same business group.

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4. Provide reasonable and appropriate welfare and other compensation for employees and comparable to other companies in the same or similar business group and compliance with relevant law, for example provident fund, accident insurance, annual check-up, other allowances, discount for the Company's products etc.
 5. Promote, rotate, award or punish employees transparently and accountably with honest, fair, and equitable manner, without discrimination by considering each employee's knowledge, competency and appropriateness.
 6. Support and give importance to develop employees' competency thoroughly and constantly by giving opportunity to employees for knowledge and competency development according to their duties in order to promote their professional progress.
 7. Treat employees with kindness and respect individual and human dignity.
 8. Promote a good work culture and atmosphere as well as encourage good relationship among employees so that they will work together with happiness and harmony, cooperate with other as a team and treat other employees generously.
 9. Preserve environment and occupational health in workplace that is safe for the employees' health, lives and properties on regular basis and implement training to provide knowledge and build up awareness of such matters to employees at all level.
 10. Listen to the opinions, suggestions, complaints and whistle blowing of employees at all level in an equitable way thru channels provided by the Company with appropriate and fair procedure, rectification, and measures to protect the complainants.
 11. Encourage employees' involvement in defining business directions and resolving problems of their units and the Company as a whole.
 12. Manage and conduct the Company's business with carefulness and avoid unfair actions which may disrupt employees' job stability.

1.3 Treatment toward Customers

The Company is committed to continuous satisfying clients' needs and creating confidence to customers, considered as the Company's benefactors. Therefore, the Company has determined the following framework:

1. Produce standardized quality products and services according to safety on health, life and property of customers, at reasonable and fair prices, develop and improve quality of goods and service with consistency to create customers' satisfaction and confidence.
2. Create and maintain a cordial and lasting relationship with customers as well as continuously survey customers' satisfaction.

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3. Provide several channels for customers' complaints and suggestion in order to prevent or solve problems promptly as well as use such information for further improvement or development of the Company's products and services.
 4. Do not request, accept or offer any inappropriate benefits from/to customers.
 5. Behave towards all customers with honesty, sincerity, equality and without discrimination.
 6. Comply with agreements or other terms and conditions given to customers fairly. In case when the compliance with agreement cannot be achieved, the Company shall promptly negotiate with customers in advance in order to mutually consider the way to solve problems and prevent possible damage.
 7. Disclose information pertaining to its products and services in accurate, complete, adequate, and timely manner without any concealing, distorting, giving false or misunderstanding information.
 8. Keep confidential information of customers strictly and do not disclose their information without prior permission from those customers, except in compliance with the law, abstain from using information to take any advantage for their own or involved persons improperly.

1.4 Treatment toward Business Partners

The Company realizes the significance of operating business with equality, fairness, trustworthy and honesty on the basis of mutual benefits with business partners therefore the following practical guidelines are defined:

1. Provide transparent goods and services procurement process by treating all business partners with equality and fairness, and establish criteria and operational guidelines of selection of business partners explicitly, properly, and fairly.
2. Do not request, accept or offer any dishonest benefits to/from business partners and send letters to notify such matter to all business partners as well as request for their cooperation.
3. Prepare fair agreement and perform in accordance with such agreement or conditions agreed with business partners strictly. In case any condition stated in the agreement cannot be followed, business partners shall be promptly informed so that mutual resolution will be made and preventive measures shall be addressed.
4. Keep confidential information of suppliers as usual and abstain from exploiting such information to unlawfully seek for their own benefits or related persons' benefits, except with the business partners' consent.
5. Maintain sustainable relationship with business partners, including cooperation in economy, society and environment.

1.5 Treatment toward Creditors

The Company has a policy to treat all creditors equally and fairly by determining the following guidelines for practice:

1. Strictly adhere to obligations and conditions stated in loan agreement, including loan repayment, safeguarding all collaterals, and not applying loan in the way that oppose to the objectives agreed in the agreement. In case where the Company fails to fulfill agreed obligations, creditors shall be promptly informed in advance so that mutual resolution will be made and preventive measure will be addressed.
2. Do not use dishonest method to conceal information or fact that may cause damage to creditors.
3. Do not request, accept or give other dishonest benefits from/to creditors.
4. Disclose correct, complete and on time financial information to the creditors on regular basis.
5. Manage business to ensure the creditors of the Company's financial status and good record of loan repayment.

1.6 Treatment toward Business Competitors

The Company formulates a policy to conduct business under fair competition framework with the following guidelines:

1. Perform under framework of free and fair business competition and do not prevent others to engage in business competition.
2. Refrain from seeking confidential information of business competitors through dishonest or inappropriate approach.
3. Refrain from defaming business competitor's reputation by negative allegation without factual truth or perform unfair competition.

1.7 Treatment toward Society, Community and Environment

The Company aims to be an organization responsible for community, society and environment by complying with the following operational guidelines:

1. Oversee, prevent and avoid damage caused by the Company's business operation to society, community and environment.
2. Provide cooperation and control to strictly comply with laws, relevant rules, orders and regulations.
3. Support activities to improve and develop community, society and environment according to the Company's capability, promote and encourage the use of products that are environmentally friendly.
4. Provide knowledge, arrange training and support activities to encourage employee involvement continuously in order to implant their consciousness of responsibilities towards society, communities and environment.

5. Conduct business while taking into account of efficient and valuable use of resources and encourage resources recycling.
6. Incorporate energy management as a part of the Company's business operations, constantly improve efficiency of energy utilization and set annual target for energy conservation. Energy conservation is the duty and responsibility of executives and employees at all level.

2. Ethics for Compliance with Law, Rules and Regulations

The Company gives priority to conduct business seriously in accordance with all relevant laws, rules, regulations, customs and traditions and good morals. Consequently, practical guidelines have been established as follows:

- a. Comply with relevant laws, rules, regulations, customs and traditions of the country in which the Company conducts business, as well as good morals such as rules and regulations of the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC), environment, human rights, taxation, substance abuse, national security and information technology systems.
- b. Respect local customs where the Company operates business and good morals.
- c. Do not assist, support, cooperate or conspire to avoid or violate laws, rules, regulations, customs and traditions and good morals.
- d. When seeing violation against or noncompliance with laws, rules, regulations, customs and traditions, such matter shall be reported to supervisors, responsible parties or thru whistle blowing channels designated by the Company including cooperation with internal and external supervisory agencies for investigation and information disclosure.

3. Ethics for Respect for Human Rights

The Company respects human values and dignity of everyone by not acting or supporting violation of human rights strictly. The practices have been stated as follows:

- 3.1 Treat all employees equitably and fairly based on human dignity and respect individual liberty and rights.
- 3.2 Provide process of employment, training and compensation for employees equally, fairly and transparently with consideration on the basis of knowledge, competency and work experience without regard to race, nationality, language, religion, caste, sex, age and educational background.
- 3.3 Respect the privacy of directors, executives and employees by keeping personal information confidential and do not disclose such information to unrelated parties unless it is granted permission of owners or required to do so by laws.
- 3.4 Promote compliance with international human rights principles and do not complicit in the violation of human rights in any form such as the use of child labor etc.

4. Ethic for Avoidance of Infringement of Intellectual Property

- 4.1 Protect the Company's intellectual property by means of avoidance of duplication and modification of the Company's intellectual property or perform any action for their own benefits or other benefits.
- 4.2 Do not perform any action leading to infringement of other intellectual property. In event of seeing any action which infringes or may infringe intellectual property, such action shall be reported to supervisor or relevant units or thru channels defined by the Company.
- 4.3 Operate business in compliance with laws, regulations and contractual obligations on others' intellectual property rights, patents, copy rights trade secrets, and other proprietary data.
- 4.4 In case of any other copyrights or intellectual property derived from employees' operation, such copyrights or intellectual property shall be owned by the Company.
- 4.5 Any software used in the Company's IT system shall be legal permission and copyrights and copying software for any reason, without the permission of software owner, is prohibited.

5. Ethics for Anti-Corruption

- 5.1 Directors, executives and employees at all level must comply with anti-corruption policy, business code of conduct, regulations and relevant work manual of the Company by not involving with all forms of corruption in both direct and indirect manner.
- 5.2 To stress the attending on processes which incur a high risk in corruption, the Company determines that directors, executives and employees must conform carefully in the following courses of action:
 - 1) Giving and Accepting Bribe
Prohibit from giving or accepting any form of bribe for business benefits and prohibit from assigning other persons to give and accept bribe for his/her own benefits.
 - 2) Gifts, Hospitality and Entertainment and Other Expenses
Giving or receiving gifts, hospitality and entertainment and other expenses is an important part of creating or maintaining business relationship. However, giving or accepting gifts and hospitality and entertainment should be justified in all circumstances according to tradition, custom and ordinary course of business and comply with the Company's business ethics and code of conduct and relevant laws. The value of gifts, hospitality and entertainment and other expenses should be appropriate, depending on each situation. In addition, providing and receiving gifts and hospitality and entertainment must not be encouraging to perform or avoid performing which may lead to corrupting problems.
 - 3) Political Contributions
The Company values political neutrality and has no policy to contribute or support in form of monetary or property donations to any political parties, political groups or politicians,

either directly or indirectly. The Company respects human rights and freedoms of employees to participate in political activities, without claiming the name of the Company.

4) Contributions for Charity, Public Benefit and Sponsorships

- Charity in form of cash or properties of the Company must be contributed only under the name of the Company to foundations, public charities, temples, hospital, sanatorium and reliable or certificated social organization and must be verifiable. To make charitable contribution, the memorandum shall be prepared by stating name of recipient, objective of donation with supplementary documents and submitted to the authorized persons for approval.
- Sponsorships in form of cash or property of the Company must be granted only under the Company's name with the purpose of business, good image and reputation of the Company. To make sponsorships, the memorandum shall be prepared by specifying name of recipient and clear objective together with verifiable evidence and supporting documents and submitted to the authorized persons for approval.
- Granting or receiving charitable contributions or sponsorships must not be used as a mean for or leading to bribery.

- 5.3 Purchasing and procurement shall be carried out in accordance with the Company's rules and regulations with transparency and accountability. The evaluation of supplier selection shall be strictly pursuant to purchasing regulations. The letters notifying about anti-corruption policy and measures of the Company as well as channels of whistle blowing and complaints. Moreover, the Company reserves the right to stop any business interactions with suppliers who commit the corruption.
- 5.4 Upon the detection of act within the scope of corruption, the staff shall not neglect or ignore and inform their supervisors or responsible persons or inform via whistle blowing channels as well as collaborate in any investigations. In case of having any suspicion or query, the issues shall be brought to their supervisor or responsible persons through stated channels.
- 5.5 Provide whistle blowing and complaint channels, establish measures for protection for any complainant or whistle-blower and keeping information of whistle blowing or compliant in confidential and process investigation timely and fairly.
- 5.6 A person who is involved with any corruption will be considered for disciplinary actions in accordance with the Company's regulations up to dismissal and/or termination of employment. In addition, conviction on laws may be applied in case such act violates the laws.
- 5.7 Conduct corruption risk management by assessing risk arising from other activities of the Company which may have process or procedure probably contributing to corruption, establish measures of risk management and follow up as well as review existing measures of risk management to be suitable so that risk will be controlled in acceptable level.

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- 5.8 Implement human resource management procedure in line with anti-corruption policy, starting from recruiting or selection, training, performance evaluation, promotion, rewarding and hiring process. Furthermore, organization chart shall be set with appropriate duty segregation, resulting in checking and balancing.
 - 5.9 Set out proper auditing process and internal control system in order to prevent corruption and misconduct. Process of internal audit spreads over core activities of the Company such as purchasing and procurement, marketing etc. Internal control system includes finance, accounting and data gathering and recording.
 - 5.10 Communicate anti-corruption policy and notify channels of whistle blowing and complaints to everyone in organization to comprehend, accept and comply thru various channels of the Company i.e. email, intranet, website, announcement board etc., arrange orientation of all new directors, executives and employees and provide regular training on anti-corruption policy to all relevant existing employees for their understanding and complying with this policy.
 - 5.11 Communicate anti-corruption policy and notify channels of whistle blowing and complaints to public and stakeholders thru various channels of the Company i.e. website, annual report, Annual Disclosure Information (Form 56-1).
 - 5.12 Monitor the implementation of anti-corruption policy regularly and revise framework in line with change in business, rules, regulations, and relevant laws in usual.

6. Ethics for Receiving and Offering Gifts, Properties or Other Benefits

- 6.1 Do not request gifts, properties or other benefits from customers, business partners or any person dealing business with the Company.
- 6.2 Avoid receiving or giving money, things or other benefits from customers, business partners or persons dealing business with the Company with intention to persuade to perform or failure to perform in improper or illegal manner.
- 6.3 Avoid giving or accepting gifts or any gratuity from customers, business partners or persons dealing business with the Company, except for customary occasions or seasons. The value of any gift received must not be over Baht 3,000 and without business obligation involvement or influence on business decision. If the value is above Baht 3,000, the recipient shall report his or her superior and send such gifts to the Company without delay.
- 6.4 Avoid giving or receiving reception party in the manner exceeding normal nature or improper for normal relations with customers, business partners or persons dealing business with the Company.
- 6.5 Allow to accept invitations to business events, seminars, and field trips where the travelling expenses are sponsored by business partners. However, the aforementioned activities must benefit the Company's business and be approved by the relevant supervisor but acceptance of spending money or other benefits provided by such business partners is prohibited.

7. Ethics for Conflicts of Interest

Any duty performance of directors, executives and employees shall be conducted primarily in accordance with the Company's benefit and involvement in any transaction that may cause a possible conflict of interest with the Company shall be avoided. The Company has imposed guiding practice as follows:

- 7.1 Stipulate that directors, executives and employee including related persons shall not acquire personal interests against the Company's benefit. Any activity that may lead to conflicts of interest with the Company shall be avoided including either dealing with persons relating to the Company's business such as business partners, customers, competitors, or using opportunity or information obtained from their status in the Company to acquire personal interests for themselves, and conduct any business which is regarded as the competition with the Company or identical or similar business as the Company or perform other duties which will disrupt their task performance in the Company. Once conflict of interest issue cannot be avoided, the person involving in the transaction must report the Company without taking any part in consideration and approval for such transaction.
- 7.2 In case transaction that may create conflicts of interest is carried out, the Company has stipulated guidelines for handling conflict of interest issues transparently and verifiably in order to prevent conflicts of interest. The Audit Committee shall carefully give opinions regarding necessity and appropriation of such transaction to the Board of Directors and/or shareholders (as the case may be) for their consideration and approval. The directors who may have conflicts of interest shall not attend the meeting to consider for approval and abstain from voting to approve such transaction. In addition, the regulations stipulated by the Securities and Exchange Commission and the Stock Exchange of Thailand shall be strictly complied with regarding price determination and other terms and conditions with the persons who may lead to conflicts of interest with the Company as if it is a transaction done with an outsider (Arm's Length Basis) with reasonable trade agreement same as transacting contracts in general, based mainly on the company interests. Details of connected transactions with possible conflicts of interest shall be disclosed in financial statements, Annual Report and Annual Disclosure Information (Form 56-1) with accurate and sufficient information.
- 7.3 In case where directors, executives and employees become directors, partners or advisors in other organizations, such status shall not be against the Company's interest and their direct roles in the Company.
- 7.4 In case where directors, executives, employees or any family member are involved or become shareholders in a competing business or being of the same nature as that of the Company or any business that may create the Company's conflicts of interest, they shall notify their superior and the Chairman of the Board in writing.

8. Ethics for Keeping Confidential Information, Use of Internal Information and Trading of the Company's Securities

To be transparent and protect exploiting their own benefits by using inside information which the Company has not disclosed to public yet as well as to avoid scandal about the appropriation of securities trading of internal persons, the Company has established regulations for directors, executives and employees of the Company to follow:

- 8.1 Directors, executives and employees at all level shall maintain confidentiality and/or inside information of the Company, refrain from disclosing and protect such confidential documents or information from leaking to non-relevant persons that may cause damages to the Company, or acquire personal interest for themselves or others, irrespective of directly or indirectly, even after ending employment with the Company. In addition, they shall not trade and transfer in-out the Company's shares by taking advantage of confidential and/or inside information and/or enter into legal transactions by using confidential and/or inside information of the Company which may cause damage to the Company whether directly or indirectly.
- 8.2 Directors, executives and employees in units that receive inside information, shall not use such information before disclosing to public. Moreover, they shall not trade and transfer in-out the Company's shares for a period of one month prior to the disclosure of quarter and annual financial statements to the public and at least 1 working day after such disclosure.
- 8.3 All directors and executives must sign for acknowledge their duties to report on the Company's shares owned by them, their spouse and minor children to the Securities and Exchange Commission (SEC) within 30 days after taking the position appointment. In addition, they shall report the change of shareholding to SEC within 3 business days after the date of trading and transferring in-out the Company's shares and inform the Company as well as report in the meeting of Board of Directors on quarterly basis.

Such regulation is also applied to spouse and minor children of the Company's directors, executives and staffs. In case that, any persons who infringe the regulations shall be punished by discipline and/or law.

9. Ethics for Protection of the Company's Properties

The Company encourages directors, executives and staff at all levels to utilize the Company property and fixed assets with the most efficient manner. Hence, operational frameworks have been specified as follows:

9.1 Protection of the Company's Properties

1. Preserve the Company's properties to be in good condition and prevent them from lawful loss or irregular devaluation.

2. Utilize the Company's resources and properties in an economical manner for its optimum benefit and shall not use any of them for personal benefit or other activities unrelated to their work.

9.2 Documentation

1. Prepare all business documents and any other report including accounting and financial reports on a cautious, good faith, timely, accurate and complete basis as well as in accordance with specified standard. Supplementary information should be referable, up-to-date, and kept and collected for ready to use at all time.
2. Prohibit from counterfeiting the Company's letters, reports and documents.

9.3 Use of Computer, Information Technology and Communication

1. Computers and Information and Technology used for operation are regarded as the Company's properties, therefore they should not be used for personal or other benefits.
2. Keep a password to access the Company's information system confidential and do not reveal it to anyone.
3. Prohibit disclosure of information in the Company's data system to other persons without permission.
4. Do not modify, duplicate, erase or destroy the Company's data without permission.
5. Prohibit from using illegal software and copying licensed software for any reason without obtaining permission from the producer of such software.
6. Forbid from modifying the Company's hardware equipment or installing equipment other than the standard equipment provided by the Company.
7. Prohibit from using the Company's electronic mail to forward message which is discrediting, intimidating, obscene, improper or annoying to other persons.
8. Use internet to search for information and knowledge which is beneficial for working, avoid illegal and immoral websites and do not distribute information or news in such websites to others.
9. Use any communication equipment provided by the Company such as telephone, facsimile, mobile phone etc. with conscious mind and responsibility, mainly for the Company's interest.

10. Ethics for Internal Control

- 10.1 Implement internal control system suitable for every activity of the Company and appropriate risk assessment to ensure good controlling activities for all functions, establish working standards to enhance transparent and accountable operation by specifying explicit authority and responsibility of executives and employees in writing, segregate duties of operators, controllers and appraisers to build up efficient auditing and balancing, provide adequate and

proper resources, set up monitoring and evaluation systems to ensure appropriate and practical system, and revise auditing system according to changing work environment and risk factors.

10.2 Establish an independent unit that directly reports to the Audit Committee and perform duty to audit operation of other units pursuant to defined regulations.

10.3 Employees have duties to support auditing works of internal audit as well as external auditor and cooperate with them by providing correct and complete information and inspect accuracy of financial data and promptly report when discovering error or irregularity.

11. Ethics for Distribution of information and Interviews with the Press or the Public and Investor Relations

Disclosure of the Company's information must be based on truthful, accurate, careful, timely, equitable and fair information, and must comply with the rules and regulations of the Stock Exchange of Thailand as well as any rules, conditions and procedures of the listed company and the Securities and Exchange Commission including other related laws.

- 1.1 The distribution of the Company's information shall be conducted in a factual, accurate and careful way and strictly adhered to the criteria and requirement of the Stock Exchange of Thailand regarding rules, conditions and procedures governing the disclosure of information and any practice of listed companies, including relevant laws and regulations.
- 1.2 The Company assigns Chief Executive Officer, Deputy Chief Executive Officer and Chief Financial Officer to be authorized persons to be interviewed or to answer questions of shareholders, investors, the press, and external parties. In addition, other executives authorized by the Chief Executive Officer may exploit the Company's information.
- 1.3 The Company designates an investor relations unit to perform duty to disclose essential and beneficial information to shareholders, investors, securities analysts, fund managers, and financial institutions. In this regard, units owning the information shall provide their information to investor relations unit.
- 1.4 Refrain from or avoid revealing information, news or interviewing with press or public about the Company without authority, or any other information which may adversely affect the Company's reputation, image and business operations.

Ethics of Directors and Executives

1. Perform duties according to the law, relevant rules and regulations, the Company's regulations and policies, shareholders' resolution and good corporate governance principle.
2. Carry out duties with honesty, integrity, carefulness, caution, transparency, fairness and accountability for the best interests of the Company while adhering to the benefits of relevant stakeholders.

3. Devote time to perform duties with utmost knowledge and competency and attend every meeting, except in cases of necessity.
4. Keep confidential information of the Company from leaking and do not disclose such information to non-relevant persons that may cause damages to the Company or stakeholders, except in compliance with laws.
5. Perform duties by avoiding any action that may lead to conflicts of interest with the Company, whether directly or indirectly, including
 - Do not acquire personal interests improperly from their work operation either directly or indirectly.
 - Refrain from exploiting information obtaining from their duties for seeking inappropriate benefit of personal or others' interests.
 - Refrain from any engagement in management action of other entities that undermine the Company's interests.
 - Do not conduct any business in competition with the Company either directly or indirectly.
 - Do not take any advantage or interest from the Company's agreements.
 - Do not receive anything or other benefits that may lead to conflicts of interest of the Company.

Ethics of Employees

1) Treatment toward Stakeholders

- 1.1 **Shareholders** To disclose or provide information to related authorities, external auditor and internal auditor correctly, completely in a timely manner. To comply with the Company's ethics for distribution of information and Interviews with the press or the public disclose and ethics for investor relations.
- 1.2 **Employees** To treat supervisors and colleagues with fairness, equality, honesty, courtesy, unity and harmony. Not to slander someone groundlessly.
- 1.3 **Customers, suppliers, creditors** Treat customers, suppliers, creditors, with equality and fairness. Provide information correctly, adequately. Comply with the condition and agreement specified in the contract.
- 1.4 **Competitors** To practice under the rules of competition without taking any action to trade barrier. Refrain from wrongful approach in seeking trade secret or defame other's reputation without evidence of truth.
- 1.5 **Social, community and environment** To behave under the principle of good moral, custom and tradition. To adhere with integrity and ethics. Avoid all vices and drugs. Appreciate and use resources wisely.

2) Treatment toward the Company

- 2.1 **Compliance with laws, rules and regulations** as well as the Company's vision, goal, mission, core values, announcements and policies. Refrain from engaging, supporting or any action that violates or breach against them.
- 2.2 **Respect human rights** To treat others with politeness, kindness, equality, honesty, based on human dignity as well as respect individual privacy. Never support human rights violation both directly or indirectly.
- 2.3 **Avoidance of Infringement of intellectual property** To avoid using every intellectual property without license or consent such as software, copy rights and patents. To avoid the installation, modification, changing the computer configuration setting and software duplication unless given authorization by the Company.
- 2.4 **Anti-Corruption** Do not tolerate any forms of corruption.
- 2.5 **Receiving and giving gifts, properties and other benefits** To avoid receiving and giving gifts, bribery, benefits or other reward from government and private entities, customers, business partners. If unable to refuse, notify supervisors.
- 2.6 **Conflicts of Interest** Avoid any action that is contrary to the interests of the Company. Employees must inform their supervisors such as themselves, family members, and/or relatives are involved in competitive business with the Company or being a partner with the Company, both directly and indirectly.
- 2.7 **Maintain confidentiality, use of inside information and trading in the Company's securities**
Do not disclose information of the Company, customers, partners, except as required by law including not taking advantage of such information. If the employee leaves the job, a complete report of all information must be returned to the company. Do not use inside information of the Company for trading in the Company's securities.
- 2.8 **Protection and custody of the Company's assets** All employees are responsible for the maintenance of Company assets, to be in good condition without loss and will not use the Company's assets for personal gain, unless authorized by the authorized person and/or have paid a reasonable price.
- 2.9 **Commit to performing duties to the best of their ability** Perform duties with honesty, integrity, responsibility, diligence, always develop yourself. Do not spend time working for another company or for personal gain while being an employee of the Company. It is forbidden to work or enter into an employment contract with another company.
- 2.10 **Maintain the reputation and image of the Company**
 - 2.10.1 **Avoid** any action that will lead to defamation of the Company's reputation and image.
 - 2.10.2 **Not use information technology in a way that causes damage** to the Company, to others, or to the morality of society, whether directly or indirectly, for example, the

collection, transmission or access to infringing information, privacy rights or media that is against the good morals of society, etc.

2.10.3 Use social media responsibly

- Do not use your brand or company name as a substitute for identification in your online profile. For example, using your brand name or company name as part of your blog or Facebook name.
- Do not post inappropriate text or images that may be associated with a brand or company name. Such as workplace photography or documentary images of the Company on all online media, posting inappropriate pictures while wearing employee uniforms. defamatory comments harassment of people in the Company or third parties, posting inappropriate, confidential, unapproved messages or images, or infringement of copyright, etc.

Supervision in Acting and Reviewing

1. Define that the code conduct shall be communicated to directors, executives and employees at all level for acknowledgement and understanding.
2. Every director, executive and employee has duty to be aware of, comprehend, and strictly comply with the code of conduct manual. When having a doubt regarding practices stipulated in the code of conduct, employees should consult his/her superior or relevant department such as Human Resource Department.
3. Executives at all level should behave as role models for the staff to perform pursuant to the code of conduct and have duties and responsibility to oversee and encourage all subordinates to acknowledge, understand and seriously comply with the code of conduct manual.
4. When seeing any infringement or avoidance of the code of conduct, directors, executives and employees have duties to report to their direct supervisor or persons/departments in charge or use whistle blowing or complaint channels, and cooperate in fact-finding investigation. In this regard, the Company has measures to protect any whistle-blower or complainant or reporter. All information received will be treated in confidence and the disciplinary action shall be taken shortly and fairly.
5. Regularly review and improve the code of conduct to be up-to-date and compatible with evolving business environment.

Whistle Blowing, Complaints and Suggestion

The Company provides the opportunities for employees and all groups of stakeholders to propose their opinions, suggestions, complaints and whistle blowing regarding anti-corruption, fraud and violation of laws, rules, regulations, code of conduct and good corporate governance principles as follows:

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1. Channels of whistle blowing, complaints and suggestion
 - 1) Electronic mail of the Chairman of the Board who is also the Chairman of the Audit Committee at chairman@jckhgroup.com
 - 2) The Company's website at www.jckhgroup.com
 - 3) Suggestion boxes at branches, factory and head office
 - 4) Calling at telephone numbers in notices posted at every branch
 - 5) Postal mailing to

Chairman

JCK Hospitality Public Company Limited

No. 18, TFD Building, Soi Sathorn 11 Yaek 9, Yannawa, Sathorn Bangkok 10120

 2. Protection and keeping confidential
 - 1) Any whistle-blower or complainant, whoever employees or external persons, will be protected.
 - 2) The Company shall provide fairness and safeguard to any staff who denies or inform corruption cases or report wrongdoing or make a complaint or cooperate in reporting corruption by not changing job position, job nature, workplace, job suspension, punishment or providing negative impact on that staff.
 - 3) The Company shall investigate according to procedure and record investigation outcomes in writing without disclosing information of a whistle blower or complainant. The Company will keep the whistle blower or complaint's documents confidential and prohibit from disclosing them to unrelated persons, except when required by law.

 3. Procedure for investigation
 - 1) When receiving any whistle blowing or complaints, a recipient shall gather factual information and submit them to the company secretary.
 - 2) The company secretary shall invite the following representatives from management to perform investigation:
 - Deputy of Chief Executive Officer
 - Human Resource Manager
 - Manager of a whistle blower or complainant (in case of such person is the Company's staff) Company secretary shall attend the investigation meeting as an observer.
 - 3) In process of investigation, the company secretary may be assigned to report progress of investigation to whistle blower or complainant from time to time.

- 4) In case of the outcomes of investigation is found that there are information or evidence reasonable showing that a suspect actually commits wrongdoing, the Company will provide the right to the suspect to acknowledge the allegation and prove oneself. To do so, the suspect can provide additional information or evidence to prove that he/she does not involve with wrong doing as accused.

Disciplinary Punishment

Directors, executives and employees at all level have a duty to comply and promote others to comply with code of conduct. The following actions constitute a breach of code of conduct:


1. Fail to comply with code of conduct.
2. Suggest, encourage and support others to not comply with code of conduct.
3. Neglect, ignore when seeing a violation of or failure to comply with code of conduct in case of knowing or being in a position to know as it involves work under own responsibility.
4. Fail to collaborate or obstruct investigation into facts on violation or noncompliance with code of conduct.
5. Treat any whistle blower reporting noncompliance with code of conduct unfairly.

The Company regards code of conduct as a discipline which directors, executives and employees at all level shall comply seriously. Violation or noncompliance with specified code of conduct shall be strictly subject to the Company's disciplinary penalty and may also be faced with legal punishment, if such action is unlawful.

Report from the Audit Committee

In 2021, JCK Hospitality Public Company Limited complied with the following requirements set by the Stock Exchange of Thailand and as entrusted by the Board of Directors. Details are:

1. The Audit Committee convened 4 times in 2021. The meeting was attended by all members of the Audit Committee. The auditor meanwhile attended the Audit Committee meeting at least once a year.
2. The Audit Committee reviewed and approved the 2021 auditing plan of the Internal Audit Department where it focused at strengthening the internal control system, reinforcing adequate auditing in required areas and reporting results of such internal control to the Audit Committee on a regular basis. Having reviewed and assessed the Internal Audit Department's operation in 2021, the Audit Committee had an opinion that the internal control system was efficient enough to control and supervise the operation of the Company and no material defect was found.
3. Both quarterly and annual financial statements of the Company were reviewed to provide full and accurate financial information based on the generally-accepted accounting principles in a timely fashion as well as a true reflection of the Company's financial status before they were submitted to the Board of Directors.
4. The Audit Committee reviewed an evaluation form of the adequacy of the Company's internal control system to ensure that it had an appropriate and adequate internal control system to supervise operation based on its business objectives.
5. The Audit Committee reviewed risk management procedures by taking into consideration a risk management policy and a risk management plan and guideline based on prevailing corporate risks. It also regularly reviewed the efficiency and suitability of the Company's risk management system.
6. The Company was requested to be compliant with corporate governance on the basis of the Stock Exchange of Thailand's guidelines and to develop its CG practice to match the international standards.
7. The Audit Committee reviewed the Company's compliance with the laws and the authorities' rules and regulations.
8. The Audit Committee reviewed connected transactions and items that could cause conflict of interest as well as ensured that the information was accurately and completely disclosed.
9. The Audit Committee appointed an auditor and set his remuneration before submitting the information to the Board of Directors for proposing to the Shareholders' Meeting for its approval.



(Mr. Prasong Wararatanakul)
Chairman of the Audit Committee
February 28, 2022



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