

แบบ 56-1

ONE REPORT 2021

รายงานประจำปี 2564

**MUD &
HOUND**

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Chairman's Message

Dear Shareholders, Investors and Stakeholders

In the past 2021, we will still have to face the heavy epidemic of the Covid-19 virus around the world, affecting the global economy with unprecedented damage. Currently, in areas where vaccination continues, the epidemic of the virus has declined and economic activities have gradually resumed. However, in many areas, economic activities are still restricted to prevent the spread of the virus and there are still areas where re-epidemics occur. So far, the unpredictable situation continues with no signs of easing in the spread of the COVID-19 virus.

The various events that have occurred have had a very negative impact on the business and operating results of the Company. Still, the company continues to attach great importance to preventing the spread of the virus and ensuring the safety of all stakeholders both inside and outside the company. both employees and customers. Therefore, the company has made adjustments to the work process in various areas, such as adding measures to maintain cleanliness and hygiene. Allocating COVID testing kits and purchasing equipment to prevent other infections This prevents any major obstacles affecting business activities. And the company remains committed to preventing the epidemic of the same disease from now on.

The Company has strictly controlled expenses, especially staff expenses and store rents by arranging manpower in accordance with the changing situation and negotiating with tenants regarding rental reductions. Only during the closing of the shop. However, due to the epidemic situation of the COVID-19 virus The end point is still unpredictable, coupled with the uncertain economic conditions and risks to business today. Consideration of investment or expansion of the company's business Still attaching importance to careful and careful management. By taking into account the interests of all stakeholders, the Company can continue to operate its business sustainably which will generate long-term returns to shareholders.

Finally, on behalf of the Board of Directors We would like to thank the shareholders, investors, joint ventures, partners, customers, stakeholders and all related parties for their continued support and trust in the Company's operations. Directors, executives, as well as all employees will be determined, dedicated, physically and mentally capable of developing the organization for sustainable success. It is determined to operate its business under the principles of good corporate governance and transparency. especially I would like to thank all the staff who have performed their duties. dedication And I wish you all good health both physically and mentally.

Yours Sincerely,



(Lt. Col. Taweessin Rukkatanyu)

Chairman of Board of Director

Financial Highlights

		Consolidate Financial Statement		
		2019	2020	2021
Consolidate Financial Statement				
Revenues from Sales and Services	Million THB	2,913	2,166	2,170
Total Revenues	Million THB	3,060	2,316	2,316
Gross Profit	Million THB	1,714	1,294	1,321
EBITDA	Million THB	220	152	424
Net Profit (Loss)	Million THB	(26)	(420)	(111)
Total Assets	Million THB	4,210	4,792	4,897
Total Liabilities	Million THB	1,514	2,556	2,787
Total Equities	Million THB	2,696	2,236	2,110
Profitability Ratio				
Gross Profit Margin	%	58.8	59.7	60.9
EBITDA Margin	%	7.2	6.6	18.3
Net Profit Margin	%	(0.8)	(18.1)	(4.8)
Return on Assets (ROA)	%	0.3	(7.7)	(0.4)
Return on Equity (ROE)	%	(0.7)	(17.4)	(5.1)
Liquidity Ratio				
Liquidity Ratio	x	0.8	0.4	0.5
Days Sales Outstanding	Day	14.3	22.4	20.5
Days Inventory Outstanding	Day	53.8	67.4	70.5
Days Payable Outstanding	Day	116.9	154.3	169.3
Cash Cycle	Day	(48.8)	(64.5)	(78.3)
Debt to Equity Ratio				
Debt to Equity Ratio	x	0.6	1.1	1.3
Interest Bearing Debt / Equity Ratio	x	0.3	0.8	1.0
Per Share Data (Million shares)				
Par Value	THB per share	1.0	1.0	1.0
Registered Shares	Million shares	1,055	1,055	1,685
Paid-up Shares	Million shares	1,055	1,055	1,053

Part 1

Business Operation and Operating Results

1. Organizational structure and operation of the group of companies

1.1 Business Policy and Overview

1.1.1 Business Goals

Vision:

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

Mission:

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

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

1.1.2 Significant changes and developments

The Company was incorporated on March 16, 2006 as Mudman Company Limited with an initial registered capital of 10.0 Million Baht to operate the business by holding shares in other companies (Holding Company) which comprised operations whose primary business was food and beverage And changed its name to Mud & Hound Public Company Limited. on 21 May 2021.

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

Year	Event
2019	<ul style="list-style-type: none"> ● MM Inter, a subsidiary of the Company, invested in a new subsidiary, MM FR SAS ("MM FR"), established in France with a registered capital of US\$ 24,000. The purpose was to operate a restaurant business in France, where MM FR invested 67% in all ordinary shares of such Company and paid for the whole number of the shares for the amount of US\$ 16,000 already. ● MM FR, a subsidiary in which the Company indirectly holds shares, invested in a new subsidiary, MAISON MM1 SAS, which was established in France with a registered capital of €10,000 and was intended to operate a restaurant business in France, MM FR invested 100% in all ordinary shares of such Company and made a full payment for the shares worth €10,000 already. ● GDT launched the Dunkin' Donuts Food Truck to serve customers thoroughly in a variety of areas.
2020	<ul style="list-style-type: none"> ● On January 23, 2020, MM FR SAS, a subsidiary in which the Company indirectly holds shares, invested in a new subsidiary, namely MAISON MM2 established in France with a registered capital of €10,000. The purpose was to operate a restaurant in France, where MM FR SAS invested

Year	Event
	<p>100% in all ordinary shares of that Company and paid for the total number of shares amounting to €10,000. MAISON MM2 started its commercial operation on January 30, 2020.</p> <ul style="list-style-type: none"> On February 26, 2020, the Company's Board of Directors No. 1/2020 passed a resolution to appoint Pol Lt. Col. Thaweesin Rakkatanyu to take a position of chairman effective February 27, 2020 onwards. On May 26, 2020, the Company's Board of Directors No. 2/2020 passed a resolution to appoint Mr. Benjapol Benjapolakorn to be the Director of the Company, Mr. Sompoch Intranukul who retired since November 27, 2019 by counting continuously from vacation of office. In this regard, the tenure of Mr. Benjapol Benjapolakorn had an effect from June 1, 2020 onwards, and appointed Ms. Limlee Tipponggraphas to be the Company secretary effective June 1, 2020 onwards. On June 25, 2020, the Company's Board of Directors No. 3/2020 passed a resolution to notify the resignation of the executives: 1. Mr. Nadim Xavier Salhani, Chief Executive Officer, 2. Ms. Hansa Sermsri, Executive Vice President of Accounting and Finance effective July 1, 2020. However, Mr. Nadim Xavier Salhani will continue to serve as the Director of the Company, Executive Vice President and Risk Management Committee and appointed new executives: 1. Mr. Suphasith Sukhanindr, Chairman Executive Officer, 2. Mr. Somsak Tangprakob (Acting), Executive Vice President of Accounting and Finance effective July 1, 2020. On July 6, 2020, MM FR SAS, a subsidiary in which the Company indirectly holds shares, invested in a new subsidiary, namely MAISON MM3 established in France with a registered capital of €10,000. The purpose was to conduct restaurant business in France, where MM FR SAS invested 100% in all ordinary shares of such Company and paid for the total number of shares amounting to €10,000. MAISON MM3 started its commercial operation on July 9, 2020. On September 9, 2020, the Company's Board of Directors No. 4/2020 passed a resolution to approve the Company to enter into the building and land lease agreement with Chavananthakit Co., Ltd. to be used as an office, a training center, a central kitchen. Such transactions shall be deemed with connected persons, types of transactions supporting normal business with general commercial terms. On October 1, 2020, the Company issued and offered debentures to institution investors and/or high net worth investors, total 217,700 units at a par value of 1,000 Baht per unit, worth 217.7 Million Baht. The debentures are 2 years and 9 months maturing on July 1, 2023 with a fixed interest rate of 5.8% per annum. The Company informed the capital reduction due to the expiration with acquiring treasury shares. The Company had 1,517,000 unissued treasury shares. The Company therefore had to reduce its capital by eliminating repurchased shares and not all sold out in order to comply with the ministerial regulations prescribed rules and procedures on share repurchase 2001, whereby the Company would register the change of registered capital to the Ministry of Commerce and continue to notify the Stock Exchange of Thailand after registered capital reduction. The Company would have a paid-up registered capital at 1,053,386,750 Baht divided into 1,053,386,750 ordinary shares with a par value of 1 Baht per share.

Year	Event
	<ul style="list-style-type: none"> On December 16, 2020, the Company moved its location of the Company's office to 206 Soi Pattanakarn 20, Suan Luang Sub-district, Suan Luang District, Bangkok 10250.
2021	<ul style="list-style-type: none"> In February 2021, GS launched Funky Fries, a new French Fries store, opening its first branch at Seacon Bangkai, focusing on new crisps and guaranteeing a long-standing framework, serving customers, and plans to expand several branches next year in a variety of areas. Change name to Mud & Hound Public Company Limited on 21, May 2021 Appoint a new director, Khun Kem Wangli, and appoint a new company secretary, Khun Patchari Boonnak.

Business Overview




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







Core Business






- 1) Food & Beverage Business under Franchised Brands
- 2) Food & Beverage Business under Owned Brands

Other business

- 3) Lifestyle Business
- 4) Holding Company Business

Brand	Initial	% of Share	Nature of Business Operation
<u>Core Business</u>			
1) Food & Beverage Business under Franchised Brands			
Golden Donuts (Thailand) Co., Ltd. 	DD	100.0	Produce and distribute donuts and beverage under "Dunkin' Donuts" brand
ABP Café (Thailand) Co.,Ltd. 	ABP	100.0	Produce and distribute bakery under "Au Bon Pain" brand
Golden Scoop Co.,Ltd 	BR	100.0	Import and distribute premium ice-cream under "Baskin Robbins" brand

Brand	Initial	% of Share	Nature of Business Operation
2) Food & Beverage Business under Owned Brands			
Greyhound Café Co.,Ltd GREYHOUND CAFÉ  	GHC	100.0	Operating full-service restaurant under the following key brands: - Greyhound Café - Another Hound Café - Baan Hound
GHC Café (UK) Company Limited GREYHOUND CAFÉ	GHC (UK)	100.0 (Indirect holding thru GHC)	Operating full-service restaurant with GHC concept of “Basic with a Creative Twist” in international markets
Golden Scoop Co.,Ltd 	FF	100.0	Manufacture and sale of French fries and chicken bombs under the “Funky Fries”
Societe Langonnaise des Vins et Hotelleries SAS 	SLVH	100.0 (Indirect holding thru MM Inter)	Operating premium gastronomical restaurant under “Le Grand Vefour” brand
MM FR SAS 	MM FR	67 (Indirect holding thru MM Inter)	Produce and distribute food and beverage with Brasserie concept under “Le Mere Lachaise” brand
MAISON MM1 SAS 	MM1	100.0 (Indirect holding thru MM Inter and MM FR)	Production and distribution of food and beverage. It is a famous restaurant in Paris which has food in the south, fish, vegetables, spices and olive oil. The recipes are made with simple seasonal ingredients, local and exotic products, including the knowledge of cooking food and creativity of chefs under the brand PASCO.

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

1.1.3 Use of fundraising funds for the purposes stated in the equity or debt securities offering statement

- none-

1.1.4 Obligations that the company has committed in the registration statement for the offering of securities and/or conditions of licensing of the SEC Office (if any) and/or conditions for listing securities of the SET

- none-

1.1.5 Company Information



Mud & Hound Public Company Limited

Registered Number	0107559000141
Type of Business	Operate business as a holding company in terms of investment and management
Registered Capital	1,685,418,800 Baht (As of 31 December 2021)
Issued and Fully Paid	1,053,386,750 Baht
Par Value	1.00 Baht per share
Head Office	206, Soi Pattanakarn 20, Suan Luang Sub-District, Suan Luang District, Bangkok 10250 Thailand Tel : 02-079-9765 Fax : 02-079-9755
Website	www.mudman.co.th

1.2 Nature of business

1.2.1 Revenue Structure

In 2019 – 2021, the Company and its subsidiaries earned total revenues of THB 3,060 mm, THB 2,316 mm, and THB 2,316 mm, respectively, equaling to annual revenue growth of (24.3)% in 2020 and 0.0% in 2021. Revenue structure by business is as bellowed :

Sales and Services Income	2019 ^{/1}		2020 ^{/1}		2021 ^{/1}	
	THB mm	ร้อยละ	THB mm	ร้อยละ	THB mm	ร้อยละ
1. Food & Beverage Business	2,768	90.3	2,017	87.1	2,005	86.5
2. Lifestyle Business	145	4.7	149	6.4	164	7.1
Sales and Service Incomes	2,913	95.1	2,166	93.6	2,169	93.7
Other incomes	147	4.9	150	6.5	147	6.3
Total Revenues	3,060	100.0	2,316	100.0	2,316	100.0

/1 Revenue structure base on consolidated financial statement

1.2.2 Product information

1. Product Characteristic

The Company operates its business by holding shares in other companies (Holding Company) which consist of (1) main business in food and beverage business and (2) other business in lifestyle business. with details as follows:

(1) Food & Beverage Business

The Company's food and beverage business Can be divided into two types:

1.1 Food & Beverage Business under Franchised Brands

Currently, the Company has a food and beverage business that has franchised rights to operate business from foreign brand owners under all 3 trademarks, namely Dunkin' Donuts ("DD" or "Dunkin' Donuts") Au Bon Pain ("ABP" or "Au Bon Pain") and Baskin Robbins ("BR" or "Baskin Robbins"), all three of which are strong brands. have a long history And has gained worldwide popularity, with all 3 brands having different target groups. This helps expand business opportunities for the company.

1.2 Food & Beverage Business under Owned Brands

At present, the Company has food and beverage businesses under its own brands, namely (1) Greyhound Café, a lifestyle restaurant brand that focuses on uniqueness. Greyhound Café Strongly popular within the target audience. (2) "M Kitchen", a brand developed by the Company to operate food and beverage businesses for hospitals in the form of a cafeteria and food services for inpatients (IPD Food Services) (3) "Funky Fries", a brand that the company has developed for Produces and sells French fries and chicken bombs (4) "Le Grand Vefour", a restaurant founded in 1784 (1784), over 230 years old. Currently, SLVH has a number of branches. One branch is located in the Palais Royal's Gardens in Paris. (5) "Pasco" is a restaurant with 1 branch, located in 74 BOULEVARD DE LA TOUR MAUBOURG 75007 PARIS, PASCO Masion Guy Martin. It is a famous place in Paris to the south, which offers food, fish, vegetables, spices and oils. Olives. Recipes made with simple, seasonal, local and exotic produce. Including the culinary knowledge and creativity of the chef (6) "Augustin" is a restaurant with 1 branch located in the district 11 Place Jacques Lelieur, 76000, "Bistrot Augustin" located in the lively rue Daguerre. and a symbol in Paris in a chic and contemporary bistro style and (7) "A Noste" is a restaurant with 1 branch located in the 6 bis rue du 4 Septembre 75002 Paris. It is a friendly and warm restaurant in both urban and country style, full of flavor, mostly energized. Inspired by the original Southwest and with a contemporary and modern vision and fine dining.

As of December 31, 2021, the Company has a total of 561 food and beverage outlets, comprising 496 food and beverage outlets under franchise rights and 65 food and beverage outlets under its own brand.

(2) Lifestyle business

As for the lifestyle business of the company The lifestyle business is an extension of business by leveraging the strength of the brand "Greyhound", which is a unique and distinctive brand in fashion apparel products. Currently, products under the lifestyle business consist of fashion clothing products decorations. as well as collaborating with other brands in creating various products Under the concept and concept of the Greyhound brand, as of December 31, 2021, the company has 14 lifestyle business branches and 1 Greyhound Coffee shop.

As of December 31, 2021, the company has a number of branches separated by brands as follows:

Brand	Number of branches
Golden Donuts (DD)	419
Au Bon Pain (ABP)	67
Baskin Robbins (BR)	10
Funky Fries (FF)	18
Greyhound Café (GHC)	41 ^{/1}
Greyhound (GHF)	15 ^{/2}
M Kitchen	1
Le Grand Vefour	1
La Mere Lachaise	1
Pasco	1
Augustin	1
A Noste	1
Total	576

/1 Consists of a Greyhound restaurant. A total of 15 overseas cafes, 14 of which are operated through franchising abroad, and 1 through GHC Café (UK).

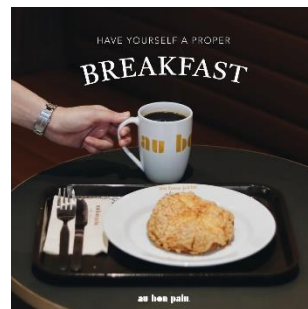
/2 Consists of 14 branches of fashion clothing stores and 1 branch of Greyhound Coffee.

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

Brand	2019	2020	2021
Golden Donuts (DD)	33%	40%	47%
Au Bon Pain (ABP)	21%	18%	15%
Baskin Robbins (BR)	3%	3%	1%
Funky Fries (FF)	-	-	1%
Greyhound Café (GHC) ^{/1}	32%	26%	19%
Greyhound (GHF)	5%	7%	8%
M Kitchen	1%	1%	1%
Le Grand Vefour	5%	2%	5%
La Mere Lachaise ^{/2}	-	-	-
Pasco	-	1%	1%
Augustin	-	1%	2%
A Noste	-	1%	2%
Total	100%	100%	100%

/1 including GHC Café (UK)

/2 Expected to be operational in 2022



2. Marketing and Competition

Food & Beverage Business

(1) Food & Beverage Business under Franchised Brands



1) Under the Trademark Dunkin' Donuts

Golden Donuts (Thailand) Company Limited ("GDT" or "Franchisee") is a subsidiary company that the Company Holds 100.0 percent of shares vested under a Master Franchise Agreement from Dunkin' Donuts Franchised Restaurants LLC (USA) ("License Owner" or "Franchisor") under which GDT. Has the exclusive right to produce and sell donuts and beverages under the Dunkin' Donuts trademark in Thailand (Exclusivity Rights) and can sublicense to other parties who can comply with the franchise requirements and be granted consent from the owner of the right. GDT has entered into a franchise agreement on March 10, 1981 and has entered into an agreement to determine the total number of branches to open every 5 years (Development Schedule), with each branch having the right to operate for 20 years by each branch has the right to operate for 20 years and has the right to renew the contract once for an additional period of 20 years by the agreement specifying the number of branches to open in all 5 years (Development Schedule). Ending December 15, 2021.

However, due to DUNKIN' DONUTS FRANCHISING LLC. Therefore, the details in the contract were amended. By now the negotiations have been completed. The contract will be signed within the first quarter of 2022. The company believes that there will be no problem in renewing the contract. because the company had been renewed the contract And the company has a good relationship with Franchisor and this contract is just a branch expansion contract. Therefore, it has no effect on the company's business.

As part of its business operations under the agreement, GDT is entitled to use the store management system, which is a stable and globally licensed system of ownership. GDT will pay a royalty fee per month. to the owner of the rights And there is a negotiation of future work plans together between GDT and the rights holder in the matter of policy formulation. Business guidelines including a plan to grow in a period of 5-10 years.

The first Dunkin' Donuts store in Thailand opened in 1981 and it is one of the international brands that is very popular in the country. The styles and products of Dunkin' Donuts in Thailand are similar to those of Dunkin' Donuts overseas in terms of quality. product variety store management model including the atmosphere inside the shop. This makes Dunkin' Donuts in Thailand have a strong loyal customer base. With sales growth and branch expansion every year. As of December 31, 2021, DD stores have 419 branches across the country. In the form of a Kiosk, which looks like a small shop with a small counter And there is limited seating in the shop. Most of them are located in shopping malls or hypermarkets. (Hypermarket) and with an area of approximately 10 - 30 square meters and stand-alone format. It is a large store with spacious seating and an average seating area of 20 - 40 and an area of about 50 - 150 square meters. Most of them must be located in shopping malls and community malls (Community Mall). Dunkin' Donuts also offers catering services. GDT has direct responsibility for design and selection. Products that meet the needs of customers according to the nature of the event and the scheduled activities such as meetings or seminars. Parties and events as well as the creation of snack boxes (Snack Box) to increase convenience and choice for customers.

The target group of Dunkin' Donuts is middle to upper income customers. Not limited in age and occupation, such as teenagers, students, college students, working age, new-generation executives, housewives and tourists. which has a demand for donuts and beverages that are delicious and of premium quality.

Dunkin' Donuts has main products including donuts and bakeries. and drink Each Dunkin' Donuts store has more than 50 kinds of donuts, such as original donuts, mochi rings, and munchkins to meet the needs of various customers In the past, Dunkin' Donuts has introduced new types of donuts. always to meet the ever-changing needs of customers Today, Dunkin' Donuts' donuts have different ingredients than normal donuts. Dunkin' Donuts also sells a variety of beverages alongside donuts and bakery items such as coffee, cocoa, smoothies and teas.



2) Under the trademark Au Bon Pain

ABP Café (Thailand) Company Limited ("ABP" or "Franchisee") is a subsidiary of the Company. Holding 100.0% of shares, which are entitled under a Master Franchise Agreement from ABP Corporation (USA) ("Right Owner" or "Franchisor") Under the contract, ABP has the exclusive right to produce and sell bakery products under the Au Bon Pain trademark in Thailand (Exclusivity Right). receive knowledge transfer expertise and direct experience of rights owners which has experience in such business from branches all over the world for more than 60 years. Marketing and guidelines for opening and managing a store.

Au Bon Pain in Thailand opened its first branch in 1997 as an American bakery. That sells bakery products, sandwiches, salads, soups that are quality and healthy food. including premium coffee and other beverages by focusing on novelty, modern to attract consumers and keep them attractive all the time but maintains the basics of bread and bakery that is made from the leading raw materials and is beneficial to the body In addition, the decoration of the restaurant will emphasize the airy and comfortable atmosphere. but also meet the needs of today's urgency-focused consumers. As of December 31 , 2021, ABP stores have 67 branches nationwide. Most of them are located in Bangkok and its vicinity. All Au Bon Pain outlets are stand-alone outlets with a size of approximately 50 to 200 square meters, with an average seating capacity of more than 30 per store. and located in a prime location such as hospitals, shopping malls, shopping centers and office buildings, etc. In addition, ABP also offers catering services at various events for various consumer groups of all ages, such as university students, working age people, modern executives. housewives and tourists groups, etc., with both snack boxes and lunch boxes.

Most of the customers are middle-class and above customers who mainly focus on healthy food that tastes good. without limitation by age or occupation such as students, students, families, tourists Executives and foreigners as well as consumers who need the urgency of the rush hour. However, the airy decor of Au Bon Pain creates a relaxed and friendly atmosphere. as well as having facilities to meet the lifestyles of customers enabling customers to meet, socialize or work.

Au Bon Pain's main products are food and bakery products. and beverages. ABP offers delicious and quality pastry recipes made with ingredients containing 0 grams of trans fat (Zero Gram Trans Fat) and baked twice a day to maintain freshness standards. It offers a wide variety of food and bakery items such as croissants, sandwiches, muffins, cookies, soups and bagels, as well as hot and cold beverages such as fresh coffee, tea, smoothies, etc.



3) Under the trademark Baskin Robbins

Golden Scoop Company Limited ("GS" or "Franchisee"), a subsidiary that the Company holds 100.0 percent of shares, is entitled under a Master Franchise Agreement from Baskin Robbins Franchising LLC (USA) ("Right Owner" or "Franchisor"), which owns the same rights as DD, under which Under the contract, GS has the right to import and sell ice cream and related products such as topping, whipped cream under the Baskin Robbins trademark in Thailand solely (Exclusivity Right) In addition to the rights to operate under the Baskin Robbins brand, GS also receives operational benefits. Marketing and guidelines for opening and managing the shop directly from the rights owner. Which has experience in the said business from branches around the world for more than 70 years, including training from rights owners in both marketing management as well. As of December 31, 2021, BR stores have 10 branches across the country. Most of which are located in Bangkok and its vicinity in the form of a Kiosk, which is a small shop with only counters. with an area of approximately 20-30 square meters and an average seating area of 8-15 and a stand-alone format, which is a medium-sized store. It has an area of approximately 45 - 80 square meters and seats an average of 30-50 seats.

4) Business under owned brand

Under the trademark "Greyhound Café" / "Another-hound Café" / "Bann Hound"

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

As of December 31, 2021, Greyhound Café has 41 branches both domestically and internationally, comprising 26 domestic branches (under the Greyhound Café / Another-Hound Café / Bann Hound brands) and overseas branches. (under the brand Greyhound Café) including the People's Republic of China, Hong Kong, Singapore, Indonesia, Philippines and England, a total of 15 branches

GHC categorizes its restaurants into 5 categories based on concept, food type, target customer group. and the price varies To create clarity of restaurants and target customers with details as follows:

GREYHOUND CAFÉ

a. Greyhound Café

Greyhound Café currently has 15 branches, with an average area of 270 - 350 square meters per branch and an average of 120 seats per branch. The highlight of Greyhound Café is modernity, creativity. airy atmosphere and has a clear unique identity Under the concept "Simple with Creative Twist" or the simplicity hidden with gimmicks creativity and fun Which is conveyed through the taste and appearance of the food with a simple but unique decoration as well as the atmosphere in the restaurant decorated according to the distinctive and quirky concept of Greyhound Café.

The target customers of Greyhound Café are students. and people working with middle to high income with a passion for being unique And the quality that is worth the price of Greyhound Café as well as foreigners who come to travel and work in Bangkok. with an average cost per head (Average Ticket Size) at 450 - 500 baht.

Greyhound Café is a fusion style restaurant that combines Thai and international cuisine with more than 195 dishes and beverages ranging from Thai fusion dishes to Thai and international dishes. vegetarian food snacks and beverages with a famous menu (Signature Dishes). It is rice noodles wrapped in minced pork. Sun-dried chicken wings dipped in fish sauce and fried with pomelo miang, meatballs/stir-fried pork with chili and orange sauce. Chili-soaked salmon Dried Kaolao Salad Greyhound Style Caesar Salad French mashed liver, fried crab with rice, mackerel chili rice salad Fried Rice with Chili Paste and Fresh Shrimp Fried Rice with Gourami Fish and Holy Basil Leaves Salted Organic Fish Spaghetti and Ruby Krob, Greyhound style, etc.

**b. Another-Hound Cafe**

Currently, Another-hound has 3 branches, with an average area per branch of about 300 - 350 sq m, or about 120 seats per branch. Highlight of the shop Another-hound is modern, cool, chic, but still maintains the concept of affordable prices (Affordable). The atmosphere in the shop reflects the meticulous lifestyle of urban living. Under the concept "Accessible Stylish Casual Italian with Asian Twist" by the store's target customers Another-hound is a group of young people and high-income working people. The average cost per head (Average Ticket Size) is 600 – 650 baht.

Another-hound shop It is a restaurant that sells fusion food that combines Italian food and taste. Spicy Thai food Over 100 different dishes and desserts are served, including Avocado Salad, Light Tom Yum Soup, Cold Japanese Salad, DIY Crab Sandwich, Fusilli Pad Thai, Spaghetti Cha Cha Cha, Fried Diced Lamb with Garlic and Black Pepper, Minced Pork and Smoked Bacon. Balls, Crab Bomb with Rice and Bean Medley with Longan Granita, among others.

Greyhound Cafés in foreign countries

Greyhound Cafés in foreign countries operate in two forms as follows:

(1) Under investment and managed by GHC UK

GHC UK, an indirect subsidiary that the Company holds through GHC, of which the Company holds 100% and GHC owns 100% of GHC UK. GHC UK has started operations of 1 Greyhound Café. The branch has an area of approximately 600 square meters and has 192 seats. The store is located in Fitzrovia, London, England. The company intends to be the flagship store (Flagship store) for creating awareness of brand (Brand awareness) and as a base for further expansion in Europe and other regions.

(2) Under the granting of franchise rights

Greyhound Cafés in foreign countries operate under franchise rights granted by Greyhound Cafe Company Limited ("Right Ownership" or "Franchisor"), where the franchisee has conditions to expand the branch. Greyhound Cafés for the minimum amount required and within the agreed period. In terms of business operations under the contract. The franchisee has the right to operate a Greyhound Café in the authorized country. and has the right to receive advice and support from owners of rights such as finding a restaurant location Selection of raw materials for cooking procurement of store decoration materials, etc.

Company's income Received consists of 3 main parts: 1) contract revenue (Upfront Fee), 2) franchise income in proportion to the revenue of each branch opened (Franchise Fee), and 3) revenue from sales. Products such as salad dressings, sauces and shop furniture, etc.

Currently, Greyhound Cafés under franchise rights abroad have a total of 15 branches in 5 countries, namely, the People's Republic of China (1 branch), Hong Kong Special Administrative Region of the People's Republic of China (10 branches), Indonesia (2 branches), Singapore (1 branch) and the Philippines (1 branch), with an average area per branch of about 280 - 300 square meters, or 120 seats per branch. with the atmosphere in the shop under the same concept as Greyhound Café in Thailand.

The target customers of Greyhound Cafés in foreign countries are similar to the target customers of Greyhound Cafés in Thailand, which are students, tourist and people working with middle to high income with a passion for being unique And the quality that is worth the price of Greyhound Café, with an average cost per head of 850 - 900 baht per head.

Greyhound Cafés abroad serve food and beverages similar to Greyhound Cafés in Thailand, with over 90 dishes on the menu. Signature Dish / Drink: Light Tom Yum Soup, Greyhound Style Chicken's wing, Avocado Salad with Rocket Leaves, Phad Thai with Fresh Prawns, Thai Braised Beef, Young Coconut Crepe Cake, Mango with Sticky Rice Choc Shock. Waffle and Thai Iced Tea with Milk etc.



Under the trademark "M Kitchen"

The Company saw an opportunity to grow in the full service food and beverage business under its own brand in different target customers from Greyhound Cafe's customers. and beverages for hospitals in the form of a food center (Cafeteria) under the name M-Kitchen restaurant or M Kitchen ("M Kitchen") which is a food center business in a hospital (Cafeteria) and a food service business for inpatients (IPD Food Services) and is operated by the Company. As of December 31, 2021, there is only one branch of such business at Ramkhamhaeng Hospital. However, the company has plans to expand the food center management business in various locations. Not only limited to hospitals, the company is also considering expanding branches to places such as private schools, or international schools, etc. The investment decision will be based on market trends, investment ability The traffic volume of the target customers Payback Period and Return on Investment (ROI) etc.

M Kitchen is a medium-sized restaurant. The restaurant is decorated with comfortable seats, clean, where the target customers of the M Kitchen Center are outpatients and relatives of patients, including the personnel of the hospital Target customers are people who want fast service and good value for money. Therefore, the service of M Kitchen will focus on fast service, and affordable For the target customers of the Inpatient Food Service (IPD Food Services) business, the service will be provided to inpatients only, according to nutrition standards and conditions prescribed by the hospital.

The target customers of M Kitchen Food Center are outpatients and their relatives, including the personnel of the hospital Target customers are people who want fast service and good value for money. Therefore, the service of M Kitchen will focus on fast service, and affordable With an average cost per head (Average Ticket Size) is approximately 80 - 85 baht. M Kitchen food center is available between 7:00 and 19:00 for target customers of the inpatient food service business (IPD Food Services). This service is available to inpatients only, according to nutrition standards and conditions prescribed by the hospital.

**Under the trademark "Funky Fries"**

"Funky Fries" is a brand that the company has developed for Produces and sells French fries and chicken bombs, with the first branch opening at Seacon Bang Khae in February 2021. As of December 31, 2021, there are a total of 18 branches and the company plans to expand branches in various locations.

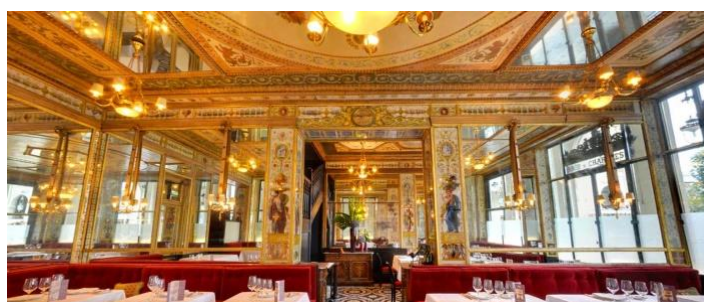
**Under the trademark "Le Grand Vefour"**

The Board of Directors No. 4/2017 dated October 12, 2017 resolved to approve Mudman International Limited ("MM Inter"), a subsidiary of the Company (the Company holds 100% of the shares sold and all of MM Inter) acquired ordinary shares of Societe Langonnaise des Vins et Hotelleries SAS ("SLVH"). The purpose of the acquisition of such ordinary shares is to increase opportunities and increase the ability to expand food and beverage business abroad. SLVH is a company that operates full-scale premium food and beverage businesses. Under the trademark Le Grand Vefour, the restaurant was founded in 1784, over 230 years old. Currently, SLVH has one branch located in the Palais Royal's Gardens in Paris. MM Inter has completed the acquisition of such ordinary shares on December 21, 2017.

Le Grand Vefour's target customers are workers, executives, politicians and high-income tourists. with a passion for luxury Old French art and history. Le Grand Vefour also selects ingredients. and control the quality and quantity of food to reflect the image of the target customers taste of food and value for money to create satisfaction for customers. It sells French cuisine that combines the elegance of the old days and the brilliance of modern fashion. It serves a variety of dishes and desserts in unique styles, such as Duck liver raviolis, truffles emulsion crea and Pigeon roast in bécasse way with truffe juice.

**Under the trademark "La Mere Lachaise"**

According to the company plan to expand branches abroad. The company has started to open the first branch under the Le Grand Vefour brand. The company has expanded the new branch with Mr. Guy Martin in designing the atmosphere. Styles and menus, La Mere Lachaise is located in a prime location with tourists and working people. which is the main target group of the store. As of December 31, 2020, La Mere Lachaise is in the process of renovating its store style. which is expected to be able to operate in early 2022.



**Under the trademark "Pasco"**

The company has expanded a new branch with Mr. Guy Martin in designing the atmosphere. Styles and menus by opening two stores under the Pasco brand, located in potential locations in line with the store's main target customers is a group of tourists and a group of working people. The shop has already opened. in January 2020.

**Under the trademark "Augustin"**

The company has opened a new branch under the brand Augustin. The company has expanded the new branch with Mr. Guy Martin in designing the atmosphere. Styles and menus Augustin's restaurant is in a prime location for tourists and working people. which is the main target group of the shop. The shop has already opened. in January 2020.

A NOSTE**Under the trademark "A Noste"**

The company has opened a new branch under the brand A Noste, which has expanded the new branch with Mr. Guy Martin in designing the atmosphere. Styles and menus, A Noste is located in a potential tourist destination. which the main target customers of the store are tourists and workers. The shop has already opened. in July 2020.


Lifestyle business

GREYHOUND ORIGINAL

The lifestyle business is operated by Greyhound Company Limited (“GHF”), a subsidiary of the Company. 100% owned by GHF, established in 1980, starting from the business of selling ready-to-wear fashion for both men and women. It is the first brand of Thailand and is popular among students and workers from the age of 18 - 35 years old. It is characterized by its uniqueness. Leadership in terms of presenting new styles And being an innovator, Greyhound doesn't stop at just fashion clothes. but has grown to become a comprehensive lifestyle brand Its main products include shirts, t-shirts, trousers, suits, skirts, shoes, bags and accessories. With the above reasons, Greyhound is able to sustainably compete in the fashion apparel industry. Widely known and creates a high brand awareness value that makes companies Interested in joining hands with Greyhound in various projects By building on the concept and being Greyhound, for example, collaborating with IKEA Company (IKEA) to design a special furniture collection SAMMANKOPPLA in Swedish, read as Sam-man-Cop-la. Sold all over the world and has been well received. Including collaborating with A.P. Honda Co., Ltd. in doing Greyhound Coffee business in the CUB House project, which is a Lifestyle Motor Bike Store by opening 12 branches in various provinces as part of the business expansion. Various using the Greyhound brand as the flagship.

As of December 31, 2021, Greyhound has the main distribution channel of its products in the country through its own outlets in 14 leading department stores, all located in Bangkok and its vicinity. It also opened a Greyhound Online Store through www.greyhound.co.th. including opening an online shop in various marketplaces such as Lazada, Shopee, Facebook, and Line OA.

The company has different brands according to target customers and different styles. This is one of the strategies Greyhound uses to expand lifestyle business opportunities. To reach more target customers, each of the major brands under Greyhound has the following details:

Brand	Information
GREYHOUND ORIGINAL	“Greyhound Original” is the first lifestyle brand of Greyhound focusing on distributing apparel and Leather with minimal concept ...“Basic with a twist”. The main products are shirts, T-shirts, pants, suits, skirts, shoes, and bags at seasonal collections. The price range is 2,000 – 5,000 Baht per piece.
 SMILEYHOUND GREYHOUND	“Smileyhound” is a brand for Casual Wear that is designed with concept of “Basic Casualwear with Smileyhound Icon for Everyone”. The main products are T-shirts, pants, shoes, and bags. The price range is 1,200 – 2,500 Baht per piece.



3. Strategy for Competition

Food & Beverage Business

The Company and subsidiaries have been developing strategies to ensure competitive advantages with key strategies as followed::

- *Product Strategy*

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

- *Quality Control Strategy*

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

- *Cost Management Strategy*

With more than 540 stores of Quick Services Restaurants (QSR) nationwide under three subsidiaries, there is a redundant and inefficient cost if each subsidiary has its owned operations such as procurement, management, and business development. Therefore, the Company develops a central support function for QSR subsidiaries. The central support functions including procurement, management, and business development in order to create negotiation power and reduce the overlapped functions and expenses (cost sharing expenses). Moreover, the Company also builds central kitchen and central distribution center to produce and distribute the products instead of production at store level. The central support functions and central kitchen not only lower overlapping operating costs, but also lower production wastes. In addition, the Company and Franchisors have been jointly developing strategies to create efficient process at minimum costs. For example, the Franchisors allow the Franchisees to purchase raw material from approved local suppliers to lower raw material costs, transportation cost and others costs instead of importing all raw material directly from the Franchisors.

- *Brand Equity & Brand Awareness Strategy*

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

- *Store Expansion Strategy*

The Company has targeted the new-opening stores each year incorporating overall economy, consumer behavior, and purchasing power. The business development department is responsible for detail study and analysis of each potential location. The important factors are the economy, location, population density, and purchasing power in that area. The proposed location must be captured the target consumers of each brand. Moreover, The Company considers not only quantity studies, but also quality factors. The quality study includes feasibility study, source of funding, payback period, minimum return on investment (ROI), and comparison of nearby existing stores. On the other hands, the quality factors are workforce, transportation, production facility, and others to support the operation. The study also covers the impact of new

stores to the nearby existing stores to make sure that there is no market cannibalization, but the new store will capture and expand its consumer base. After the opening, the Company closely monitors the performance to understand the consumer behavior and unexpected problems which will be mitigated for the next coming stores.

- *People Development Strategy*

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

- *Increasing Access Channels for Today's Consumers.*

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

Promoting consumer access channels include:

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

Lifestyle Business

The company intends to add different types of products. that shows the uniqueness of the group more From a fashion brand to a lifestyle brand (From Fashion to Life) is a guideline to extend the business under the Greyhound brand to various businesses in the future. Based on unique ideas and creativity in the invention. Developing and designing various products (Brand Leverage), currently developing a coffee business under the Greyhound Coffee brand, both in the form of its own store and in the form of a franchise in the future, including entering the lifestyle business through the production of perfumes, sneakers Towels, house shoes, underwear under the SmileyHound brand, which has been well received by customers.

Industry Trends & Market Competition

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

The overall consumer confidence index for 2021 increased from 2020 from 42.1 to 43.0. The average consumer confidence index during 2018 - 2021 was equal to 38.0 48.4 42.1 and 43.0, respectively (Source: Department of Trade and Economic Indices (Ministry of Commerce)). It showed an overall improvement in consumer confidence due to an increase in spending in 2021. The domestic economy has begun to recover following the continued expansion of exports. The world economy has begun to recover in many countries. In addition, the epidemic situation of the Coronavirus Disease 2019 (COVID-19) has continuously improved. However, it noticed that Thai consumer confidence recovered very quickly in the end of second quarter, and gradually improved during the remaining quarters.

The Company expected that the overall consumer confidence index will rise in 2022 due to government stimulus measures and factor from increasing continually purchasing power of the people in the country and will gradually receive booster dose vaccines by the year 2022. These are the factors that are an important part to support the growth of confidence and to increase the profitability of the Company. The purchasing power of consumers can be recovered again.

Food & Beverage Business

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

Kasikorn Research Center expected that full service restaurants in 2022 will have a sales value of 1.31 - 14.2 billion baht, representing an increase of 10.0 - 19.5% from 2021 from the investment of entrepreneurs. The restaurant groups begun to recover before the restaurants in the shopping malls. and famous restaurants including in the provincial tourism area that is the destination of Thai tourists in the high season However, high competition and rising in business costs including business challenges lead to entrepreneurs need to adapt.

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

Lifestyle Business

Lifestyle business is a retail business offering various types of product such as clothes, innerwear, Sneakers, perfume, leather goods, accessories, sunglasses, household appliances, and home furniture. In addition to the various types, there are different target customers i.e. age, sex, demography and lifestyles. With intense competition from low barrier to entry, the Company has realized the intense competition and tried to enhance brand equities among various target customers.

3. Procurement of Product or Services

Food & Beverage Business

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

Lifestyle Business

The company has a production plan for the seasonal collection in advance. Each collection is new concept that is unique from other collections. With advance collection plan, GHF is carefully sourcing necessary raw materials such as fabric, button, zipper, and etc. After the sourcing, GHF will outsource the third party for the production. The third party is required to prepare a sample completed products for GHF approval prior to the production to ensure the pattern and sewing is at Greyhound

standard and quality. In addition, GHF always double checks on the quality and amount before the delivery and distribute to the stores.

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

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

4. Operating Assets

4.1 Core Operating Fixed Assets

As of October 31, 2021, the company and its subsidiaries have core operating assets as follows:

Unit : Million THB

Operating Assets	Ownership	Net book value as of December 31, 2021	Obligation
Building and building improvement ^{/1}	MUD, GDT, ABP, GS, GHC, GHF, GHC UK, SLVH	342.8	none
Equipment ^{/2}		103.7	none
Furniture and office equipment ^{/3}		95.6	none
Motor vehicles ^{/4}	GDT, ABP, GHC, GS, GHF	3.3	none
Assets under installation and construction	GDT, ABP, GS, GHC	30.4	none
รวม		575.8	

Note: /1 Store and office decorations that are fixed.

/2 Cookware and cooking equipment for the storefront and central kitchen

/3 Shop decorations and office equipment such as tables, chairs and shop decorations that are not fixed.

/4 Executive vehicles (GDT, ABP, GHC, GHF) and kitchen/factory to storefront transport vehicles (GHC and GHF only)

The main assets have an approximate useful life as follows:

Building and building improvement	5 - 20 years
Equipment	5 - 10 years
Furniture and office equipment	5 - 10 years
Motor vehicles	10 years

Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease. License assets are measured at cost less accumulated depreciation. Accumulated impairment loss and adjusted by re-measurement of lease liabilities. with details as follows:

Unit : Million THB

Operating Assets	Ownership	Net book value as of December 31, 2021	Obligation
Right-of-use assets ^{/1}	GDT, ABP, GHC UK, GHF	972.3	The subsidiary has mortgaged the leasehold rights. to guarantee long-term loans from financial institutions
รวม		972.3	

Note : /1 license assets is a contract for renting a branch in front of the shop. with a lease term of more than 1 year

Use rights assets are depreciated on a straight-line basis from the date the lease becomes effective until the useful life of the right-to-use asset or the lease term expires, whichever occurs up first.

4.2 Intangible assets

Important intangible assets in the Company's business and its subsidiaries are as follows:

Unit : Million THB

Operating Assets	Ownership	Net book value as of December 31, 2021	Obligation
Franchise	GDT, ABP, GHC	328.9	none
Trademark	GDT, ABP, GS, GHC, GHF, SLVH	376.9	none
Computer software	MUD, GDT, ABP, GS, GHC, GHF, SLVH	9.4	none
Total		715.3	

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

Franchise	7 - 28 years
Trademark	40 years
Computer software	3 - 5 years

Goodwill

Company goodwill and its subsidiaries are as follows:

Unit : Million THB

Operating Assets	Ownership	Net book value as of December 31, 2021	Obligation
Goodwill ^{/1}	GDT, ABP, GHC, SLVH	1,939.8	none

Note : ^{/1} Goodwill from the company acquired ordinary shares of GDT and ABP in 2012 and from the acquisition of shares of GHC and GHF in 2014 and from the acquisition of SLVH in 2017.

Goodwill is recorded at the initial value of goodwill at cost. This is equal to the cost of business combination over the fair value of the net assets acquired. The Company and its subsidiaries will conduct an Impairment Test every year and whenever there is any indication of impairment. Incurred costs The Company and its subsidiaries will immediately recognize the loss on the financial statements.

During the year 2020, the Company assesses the recoverable amount of goodwill for its restaurant business. The appraisal results showed that the recoverable amount was lower than the book value. Therefore, the Company recorded an allowance for impairment of such goodwill amounting to Baht 200 million in profit or loss in the income statement. Total gross for the current year.

4.3 Investment policy and management policy in subsidiaries and associated companies

As of December 31, 2021, the Company has investments in 12 subsidiaries, both directly and indirectly, as follows:

Subsidiaries in which the Company directly holds shares

- 1) Golden Donut (Thailand) Co., Ltd.
- 2) ABP Cafe (Thailand) Co., Ltd.
- 3) Golden Scoop Company Limited
- 4) Greyhound Cafe Co., Ltd.
- 5) Greyhound Co., Ltd.
- 6) Mudman International Limited

Subsidiaries in which the Company indirectly holds shares through Greyhound Cafe Company Limited

- 7) GHC Café (UK) Company Limited

Subsidiaries in which the Company indirectly holds shares through Mudman International Limited

- 8) Societe Langonnaise des Vins et Hotelleries SAS
- 9) MM FR SAS

Subsidiaries in which the Company indirectly holds shares through Mudman International Limited and MM FR SAS

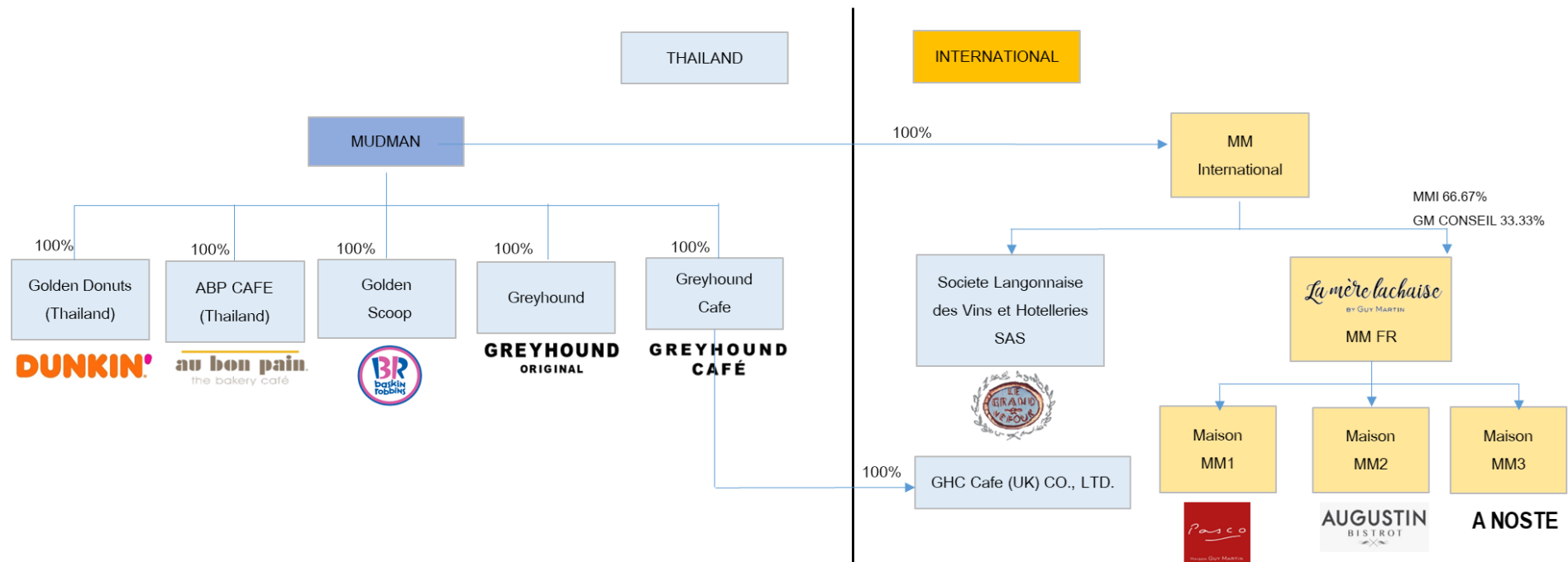
- 10) MAISON MM1 SAS
- 11) MAISON MM2 SAS
- 12) MAISON MM3 SAS

From the Company's separate financial statements as of December 31, 2021, the Company has investments in subsidiaries totaling 2,977.0 million baht or 72.8% of total assets. and/or associated companies that operate food and beverage businesses or other related businesses or contributing to the food and beverage business, which is the Company's main business This is a business that has potential and can generate good returns for the Company in the long run. Such investments must be primarily considered by the Board of Directors. As for the management policy in subsidiaries and associated companies, the Company will send directors who are representatives of the Company. Join the management according to the shareholding proportion To set important policies and control the business operations of subsidiaries and associated companies to be accurate and appropriate in accordance with the policies of the Board of Directors.

1.3 Shareholding Structure

1.3.1 Shareholding structure of the group of companies

Business and shareholding structure of the Company as at December 31, 2021 shown on the following chart:



Summary of Subsidiaries and Associated Companies as at December 31, 2021**Golden Donuts Company Limited (Thailand)**

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

**ABP Café Company Limited (Thailand)**

Registered Number	0105548146776
Registered Capital	40,000,000 Baht
Par Value	10.00 Baht per share
Head Office	206, Soi Pattanakarn 20, Suan Luang Sub-District, Suan Luang District, Bangkok 10250 Thailand Tel : 02-079-9765 Fax : 02-079-9755
Website	www.aubonpainthailand.com

**Golden Scoop Company Limited**

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

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

Registered Number	0105539130528
Registered Capital	10,784,300 Baht
Par Value	100.00 Baht per share
Head Office	206, Soi Pattanakarn 20, Suan Luang Sub-District, Suan Luang District, Bangkok 10250 Thailand Tel : 02-079-9765 Fax : 02-079-9755
Website	www.greyhoundcafe.co.th

GHC Café (UK) Limited

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

**GREYHOUND
ORIGINAL****Greyhound Company Limited**

Registered Number	0105523019789
Registered Capital	96,990,000 Baht
Par Value	100.00 Baht per share
Head Office	206, Soi Pattanakarn 20, Suan Luang Sub-District, Suan Luang District, Bangkok 10250 Thailand Tel : 02-079-9765 Fax : 02-079-9755
Website	www.greyhound.co.th

Mudman International Limited

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


Societe Langonnaise des Vins et Hotelleries SAS

Registered Number	592066047
Registered Capital	452,768 Euro
Par Value	16.00 Euro per share
Head Office	17 rue de Beaujolais in Paris 75001, France
Website	www.grand-vefour.com


MM FR SAS

Registered Number	849486873
Registered Capital	24,000 Euro
Par Value	1.00 Euro per share
Head Office	78 Boulevard de Menilmontant 75020, France


Maison MM1 SAS

Registered Number	879098929
Registered Capital	223,806 Euro
Par Value	1.00 Euro per share
Head Office	74 Boulevard de La Tour-Maubourg 75007, Paris, France


Maison MM2 SAS

Registered Number	880849377
Registered Capital	34,769 Euro
Par Value	1.00 Euro per share
Head Office	14 Avenue de l'Opera, 75001 Paris France

A NOSTE
Maison MM3 SAS

Registered Number	884872227
Registered Capital	180,452 Euro
Par Value	1.00 Euro per share
Head Office	68 Rue du quatre septembre 75002 Paris France

1.3.2 In the case where a person with a potential conflict of interest

- none -

1.3.3 Relationship with major shareholders' business

- none -

1.3..4 Shareholders

(1) Shareholders

Top ten shareholders as the close of share register on March 10, 2021 and on March 10, 2022 with Paid-up Capital THB 1,053,386,750 at par value of THB 1.0 per share, details are as followed:

Shareholder	As of March 10, 2021		As of March 10, 2022	
	No. of shares	%	No. of shares	%
1. Sub Sri Thai PCL ^{/1}	698,794,500	66.34	702,087,200	66.65
2. Khon Kaen Sugar Industry PCL ^{/2}	78,718,600	7.47	78,718,600	7.5
3. Mr. Thaveechat Jurangkool	66,166,300	6.28	66,166,300	6.28
4. Mr. Bhanu Inkawat	23,534,800	2.24	23,534,800	2.23
5. Mr. Supasith Sukhanindr	8,133,937	0.77	8,133,937	0.77
6. Miss Duangkae Chinthammit	7,736,873	0.74	7,736,873	0.73
7. Mr. Namchok Jeamsakul			7,300,000	0.69
8. Miss Duangdao Chinthammit	7,192,112	0.68	7,192,112	0.68
9. Mrs. Kamalee Pachimsawat	6,775,582	0.64	6,775,582	0.64
10. Mr. Somchai Chinthammit	6,245,040	0.59	6,245,040	0.59
11. Mr. Sompong Cholkadeedamrongkul	5,310,300	0.51		
Others	144,778,706	13.74	139,496,306	13.24
Total	1,053,386,750	100.00	1,053,386,750	100

Note :

/1 Top ten shareholders of Sub Sri Thai PCL as of May 11, 2022 with Paid-up Capital THB 526,456,550 at par value of THB 1.0 per share, details are as followed:

Shareholder	No. of shares	%
1. Mr. Supasith Sukhanindr	96,608,726	18.35
2. Mr. Thaveechat Jurangkool	59,860,332	11.37
3. Mr. Supachai Sukhanindr	55,357,008	10.52
4. Mrs. Intira Sukhanindr	54,865,902	10.42
5. Miss Duangkae Chinthammit	29,708,019	5.64
6. Miss Duangdao Chinthammit	29,130,665	5.53
7. Mr. Chamroon Chinthammit	25,621,748	4.87
8. Mr. Somchai Chinthammit	19,244,450	3.66
9. Mrs. Kamalee Pachimsawat	16,206,278	3.08
10. Mrs. Hathairat Churangkoon	15,736,695	2.99
Others	124,116,727	23.57
Total	526,456,550	100.00

/2 Top ten shareholders of Khon Kaen Sugar Industry PCL as of March 4, 2021 are as followed :

Shareholder	No. of shares	%
1. KSL Sugar Holding Co.,Ltd.จำกัด	1,468,242,728	33.29
2. Thai NVDR Co.,Ltd.	115,946,378	2.63
3. Mr. Chanachai Chutimavorapand	115,355,499	2.62
4. Mr. Chamroon Chinthammit	113,075,331	2.56
5. Mr. Kamondanai Chinthammit	100,498,048	2.28
6. Miss Duangdao Chinthammit	99,799,954	2.26
7. Miss Duangkae Chinthammit	99,733,643	2.26
8. Mr. Somchai Chinthammit	96,475,726	2.19
9. Mr. Piripon Chinthammit	93,847,124	2.13
10. CREDIT SUISSE AG, SINGAPORE BRANCH	89,698,136	2.03
Others	2,017,560,052	45.75
Total	4,410,232,619	100.0

(2) Shareholding Structure of Core-Business Subsidiaries

Shareholding structure in subsidiaries that operate the main business (Holding Company)

Food and beverage business under franchise rights

Golden Donuts (Thailand) Co., Ltd.

As of December 31, 2021, GDT had registered and paid-up capital of THB 300 mm divided in 30 million shares at par value of THB 10 per share. The shareholders are as followed:

Shareholder	No. of shares	%
1. Mud and Hound PCL	29,999,998	100.0
2. Mr. Supasith Sukhanindr	1	0.0
3. Mr. Pilunchai Pradubphong	1	0.0
Total	30,000,000	100.0

ABP Café (Thailand) Co., Ltd.

As of December 31, 2021, ABP had registered and paid-up capital of THB 40 mm divided in 4 million shares at par value of THB 10 per share. The shareholders are as followed:

Shareholder	No. of shares	%
1. Mud and Hound PCL	3,999,998	100.0
2. Mr. Supasith Sukhanindr	1	0.0
3. Mr. Pilunchai Pradubphong	1	0.0
Total	4,000,000	100.0

Golden Scoop Co., Ltd.

As of December 31, 2021, GS had registered and paid-up capital of THB 125 mm divided in 12.5 million shares at par value of THB 10 per share. The shareholders are as followed:

Shareholder	No. of shares	%
1. Mud and Hound PCL	12,499,998	100.0
2. Mr. Supasith Sukhanindr	1	0.0
3. Mr. Nadim Xavier Salhani	1	0.0
Total	12,500,000	100.0

Food and beverage business under own brand

Greyhound Café Company Limited

As of December 31, 2021, GHC had registered and paid-up capital of THB 10,784,300 divided in 107,843 million shares (common share of 55,000 shares and preferred share of 52,843 shares) at par value of THB 100 per share. The shareholders are as followed:

Shareholder	No. of shares	%
1. Mud and Hound PCL	52,843 (P/S) 54,998 (C/S)	100.0
2. Mr. Supasith Sukhanindr	1	0.0
3. Mr. Nadim Xavier Salhani	1	0.0
Total	107,843	100.0

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

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

GHC Café (UK) Limited

As of December 31, 2021, GHC UK had registered and paid-up capital of GBP 200,000 divided in 200,000 shares at par value of GBP 1 per share. The shareholders are as followed:

Shareholder	No. of shares	%
1. Greyhound Café Company Limited	200,000	100.0
Total	200,000	100.0

Societe Langonnaise des Vins et Hotelleries SAS

As of December 31, 2021, SLVH had registered and paid-up capital of EUR 452,768 divided in 28,298 shares at par value of EUR 16 per share. The shareholders are as followed:

Shareholder	No. of shares	%
1. Mudman International Limited *	28,298	100.0
Total	28,298	100.0

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

Maison MM1 SAS ("MM1")

As of December 31, 2021, MM1 had registered and paid-up capital of EUR 223,806 divided in 223,806 shares at par value of EUR 1 per share. The shareholders are as followed:

Shareholder	No. of shares	%
1. MM FR SAS*	223,806	100.0
Total	223,806	100.0

* MM FR SAS is an indirect subsidiary of the Company with 67% shareholding thru Mudman International Ltd.

Maison MM2 SAS ("MM2")

As of December 31, 2021, MM2 had registered and paid-up capital of EUR 34,769 divided in 34,769 shares at par value of EUR 1 per share. The shareholders are as followed:

Shareholder	No. of shares	%
1. MM FR SAS*	34,769	100.0
Total	34,769	100.0

* MM FR SAS is an indirect subsidiary of the Company with 67% shareholding thru Mudman International Ltd.

Maison MM3 SAS ("MM3")

As of December 31, 2021, MM3 had registered and paid-up capital of EUR 180,452 divided in 180,452 shares at par value of EUR 1 per share. The shareholders are as followed:

Shareholder	No. of shares	%
1. MM FR SAS*	180,452	100.0
Total	180,452	100.0

* MM FR SAS is an indirect subsidiary of the Company with 67% shareholding thru Mudman International Ltd.

Lifestyle business

Greyhound Café Company Limited

As of December 31, 2021, Greyhound Company Limited has a registered and paid-up capital of 96,990,000 baht, divided into 969,000 million shares (494,650 ordinary shares and 475,250 preferred shares) with a par value of 100 baht per share. shares as follows :

Shareholder	No. of shares	%
1. Mud and Hound PCL	475,250 (P/S) 494,648 (C/S)	100.0
2. Mr. Supasith Sukhanindr	1	0.0
3. Mr. Nadim Xavier Salhani	1	0.0
Total	969,900	100.0

Business by holding shares in other companies (Holding Company)
Mudman International Limited

As of December 31, 2021, Mudman International Limited has a registered and paid-up capital of USD 30,000, divided into 30,000 shares with a par value of USD 1 per share, with the list of shareholders as follows:

Shareholder	No. of shares	%
1. Mud and Hound PCL	30,000	100.0
Total	30,000	100.0

MM FR SAS ("MM FR")

As of December 31, 2021, MM FR has registered and paid-up capital equal to 24,000 euros, divided into 24,000 shares with a par value of 1 euro per share, with the list of shareholders as follows:

Shareholder	No. of shares	%
1. Mudman International Limited	16,000	66.67
2. GM Conseil	8,000	33.33
Total	24,000	100.00

* MM FR SAS is an indirect subsidiary of the Company with 67% shareholding thru Mudman International Ltd.

1.4 Amounts of registered capital and paid-up capital

1.4.1 Securities

As of December 31, 2021, the Company's registered capital is at 1,685,418,800 with fully paid-up with THB 1,053,386,750 divided into 1,053,386,750 ordinary shares at par value of THB 1.0 per share.

1.4.2 Supplementary Shares

- none -

1.5 Issuance of other securities

Debentures

As of December 31, 2021, the Company has outstanding debentures of Baht 518 million, which are unsubordinated debentures. unsecured and has a representative of the bondholders The debenture No. MM23NA is guaranteed by a share certificate of a subsidiary. Par value of 1,000 baht per unit, payable interest every 3 months throughout the term of the debentures. The details are as follows:

Debenture Number	Term of the debentures		Number of units	Amount (Million Baht)	interest rate (percent per year)	Remaining amount (million baht)	
	Release date	Due date				2021	2020
MM217A	26 Jul 2018	26 Jul 2021	500,000	500	5.0	-	333
MM237A	1 Oct. 2020	1 Jul 2023	217,700	218	5.8	218	218
MM23NA	20 May 2021	20 Nov 2023	300,000	300	6.0	300	-
						518	551

1.6 Dividend policy

Dividend Payment Policy

(1) Dividend Policy of the Company

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

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

(2) Dividend Policy of Subsidiaries

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

Dividend Payment Record

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

2. . RISK MANAGEMENT

2.1 Policy and Plan for Risk Management

The company has followed the international standard risk management protocol (COSO Enterprise Risk Management Framework: COSO ERM Framework) and applied it to the entire company to defend and decrease impacts from risks that might obstruct our planned objectives. Additionally, to increase trust towards stakeholders that our company can timely operate under the abruptly changing environment. The board of directors, executives, and employees of all levels participate in this implementation of a standardized risk management system, in conjunction with the strategic planning process and developing sustainable business that focuses on benefiting the Environment, Social, and Governance (ESG). As well as setting up a tracking system and monitoring the results according to the risk management plan. We prepare for newer risks that could occur in the future and minimize the potential losses of the organization.

2.2 Risk Factors for the Company's Business Operations

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

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

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

A franchise agreement with a limited term may pose a risk to the Company. In the event of unauthorized renewal or alteration of the terms and conditions of the franchise agreement may result in the company Unable to operate under such brands and affect the operations of the company. Examples of events that may cause the company There may be a problem with the renewal of the franchise agreement or there may be a default in the franchise agreement, for example, a subsidiary company stops doing business for more than a week for any reason. In addition to force majeure, war, riots, government orders or in the case where the subsidiary uses the intellectual property of the franchisor for wrong purpose or without permission as stipulated in the contract, etc.

The proportion of revenue of the three brands above accounted for 63 % of total revenue for the year 2021, which if the Company Cannot renew the franchise contract It may affect the Company's performance. However, the Company expects that there will be no problem in renewing the said contract. The terms of the contract are detailed as follows:

Brand	Current expiration date	Trends in the extension of rights in the future
Dunkin' Donuts	December 15, 2021	The contract that is about to expire is the Multiple License Agreement, which is the right to open new branches. The company has to operate each store according to the Development Schedule, which is currently scheduled. The said Development Schedule will expire on December 15, 2021. However, if considering the remaining contract periods, they must look at the period of each branch, which has been granted a period of 20 years per branch from the date of opening the branch. And it will be automatically renewed for 20 years, so the current branch will have a long time to run. In the event that the current branch that has been operating for a long time expires, the royalties can be paid to continue. However, due to DUNKIN' DONUTS FRANCHISING LLC. Therefore, the details in the contract were amended. By now the negotiations have been completed. The contract will be signed within the first quarter of 2022. The company believes that there will be no problem in renewing the contract. because the company had been renewed the contract And the company has a good relationship with Franchisor and this contract is just a branch expansion contract. Therefore, it does not affect the business of the company.
Au Bon Pain	April 1, 2034	Au Bon Pain still has a longer contract period. Therefore, it is not in the plan to consider in the near term.
Baskin Robbins	December 15, 2022	It has the same contract characteristics as Dunkin Donuts.

In addition, the company has diversified through the expansion of the food and beverage business and a lifestyle business that is its own brand. Currently, it operates under the Greyhound brand, which is a brand that is used to expand in various business operations. Not limited to full-service food and beverage businesses and lifestyle business only. But there are still plans to expand into various businesses in the future as well.

2. Risk from intense competition

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

Nevertheless, MUD is considered as a strong player with well-recognized brands and good relationship with the franchisors. The well-cultivated expertise has empowered the Company to optimize its business portfolio, as well as location to cover its target customers. Moreover, its management team has developed strong experience in the businesses for over 10 years. The team has immense industry knowledge and customer insight, leading to the Company's effective risk management. The Company also encompassed the comprehensive set of growth plan in Thailand and oversea, securing the sustainable growth in food and beverage business. This can be

evidenced by consistent organic growth of total revenue of food and beverage business under franchise agreement, and significant in-organic growth from acquisition of businesses under own brands (GHC and GHF) in 2014 which is a key driver to boost growth in domestic and international markets.

3. Risk from procurement of rental areas

Location selection is important to business growth of operations in food and beverage business, as well as in lifestyle business. Majority of rental contracts are in short-term, at 1-3 years on average. Moreover, the high competition in food and beverage, and lifestyle industries, coupled with ever-rising number of new entrants, have intensified the competition to secure key locations and lifted the rental cost significantly both in Bangkok and other provinces. Hence, MUD and its subsidiaries can be adversely affected by the risk of obtaining reasonable terms and conditions in current and new rental contracts.

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

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

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

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

5. Risk from increase in personnel cost

The nature of the company's business rely on heavy human resource those are employee in the central kitchen factory and sub-kitchen, employees in each branch kitchen, salesperson waiter and staff in the

headquarters. If the government has a policy to raise the minimum wage, it will affect the operating costs of the company.

Nevertheless, MM has increased wage of its employees to be competitive to the market rate and competitors' rates in order to effectively cope with the regulatory change and maintain its competitiveness in the labor market. The average minimum wage of MM's employees is higher than minimum wage by law. Therefore, the risk that the company will be affected by the increase of the minimum wage is quite limited. The company has a policy to manage labor costs effectively by increasing in proportion of full-time employees necessary for its growth. The Company firmly believes that the retention of its personnel, through increasing proportion of full-time employees, shall enhance the potentiality of its employees while reducing employees' overall turnover rate. To diminish the financial implication of this plan and maintain profitability, the Company focuses on controlling its personnel cost in the best manner.

6. Risk from fluctuations of costs of agricultural raw materials

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

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

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

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

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

8. Risks from factors or events that may significantly affect the financial position or operations in the future (Forward Looking)

Factors affecting food business Factors affecting the business materially is consumer behavior I used to like going out to eat at restaurants. Switch to ordering more food to eat at home. As a result, the company had to adjust by adding more online sales channels, adjusting the size of the store's space to have less seating space,

etc. As for the current secondary factor, Covid-19 virus epidemic situation to reduce the spread of this virus. The government has issued measures such as the need to keep distance, close restaurants, close shopping malls. set time to enter the house, etc. These measures resulted in a significant reduction in the company's sales. war events that occurred during Russia and Ukraine As a result, the price of energy products, fertilizers, and grains has increased considerably. If this war is prolonged, the company's production costs will rise and the situation of political rallies. which often have road closures, etc., resulting in sales of branches located in the assembly area affected. These situations may occur from time to time. doesn't always happen But during that event will affect the company's financial statements It may reduce income or increase costs.

9. Risk from exchange rate

The Company has foreign-currency transactions in four parts: (1) Franchise fee of DD and ABP, (2) Imported ice-cream from the USA of BR, and (3) Royalty fee of GHC and 4) the operation of restaurants under the GHC brand in the UK. including Le Grand Vefour, La Mere Lachaise, Pasco, Augustin and A Noste in France. Therefore, there is an exchange rate risk which adversely affects the Company's performance if they do not implement proper management.

However, because income and expenses are in the same currency. in other words, the British pound. for stores in the UK and euro currency for stores in France Moreover, the proportion of such transaction is within manageable range, therefore, the Company manages some of the foreign exchange risk by using the Natural Hedge method. The Company does not have a forward exchange contract for the rest. In this regard, the Company will consider additional appropriate measures taking into account both risks and financial costs. In addition, for overseas franchise business, the Company is studying to adjust the standard contract format to be more flexible and suitable. This includes considering guidelines for collecting franchise contract fees and franchise fees (Royalty Fee) in Thai baht to reduce the impact of future currency rate fluctuations.

10. Risk from employment

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

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

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

At March 10, 2021, the major shareholder of the Company is Sub Sri Thai PCL ("SST" or "Sub Sri Thai") with 698,794,500 shares or 66.3% of the total issued share capital. As a result, SST is able to control the vote on almost every resolutions at the meeting of shareholders. Thus, other shareholders of the Company may face the risk of being unable to gather enough votes in order to examine and to balance the power of major shareholders in respect of the matters presented by the major shareholders to the shareholders' meeting for consideration.

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

12. Risks Associated with Covid-19

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

3. Business sustainability development

3.1 Sustainability Management Policies and Goals

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

The Company will carry out social responsibility activities which can be divided into 2 parts: operations or activities for social and environmental activities as part of the normal business (in-process) and social and environmental activities in addition to normal business operations. (after-process) to be a part of driving Thai society towards sustainable social and environmental development.

3.2 Managing impact on stakeholders

Operations with Stakeholders

Stakeholders are essential to the operations of the company. The company therefore operates with responsibility towards all groups of stakeholders in all aspects. To move towards a sustainable organization by analyzing stakeholder expectations and related issues.

No.	Stakeholder group	Method / Communication	Need / Expectation	Response
1	Employee full time staff temporary worker	<ul style="list-style-type: none"> - Channels for receiving complaints and listening to opinions - Employee Operation Manual and Business Ethics Manual - Providing information to employees such as announcements, orders - Human Resource Management Policy - Various labor relations activities 	<ul style="list-style-type: none"> - Compensation both in the form of salary and benefits appropriate and fair - Comply with labor ethics - Safe and secure working environment management hygiene and reducing health risk factors - Training and development of employees' potential 	<ul style="list-style-type: none"> - Provident Fund - Consideration of staff position adjustments from within the organization when the vacancy rate - Respect human rights principles and treat them equally - Ensuring that employees meet their basic needs to build good relationships within the organization through the welfare committee

No.	Stakeholder group	Method / Communication	Need / Expectation	Response
			<ul style="list-style-type: none"> - Stability and advancement in work have good living conditions - Handling complaints and respect for human rights 	<ul style="list-style-type: none"> - Employee turnover and knowledge sharing of employees within the company's affiliates - Fair and reasonable compensation and income - Human resource development is a matter of the organization, supervisors and all employees. - Encourage employees to have a quality work life have good occupational safety and health as well as manage the workplace to be free from drug and alcohol use
2.	Shareholders and investor shareholder investor	<ul style="list-style-type: none"> - Organizing a shareholders' meeting - Answering inquiries by phone and e-mail. - Information via website - Prepare annual report - Disclosure of various information according to the rules of the governing body - Provide channels for reporting various claims 	<ul style="list-style-type: none"> - financial returns (dividend profit and share value) - Management with principles good governance - Business is growing steadily - Have a risk management system - There is a good audit and management. - Care of rights and equality 	<ul style="list-style-type: none"> - Comply with the principles of good corporate governance treat stakeholders fairly; and equal, honest, transparent, verifiable - Paying dividends appropriately - Disclosure of accurate and complete information
3.	Customer	<ul style="list-style-type: none"> - Produce quality products according to standards and be responsible to customers - Employees provide quality service. 	<ul style="list-style-type: none"> - Reasonable and fair prices of goods and services - Receiving quality and standard service 	<ul style="list-style-type: none"> - Comply with the principles of fair, transparent and verifiable corporate governance. - Have business ethics

No.	Stakeholder group	Method / Communication	Need / Expectation	Response
		<ul style="list-style-type: none"> - Organizing various promotions - Advertising - Customer Satisfaction Survey - Channels for receiving complaints and hearing opinions 	<ul style="list-style-type: none"> - Confidentiality of customer information - Responsible for products and services 	<ul style="list-style-type: none"> - Manage management with standards
4.	Competitor on the way trade rival	<ul style="list-style-type: none"> - exchanging information 	<ul style="list-style-type: none"> - Fair and transparent competition - Not accusing competitors in a bad way - Do not compete by undercutting 	<ul style="list-style-type: none"> - Comply with the Code of Conduct for fair and transparent business operations. - Do not damage the reputation of competitors by making malicious accusations.
5.	Partner service provider manufacturer	<ul style="list-style-type: none"> - Business Ethics Guide - procurement-procurement policy - Visits and Audits - Channels for receiving complaints and hearing opinions 	<ul style="list-style-type: none"> - Treating partners like equal and equal - Regular ordering or increase the order quantity 	<ul style="list-style-type: none"> - There is a clear procurement process. - Treat business partners equally - Create free and fair competition - Comply with the contract conditions in full - No request, receive or pay any benefits dishonest with partners
6.	Creditor financial institution	<ul style="list-style-type: none"> - Financial Statement Report - Contact through the manager or accounting and finance department 	<ul style="list-style-type: none"> - Paying off debts on time - Able to comply with the terms and conditions of the contract - Transparency in business operations 	<ul style="list-style-type: none"> - Pay debts in a timely manner and strictly abide by the terms and conditions of the contract - Disclosure of accurate financial information

No.	Stakeholder group	Method / Communication	Need / Expectation	Response
7.	Government agency SEC SET. Revenue department Labor department Social Security Food and Drug Administration	<ul style="list-style-type: none"> - Support and comply with the rules strictly and completely - Report information as required by law - Remittance of taxes according to the law - Cooperate in various activities of government agencies 	<ul style="list-style-type: none"> - Able to follow the rules relevant law - Does not have a negative impact on society and environment - Participation in various projects of government agencies held 	<ul style="list-style-type: none"> - Comply with the rules Regulations required by law in every aspect - Disclosure accurately and transparently
8.	Community and society, The community surrounding the general society	<ul style="list-style-type: none"> - Participation in various activities with the community - Listening to suggestions and receiving complaints - Whistleblowing of fraudulent acts 	<ul style="list-style-type: none"> - Promote and support social activities that are beneficial to the community and society 	<ul style="list-style-type: none"> - Supporting educational, community, religious, charitable and social activities - Response and complaint handling - There is a fair process for investigating complaints. - Cultivate employees' awareness of responsibility towards society, community and environment.
9.	Environment	<ul style="list-style-type: none"> - Organizing environmental conservation activities and energy within the organization 	<ul style="list-style-type: none"> - Contributions to environmental and energy conservation 	<ul style="list-style-type: none"> - Organize activities and instill an awareness of energy conservation cost-effective use of resources and conserve the environment and natural resources

3.3 Sustainability Management in Environmental Dimensions

The company has a policy to encourage employees to use natural resources and energy economically. Support the reuse of materials and attaches great importance to making the most of raw materials and leftovers.

Sustainable use of resources

- The Company has implemented measures to use resources efficiently in order to reduce the use of energy, water, electricity and other resources such as turning off lights during lunch break, the use of energy-saving lamps, campaign to use save water, etc.
- The Company uses as many recycled and reused materials as possible.
- The company procures raw materials from sustainable sources. It is a raw material product and from a production source that has a product book that has been inspected and has received the FDA symbol, including some raw material products that are products from the Royal Project.
- The company focuses on the use of packaging that is not toxic to the environment and is biodegradable. By using bio-plastic bags or bio-plastics (BioPlastic) and biodegradable food boxes. Including the packaging is Food Grade and has been certified that Safe to use in contact with food.

3.4 sustainability Management in Social Dimensions**3.4.1 Social Policy and Practice**

The Group places importance on and is committed to creating value in business operations and creating benefits for all stakeholders in society. To create sustainability according to goals and sustainable development issues both dealing with climate change circular economy and health and safety.

3.4.2 Social Performance**Fair business operation**Fair competition

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

compliance with work manual for the purchasing and receiving system and procedures for procurement and employment for employees involved before starting work.

- The Company integrates ethical, social, environment and gender equality guidelines as well as health and wellness into policies and procedures in the purchasing, distribution and contracting, work manual for the purchasing and receiving system according to the Corporate Governance (CG) and Code of Conduct.

Respect of property rights

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

Anti-corruption

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

Human rights

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

Responsibilities to employees

Equitable treatment and determination of basic rights to employees

- The Company provides employees with full human rights without discrimination, including education, employment and socio-economic activities as well as the right to make decisions in marriage and family matters as specified in work regulations regarding maternity leave or request of temporary work transfers during pregnancy. It also posts a job application that "it does not specify nationality, race and religion."

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

Employment and employment relations

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

Environment and welfare

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

to maternity leave, the right to marriage leave, change of responsibility during pregnancy, an annual health.

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

Health, safety and working environment

- The Company has developed, applied and maintained the policy of health, safety and work environment and promoted the psychological well-being of employees that have been clearly identified, application of good health, safety and environmental standards with better performance. The Company has set in the safety, occupational health and working environment policy.
- The Company understands and applies health and safety management principles by hierarchical control as appropriate and jointly analyzes and controls health and safety risks and has a security management system on health and safety risks associated with the Company's activities.
- The company has to strictly control the security of the area or assets, such as the practice of security guards. Guidelines for checking in and out of persons CCTV installation In front of the factory door The area beside the production building and the parking.
- The company provides adequate and regular training to personnel involved in security measures.
- The Company does not support the products or services of business partners and contractors that violate human rights. and does not partner with organizations that have violated human rights. which has been specified in the corporate governance policy and Code of Conduct.

Training and development of personnel within the organization

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

Responsible political participation

- The Company provides knowledge and training to raise awareness of employees on political participation and responsible political support and how to deal with conflicts of interest, which has been provided in the orientation of new employees in every position.

- The Company is transparent in activities related to political support and political participation and avoids political support trying to control the policymaker to be in the desired direction. It is set out in the code of conduct for political activities and donations and disclosure of the Company's information.

Responsibilities to customersFair and transparent marketing policy

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

Customer protection

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

Sustainable consumption

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

Preventive measures and solutions for complaints

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

Maintenance plan

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

Innovation and the dissemination of innovation from operations with social responsibility

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

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

Food and beverage franchise

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

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

Participation in the development of communities or societies

Participation in community development

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

Promoting quality of life

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

Resource risk

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

4. Management discussion and analysis (MD&A)

Income Statement

Total Revenue

The Company earned THB 2,913 mm and THB 2,166 mm in 2019 and 2020 respectively, equaling to Y-o-Y growth of (25.6%). The significant reasons were as follows: overall economic slowdown and retail business Including from the epidemic situation of the corona virus 2019, which directly affects the spending of consumers in both food and beverage businesses and lifestyle businesses.

For the 12-month period (Jan – Dec), the Company earned THB 2,166 mm and THB 2,170 mm in 2020 and 2021 respectively or growth of 0.2%. The significant reasons were as follows: consumer spending increases, and food and beverage businesses in Thailand are able to sell more products and serve customers who want to eat in-store..

Total Revenue classified by business type

	2019	2020	% Change	2020	2021	% Change
Food and Beverage business	2,766	2,017	(27.0%)	2,017	2,005	(0.6%)
Lifestyle business	147	149	1.3%	149	165	10.7%
Total Revenue	2,913	2,166	(25.6%)	2,166	2,170	0.2%

Cost of Sales and Services

Cost of sales and services in 2019 and 2020 totaled THB 1,199 mm and THB 872 mm respectively, accounting for 39.2% and 37.7% of total revenue respectively. There is ratio lower than last year.

For the 12-month period (Jan – Dec), the cost of sales and services recorded THB 872 mm and THB 849 mm or 37.7% and 36.6% of total revenues in 2020 and 2021 respectively. There is lower in such ratio, primarily from well-stabilized under the effective collaboration between purchasing department, logistics department, marketing department, and branch employees through the application of effective procurement and inventory management systems.

As for the gross profit margin, the Company was able to maintain the ratio at a similar level, which is approximately 60.8%, 62.3% and 63.4% of total revenue for 2019, 2020 and 2021, respectively.

Selling and Administrative Expenses (S&A)

In 2019 and 2020 , The company's selling and administrative expenses amounted to THB 1,848 mm and THB 1,792 mm, respectively, accounting for 60.4% and 77.4% of total revenue, respectively with such proportions increasing.

For the 12-month period (Jan – Dec), the S&A reported THB 1,792 mm and THB 1,485 mm or 77.4% and 64.1 % of total revenues in 2020 and 2021 respectively. As the epidemic situation of coronavirus disease 2019 is getting better and the lockdown measures to control the spread of the disease have started to relax. making food and beverage businesses including the group of companies sell a little more and serve customers who want to eat in the shop. Even some selling and administrative expenses are still fixed expenses but still able to control expenses Therefore, it affects the proportion of selling and administrative expenses to the total revenue of the Company down compared to total revenue.

Selling and administrative expenses classified by type

	2019	2020	% Change	2020	2021	% Change
Amortization of intangible assets from business acquisitions ⁽¹⁾	44	34	(22.7%)	34	34	(0.0%)
Other selling expenses ⁽²⁾	1,460	1,213	(16.9%)	1,213	1,148	(5.3%)
Administrative expenses ⁽³⁾	344	345	0.3%	345	303	(12.1%)
Loss on impairment of assets ⁽⁴⁾	-	200	100.0%	200	-	(100.0%)
Total selling and administrative expenses	1,848	1,792	(3.0%)	1,792	1,485	(17.1%)

Note :

(1) Non-cash items from business acquisitions are divided into :

(1.1) amortization of Dunkin' Donut, Au Bon Pain, and Greyhound Café franchises totaling THB 7 mm, THB 7 mm, and THB 17 mm in 2021.

(1.2) amortization of Societe Langonnaise des Vins et Hotelleries SAS ("SLVH") Leasehold right totaling THB 3 mm in 2021.

(2) The Company incurred slightly difference in personnel cost, rental and service costs due to cost saving policy.

(3) Administrative expenses include remuneration of management and employees at office, administrative expenses,

and other related costs. The decrease was primarily from intensive cost saving policy.

(4) Loss on impairment of goodwill assets of Societe Langonnaise des Vins et Hotelleries SAS ("SLVH") in Q4/2020

Finance Cost

In 2019 and 2020, the Company incurred finance cost amounting THB 38 mm and THB 84 mm respectively, The main reason is because in 2020, the company has adjusted its accounting policy. According to Thai Financial Reporting Standard No. 16, Lease Agreement, resulting in an increase in the financial cost of the lease liability.

In 2020 and 2021, the Company incurred finance cost amounting THB 84 mm and THB 99 mm respectively. The company's financial cost increased. Due to the increasing number of Soft Loan to assist business operators affected by COVID-19.

Net Profit (Loss)

In 2019 and 2020, the Company's net profit (loss) amounted to THB (26) mm and THB (420) mm, respectively. Net profit (loss) of the Company equaled to (0.8%) and (18.1%) of total revenues respectively.

In 202 and 2021, the Company's net profit (loss) amounted to THB (420) mm and THB (111) mm, respectively. Net profit (loss) of the Company equaled to (18.1%) and (4.8%) of total revenues respectively. There was a decrease in net shortage due to cost control.

Profit before interest expense, income tax, depreciation and amortization (EBITDA)

In 2019 and 2020, the Company's EBITDA amounted to THB 220 mm and THB 152 mm, respectively. EBITDA of the Company equaled to 7.2% and 6.6% of total revenues respectively.

In 2020 and 2021, the Company's EBITDA amounted to THB 152 mm and THB 424 mm, respectively. EBITDA of the Company equaled to 6.6% and 18.3% of total revenues respectively.

Statement of Financial Position

Total Assets

As of December 31, 2019, December 31, 2020 and December 31, 2021, the Company had total assets of 4,210 million baht, 4,792 million baht and 4,897 million baht, respectively, with the following details:

Total Assets	31 December 2019		31 December 2020		31 December 2021	
	THB mm	%	THB mm	%	THB mm	%
Current assets	472	11.2	478	10.0	548	11.2
Non-current assets	3,738	88.8	4,314	90.0	4,349	88.8
Total assets	4,210	100.0	4,792	100.0	4,897	100.0

1. Current Assets

The Company had total current assets of 472 million baht, 478 million baht and 548 million baht as of December 31, 2019, December 31, 2020 and December 31, 2021, or equivalent to 11.2 percent, 10.0 percent, and 11.2 percent of total assets accordingly. Most of them are cash and cash equivalents of 148 million baht, 165 million baht and 206 million baht as of December 31, 2019, December 31, 2020 and December 31, 2021, respectively.

In addition, the Company has trade accounts receivable of 136 million baht, 130 million baht and 113 million baht, and has inventories of 172 million baht, 150 million baht and 177 million baht as of December 31, 2019, December 31, 2020 and December 31, 2021, respectively. Most of the inventories consist of finished goods, which is a product in the category of clothing for a lifestyle business.

2. Non-Current Assets

As of December 31, 2019, December 31, 2020 and December 31, 2021, the Company had total non-current assets of 3,734 million baht, 4,313 million baht and 4,348 million baht, respectively, representing 88.8%, 90.0% and 88.8% of assets. Total, in order, mainly consists of the following items:

- Building improvements and equipment as of December 31, 2019, December 31, 2020 and December 31, 2021 amounted to 546 million baht, 483 million baht and 575 million baht, accounting for 13.0%, 10.0% and 11.8% of total assets respectively.

- Goodwill from business mergers as of December 31, 2019, December 31, 2020 and December 31, 2021 amounted to 2,140 million baht, 1,940 million baht and 1,940 million baht or 50.8%, 40.4% and 39.6% of the Total assets respectively The goodwill from the merger amounted to 2,140 million baht, consisting of goodwill of the donut shop of 484 million baht, the goodwill of the bakery business totaling 298 million baht, and the goodwill of the restaurant business of 1,358 million baht from the combination of Greyhound Group businesses since 2014 and Le Grand Véfour in Q4 2017. And goodwill from the merger of 1,940 million baht, consisting of goodwill of the donut shop of 484 million baht, goodwill of the bakery business of 298 million baht, and goodwill of the restaurant business of 1,158 million baht.

- Intangible assets as of December 31, 2019, December 31, 2020 and December 31, 2021 amounted to 897 million baht, 733 million baht and 715 million baht respectively, or accounted for 21.3%, 15.3% and 14.6% of assets. Total, respectively. In 2020, the company has adjusted its accounting policy on leasehold rights, resulting in as of December 31, 2020 and as of December 31, 2021, the Company has assets of right to use in the amount of 1,014 million baht, 972 million baht or equal to a hundred. 21.1 and 19.9% of total assets respectively in accordance with Thai Financial Reporting Standard No. 16, Lease Agreement.

Total Liabilities

Total Liabilities	31 December 2019		31 December 2020		31 December 2021	
	THB mm	%	THB mm	THB mm	%	ร้อยละ
Current Liabilities	558	36.9	1,237	48.4	1,132	40.6
Non-Current Liabilities	956	63.1	1,319	51.6	1,655	59.4
Total Liabilities	1,514	100.0	2,556	100.0	2,787	100.0

1 Current Liabilities

As of December 31, 2019, December 31, 2020 and December 31, 2021, the Company had total current liabilities of 558 million baht, 1,237 million baht and 1,132 million baht, respectively, accounting for 36.9%, 48.4% and 40.6% of total liabilities.

2 Non-Current Liabilities

As of December 31, 2019, December 31, 2020 and December 31, 2021, the Company had non-current liabilities of 956 million baht, 1,319 million baht and 1,655 million baht, or equivalent to 63.1%, 51.6% and 59.4% of total liabilities. respectively most of the non-current liabilities consist of :

- Long-term loans from financial institutions The Company has long-term loans from financial institutions net of the portion due within one year as of December 31, 2019, December 31, 2020 and December 31, 2021 equal to 136 million baht, 293 million baht. baht and 325 million baht, respectively, or accounted for 9.0 percent, 11.4 percent and 11.7 percent of total liabilities, respectively.

- Long-term debentures as of December 31, 2019, December 31, 2020 and December 31, 2021 amounted to 498 million baht, 215 million baht and 513 million baht, respectively, which will mature in July. and November 2023

- In addition, during the year 2020, the Company has adjusted its accounting policy regarding leasehold rights, resulting in the Company having lease liabilities - net of the portion due to be recognized within one year as at December 31, 2020 and December 31, 2021, equal to 549 million baht and 567 million baht, respectively, according to the Financial Reporting Standard No. 16 titled Lease Agreements.

Shareholders' Equity

As of December 31, 2019, December 31, 2020 and December 31, 2021, the Company has shareholders' equity of 2,696 million baht, 2,236 million baht and 2,110 million baht, respectively

Cash flow

In 2019, 2020 and 2021, the Company had net increase (decrease) in cash and cash equivalents, details as follows:

	2019 (THB mm)	2020 (THB mm)	2021 (THB mm)
Net cash from operating activities	168	338	411
Net cash used in investing activities	(155)	(242)	(250)
Net cash used in financing activities	(76)	(74)	(96)
Differences from translation of financial statements	2	(5)	(23)
Cash and cash equivalents net increase (decrease)	(61)	17	41
Cash and cash equivalents at the beginning of the year	209	148	164
Cash and cash equivalents at the end of the year	148	165	206

Cash flow from operating activities

The Company had net cash from operating activities of 168 million baht, 338 million baht and 411 million baht in 2019, 2020 and 2021, respectively.

Cash flow from investing activities

The Company had net cash used in investing activities of (155) million baht, (242) million baht and (250) million baht in 2019, 2020 and 2021, respectively, mainly in investments in building improvements and equipment and leasehold rights.

Cash flow from financing activities

The Company had net cash (used in) from financing activities in the amount of (76) million baht, (74) million baht and (96) million baht in 2019, 2020 and 2021, respectively.

In 2019, 2020 and 2021, most of the short-term and long-term borrowings from financial institutions are repayments.

Financial ratio

		Consolidated financial statement		
		2019	2020	2021
Liquidity Ratio	x	0.8	0.4	0.5
Days Sales Outstanding	Day	14.3	22.4	20.5
Days Inventory Outstanding	Day	53.8	67.4	70.5
Days Payable Outstanding	Day	116.9	154.3	169.3
Cash Cycle	Day	(48.8)	(64.5)	(78.3)
Debt to Equity Ratio	x	0.6	1.1	1.3
Interest Bearing Debt / Equity Ratio	x	0.3	0.8	1.0

The Company's liquidity ratios in 2019, 2020 and 2021 are 0.8 times, 0.4 times and 0.5 times, respectively. The Company has high current liabilities from short-term loans from financial institutions in the amount of 77 million baht, 175 million baht and 233 million baht. baht in 2019, 2020 and 2021, respectively, and the portion of long-term loans from financial institutions due within one year of 59 million baht, 89 million baht and 76 million baht in 2019, 2020 and 2021, respectively.

However, most of the company's revenues are in cash. The average collection period was 14.3 days, 22.4 days and 20.5 days in 2019, 2020 and 2021, respectively. The average collection period mainly reflects the nature of the Greyhound Group and SLVH (investment in 2017). Due to some landlord keeps the income before transferring back to the company later, according to the agreement in the rental agreement and has a lifestyle business, some of which are sold non-cash. In addition, SLVH has some customers in the form of a company that has a post-service billing process.

The Company had average sales periods of 53.8 days, 67.4 days and 70.5 days in 2019, 2020 and 2021, respectively, because inventories consist mainly of finished goods and raw materials from lifestyle businesses.

The Company was able to maintain the repayment period in the range of 117 - 170 days in 2019, 2020 and 2021. If considering the Company's cash cycle in 2019, 2020 and 2021, it will be found that the Company The cash cycle is at an appropriate level. The negative cash cycle was (48.8) days (64.5) days and (78.3) days, respectively. Due to the nature of the company's business that receives sales revenue in cash from customers immediately Including inventories that are food raw materials that require a relatively fast turnover rate. Although there are inventories that are clothing types. For this reason, the number of receivables and inventories of the Company is at a relatively low level while the company Receive credit from trade accounts payable for purchasing raw materials and products used in production Average duration 117 - 170 days.

As of December 31, 2019, December 31, 2020 and December 31, 2021, the Company's debt to equity ratio was 0.6 times, 1.1 times and 1.3 times, respectively, and the interest-bearing debt to equity ratio was equal to 0.6 times, 1.1 times and 1.3 times, respectively. Holding shares equal to 0.3 times, 0.8 times and 1.0 times, respectively. In 2021, the ratio increased due to the recognition of liabilities under lease agreements. To be in accordance with Thai Financial Reporting Standard No. 16, "Lease Agreement", which has just been applied at the beginning of 2020.

5. General information and other material facts

5.1 General information

Mud & Hound Public Company Limited

Head Office 206, Soi Pattanakarn 20, Suan Luang Sub-District,
Suan Luang District, Bangkok 10250 Thailand
Tel : 02-079-9765
Fax : 02-079-9755

Website www.mudman.co.th

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

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

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

5.2 Other material facts

5.2.1 Specify other information that may

Summary of important business contracts

Franchise agreement to obtain the right to operate the subsidiary's business

(1) Food and beverage business under the brand "DUNKIN' DONUTS"

Contract	Multiple License Agreement
Counterparties	Golden Donuts (Thailand) Co., Ltd. (Received the transfer of rights under the Multiple License Agreement from Dunkin' Donuts (Thailand) Co., Ltd. (formerly Royal Industries Supply Co., Ltd.) on February 11, 2009.) with DUNKIN' DONUTS FRANCHISING RESTAURANTS LLC ("DDF"), USA
Contract date	March 10, 1981

Contract period	The parties have agreed that the Company will open each store according to the Development Schedule, which is currently scheduled to expire on December 15, 2021. Each store has the right to operate for 20 years and has the right to request a renewal of the contract. again for a period of 20 years, subject to the prior written consent of the DDF.
Summary of the contract	DDF grants the right to Golden Donuts (Thailand) Co., Ltd. to operate a bakery DUNKIN' DONUTS to use the DUNKIN' DONUTS trademark, with compensation, which is the entrance fee for each store opening. and monthly royalties (Royalty Fee), which are calculated in proportion to the monthly income.
Assignment / Sublicense	The rights under this contract may be transferred to third parties whom Licensee believes in good faith has the ability to comply with the terms of the contract. If the assignee agrees in writing to assume all Licensee's obligations under this Agreement and Licensee has received confirmation from Licensor and the Assignee of such agreement, however, rights under this Agreement are exclusive to Licensee and cannot be transferred or taken away from. entail or sublicense unless the licensor consents to it.
Guarantees	The Company and Golden Donuts (Thailand) Co., Ltd. have entered into a contract to guarantee performance of the contract of Golden Donut (Thailand) Co., Ltd. in the amount of not exceeding USD 2,000,000. In the event that Golden Donuts (Thailand) Co., Ltd. has provided a guarantee for itself It provides assurance to DDF that it will fully comply with the contract under the Multiple License Agreement, provided that it is governed by the laws of Singapore. However, Golden Donuts (Thailand) Co., Ltd. has no foreign assets. Such self-insurance may be regarded as a guarantee of the performance of the contract and the imposition of penalties. (not exceeding USD 2,000,000) which DDF can forfeit such penalty if Golden Donut (Thailand) Co., Ltd. fails to perform its duties under the said contract.
Conditions for termination of the contract	DDF may terminate the contract if the Company fails to comply with the conditions stipulated in the contract, for example, the Company is unable to open a branch according to the Development Schedule and the Company is unable to remedy the said incident within the specified period since receiving the warning letter from DDF.

(2) Food and beverage business under the brand "Au Bon Pain"

Contract	Master Franchise Agreement
Counterparties	ABP Cafe (Thailand) Co., Ltd. with ABP CORPORATION USA
Contract date	April 1, 2006
Contract period	28 years from the date of entering into this Master Franchise Agreement or the date of termination or termination of the entitlement agreement for the opening of each store of the last branch. Each branch has a period of 9 years and can be renewed one more time for a period of 9 years, whichever comes first.

Summary of the contract	<p>ABP CORPORATION grants the right to ABP Cafe (Thailand) Co., Ltd. to use the trade name. Service mark and trademark "AU BON PAIN" in Thailand, including technical assistance. in the production and distribution of breads, salads, soups, beverages, desserts and other foods. The contract stipulates the minimum number of branches that must be opened each year. If the branch is unable to open as specified for 2 consecutive years, ABP CORPORATION has the right to operate on its own or grant the right to another person to open an "AU BON PAIN" store in Thailand.</p> <p>In respect of compensation Irrevocable Initial Determination Contract which is paid on the contract date Opening fees for each store and monthly royalties (Royalty Fee), which are calculated in proportion to the monthly income.</p>
Assignment / Sublicense	The rights under this contract are exclusive to ABP Cafe (Thailand) Co., Ltd. which cannot be sold, sold or transferred without the consent of ABP CORPORATION.
Guarantees	Any person who owns or will own more than 5% of the capital in ABP Cafe (Thailand) Co., Ltd. must enter into a contract guaranteeing liability for performance of the contract of ABP Cafe (Thailand) Co., Ltd. However, on 20 July 2016, ABP Cafe (Thailand) Co., Ltd. and ABP CORPORATION entered into an agreement to amend the Master Franchise Agreement to revoke the guarantee of liability for the performance of the contract of ABP Cafe (Thailand) Co., Ltd. at Provided by Sub Sri Thai Public Company Limited ("SST") and Mr. Suphasit Sukhanidr. The revocation of such guarantee will be effective when the Company Initial public offering after approval from the Stock Exchange of Thailand.
Conditions for termination of the contract	ABP CORPORATION may terminate the Agreement if the Company fails to comply with the conditions set forth in the Agreement, for example, the Company stops doing Au Bon Pain business for more than one week for any reason. In addition to force majeure, war, riots, government orders or in the event that the Company uses ABP CORPORATION's intellectual property for misuse or without permission as stipulated in the contract.

(3) Branded food and beverage businesses "Baskin Robbins"

Contract	Master Operating Agreement
Counterparties	Golden Scoop Company Limited (received the transfer of rights under the contract from Big Scoops Company Limited on July 2, 2012) with BASKIN ROBBINS FRANCHISING LLC, USA.
Contract date	January 20, 2010
Contract period	The parties have agreed that the Company will open each store according to the Development Schedule, which is currently scheduled to expire on December 15, 2022. Each store has a right to operate for 10 years and has the right to request a renewal of the contract. Once for a period of 10 years with prior written consent.
Summary of the contract	BASKIN ROBBINS FRANCHISING LLC grants the right to Golden Scoop Company Limited (which is the contractual transferee from Big Scoop Company Limited) to operate an ice cream shop. Baskin-Robbins Use a trademark Provide various technical

	assistance in selling ice cream Baskin-Robbins in Thailand by setting a rate of compensation at a mutually agreed rate. and the company must comply with various conditions as stipulated in the contract and there is an agreement on the minimum number of branches that must be opened each year.
Assignment / Sublicense	This contractual right is exclusive to the Licensee and may not be transferred or imposed unless the Licensor consents to it.
Guarantees	The Company and Golden Scoop Company Limited have obligations to guarantee the operation of Golden Scoop Company Limited, however, in the amount not exceeding USD 200,000. In the event that Golden Scoop Company Limited has provided a guarantee for itself, It is in the nature of a guarantee to BASKIN ROBBINS FRANCHISING LLC that it will fully perform its contract under the Master Operating Agreement, provided that it is governed by the laws of Singapore. However, Golden Scoop Company Limited has no foreign assets. Therefore, according to Thai law Such self-insurance may be regarded as a guarantee of the performance of the contract and the imposition of penalties. (amount not exceeding USD 200,000), which BASKIN ROBBINS FRANCHISING LLC can forfeit such penalty if Golden Scoop Company Limited fails to perform its duties under the contract.
Conditions for termination of the contract	BASKIN ROBBINS FRANCHISING LLC may terminate the contract if the Company fails to comply with the conditions stipulated in the contract, for example, the Company is unable to open a branch according to the Development Schedule within the specified period.

5.3 Legal disputes

-none-

5.4 Secondary market

-none-

5.5 Financial institution with regular contact

-none-

Part 2

Corporate Governance Policy

6. Corporate Governance Policy

6.1 Corporate Governance Policies

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

1. Rights and equality of shareholders

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

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

Shareholder meeting

1. Determination of the date, time and place for the shareholders' meeting.

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

2. Notice of meeting

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

3. Proposing agenda in advance for the shareholders' meeting

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

- 3.1 Proposal of additional agenda in advance in the event of the Annual General Meeting of Shareholders. It should send the agenda and details and reasons in writing to the Company in advance during October to December of each year in which the Company will have notice to shareholders in advance.
 - 3.2 Proposal of additional agenda in advance in the event of the Extraordinary General Meeting of Shareholders. It should send the agenda and details and reasons in writing to the Company within 30 days in advance.
 - 3.3 Proposal of additional agenda. After the Board of Directors' Meeting passed the resolution to hold a shareholders' meeting, it should send the agenda and details and reasons in writing to the Company within 7 days from the date of the Board of Directors' resolutions of the meeting to have a shareholders meeting.
4. Meeting attendance and registration
- All shareholders have the right to attend the meeting and vote or authorize others to attend the meeting and vote instead. The Company allows shareholders to register to attend the meeting in advance of the meeting time and has organized the system to facilitate the shareholders to be able to complete the registration quickly.
5. Inquiring, expressing opinions, voting and recording of meeting minutes
- All shareholders are given equal opportunities by the Board of Directors to verify business operations. In every shareholder meeting, shareholders can inquire, express opinions and provide suggestions. All matters are considered and voted independently on all matters. In voting, 1 share is equal to 1 vote to be equal to all. The Company has recorded minutes of the meeting together with inquiries, suggestions, resolutions of the meeting and the number of votes for agreeing, disagreeing or abstaining from voting in each agenda in writing. Shareholders and related persons can also check.
6. Attendance at the meetings of the Board of Directors
- The Board of Directors give importance to the shareholders meeting. It is considered a duty that the Board of Directors is required to attend the shareholders' meeting every time, presenting all information to the shareholders completely, listening to their opinions and suggestions. The shareholders are given opportunities to ask questions and answer them with correct information.

2. Equitable Treatments of Shareholders

1. A shareholder has a voting right by one share/one vote.
2. Shareholders are entitled to nominate a person of their choice for appointment as a director in advance as from October 11, 2021 – December 31, 2021, by notifying such to the shareholders via the information system of the Stock Exchange of Thailand, and the criteria and steps are clearly posted on the website of the Company at www.mudman.co.th

3. The Company attached a Letter of Proxy, per Form B with the Notice Calling Meeting, which enabled the shareholders to set their own voting direction in each agenda, so as to afford convenience to a shareholder who is unable to attend the meeting to authorize an independent director or another person to attend the meeting and cast votes on his/her behalf. The Notice Calling Meeting is published on the Company' s website 30 days before the date of meeting to allow shareholders to study the information beforehand.

4. The Company sets a guideline about the use of inside information in the CG Policy which is;

The Directors, executive officers, Executive Director of Accounting & Financial field and employees of the Company and subsidiaries that received inside information which may affect the stock price needs to be careful when trading securities of the Company in the last month before the financial statements or internal information is disclosed to the public. And during 24 hours after the information of the Company has disclosed to the public those related to inside information must not disclose it to anyone unless they have indicated that data to the stock market.

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

In the past year, neither directors nor executives used insider trading and the Company did not violate or defy the connected transaction rules and during the year, there was no related- party transaction which requires approval from the Shareholders' Meeting.

3. Role of Stakeholders

Besides protecting the benefits and rights of its shareholders, the Company realizes the significance of other stakeholders contributing to its financial stability and sustainability. These stakeholders include customers, employees, suppliers, creditors, and the surrounding community. The Company has always ensured integrity and fair treatment for each stakeholder through its established business ethics, such as:

Shareholders	Treat all shareholders equally with honesty and take any action with careful, transparency in disclosing important information, including financial information and other relevant information to shareholders, accurately, completely and in a timely manner in order to maintain the interests of both major and minor shareholders and create the highest satisfaction for shareholders with good returns and sustainability growth.
Customers	Developing quality products and better service to customers to meet the needs of customers under fair and reasonable conditions and taking care and responsibility to customers which has unit that monitors and receives complaints from customers to improve the service.
Employees	Treat employees at all levels equally in their work and adhere to the principles of morality and justice in administration Human Resources including compensation, welfare, and provident fund

	for future stability of employees as well as giving importance to the development of employees at all levels in terms of knowledge and skills and good values at work. In addition, the safety and working environment of employees are taken care of.
Suppliers and creditors	The Company has a policy to treat and be responsible to all business partners and/or creditors equally, equitably and fairly in accordance with trade conditions and/or an agreement between them taking into account the best interests of the company and it is based on obtaining fair returns to both parties, such as providing accurate financial information, paying off debts on time including not giving and not receiving any dishonest benefits.
Competitors	Treat competitors under the rules of good trade competition according to international principles in business practice.
Community and Environment	Operate the business by giving importance to and adhering to environmental protection and occupational safety and health in various activities which is the business of the company including carrying out activities that contribute to the creation of society and communities for the benefit of the economy and society.
Government agencies	The company strictly complies with the laws, rules and regulations of the government sector as well as to cooperate in providing news about the company's business operations and participating in various activities as organized by government agencies.

4. Disclosure of Information and Transparency

The company emphasizes to the disclosure of important information which shall be notified to the Office of the Securities and Exchange Commission of Thailand, The Stock Exchange of Thailand, shareholders and related agencies accurately, completely, transparency within a reasonable period.

1. Financial statement, other related information, and business operation are disclosed within prescribed period after audited and certified by the auditor.
 - 6.2 The financial statements of the Company are approved unconditionally by the auditor.
- 1.2 There is no related transaction with affiliated companies that would cause significant conflict of interest.
2. Annual Statement (Form 56-1) is disclosed within 3 months after accounting period end and Annual Report (Form 56-2) is disclosed within 4 months after accounting period end through the SET channels and corporate website, www.mudman.co.th. for shareholders and other related parties get to know the information thoroughly.
3. In the previous year, the Company's disclosure of information and transparency were approved by the Securities and Exchange Commission and the Stock Exchange of Thailand, as its practice was in accordance with disclosure requirements. Effectiveness of the corporate information disclosure procedure was evaluated by outsiders.

4. The company discloses the roles and duties of the Board of Directors. and sub-committees including the number of times each director attended the meeting Director's Remuneration Governance Policy Business ethics in a nutshell Director's profile in the annual registration statement (Form 56-1, One Report).
5. A Report on the Board of Directors' Responsibilities for Financial Statements is provided along with the auditor's report in annual report. The contents include the certification that the Company's financial statements are fairly presented in accordance with generally accepted accounting principles and regulations, and the financial statements are accurate, complete, and true according to accounting standards. The statement is signed by the Chairman and CEO.
6. The Company realizes the importance of disclosing information to investors so that investors can be informed of accurate, complete, clear and transparent information. The Company has established a specific unit to communicate and provide information to shareholders. institutional investors and analyst to contact us at email: IR@mudman.co.th

5. Responsibilities of the Board of Directors

The Board of Directors emphasizes utmost importance in the responsibility of the Board of Directors to maintain the interests of shareholders and stakeholders.

1. The structure of the Board of Directors consists of 11 directors, 5 of which are independent directors who are not attached to the business or other relationships. This status may influence independent discretion.
2. The Chairman of the Board of Directors is an independent director who is not the same person as the Chief Executive Officer.

2.1 Board Diversity Policy

The Company has a policy of acquiring diversified directors and would consider the persons who have knowledge and experience that are essential for the Company, including professionalism and specialization without discrimination of gender, age or education of the would- be directors so that the Board of Directors shall be more efficient and supportive to the Company' s strategies.

2.2 Directors' Term of Service

Each office term of directors is three years; directors may be re-elected for another consecutive term.

2.3 Consecutive Terms of an Independent Director

The number of Independent directors are not less than one-third of the whole directors and at least three independent directors are required. An independent director may be in the position for three consecutive terms or nine years, whatever is longer. However, the Board of Directors may extend the directorship as it deems appropriate.

2.4 Separation of the Roles of the Board of Directors and the Management

The company has established the scope of authority and duties of the company's directors, Sub-committees, Chief Executive Officer. In this regard, the Chairman of the Board of Directors must not be the same person as the Chief Executive Officer.

3. According to the Company's Articles of Association in at every annual general meeting one-third of the directors shall retire. If the number of directors cannot be divided into three parts, the number of directors closest to one-third shall therefore be issued for a term of office of 3 years. If a new committee has not been

appointed, the existing committee will continue to perform its duties until a new committee is appointed in replacing.

4. The Board of Directors has set up sub-committees by defining the qualifications, duties, responsibilities and term of office which are:

- 4.1 Audit Committee
- 4.2 Executive Committee
- 4.3 Risk Management Committee

6.2 Business code of conduct

The Board of Directors has established the Business code of conduct as a guideline for conducting business for the directors, executives and employees of the Company. In 2017, the Company disclosed the Corporate Government Manual through the Company website to guide for all staff to be acknowledged and to follow the manual. In addition, the disclosure is for shareholders, stakeholders, investors, and others to ensure the good corporate governance of the Company. Moreover, the employees have to sign the acknowledgement of the manual in the orientation. Also, the Company will periodically monitor the compliance through the internal control process.

Good corporate governance principles and Business code of conduct appear in Attachment 5 of the Annual Registration Statement (Form 56-1, One Report).

6.3 Material changes and developments regarding policy, guidelines and corporate governance system in the preceding year.

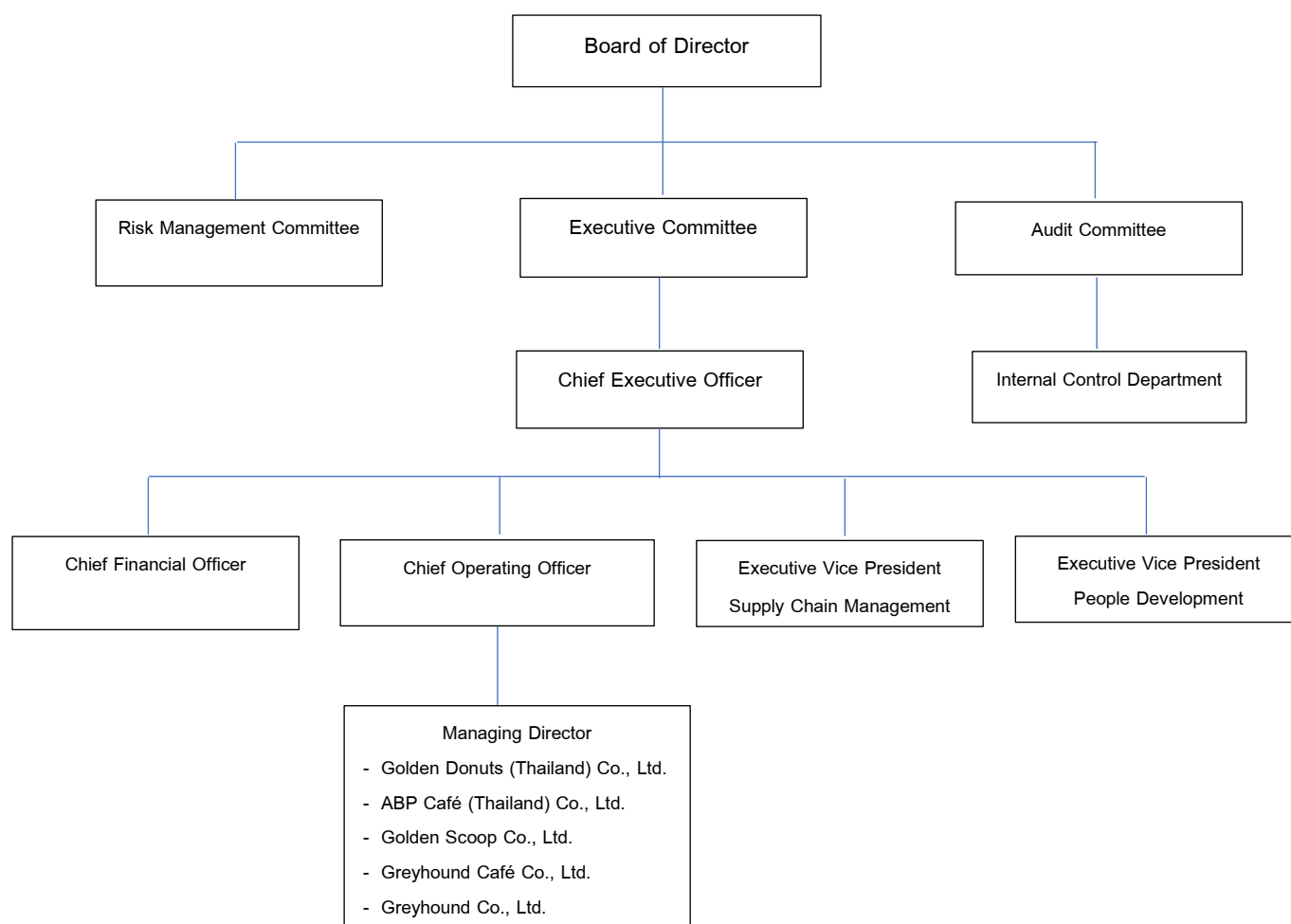
The company has not reviewed and revised its corporate governance policy in order to comply with the good corporate governance principles of 2017 by the Office of the Securities and Exchange Commission (SEC). In this regard, the Board of Directors has opinion that the Company should revise the corporate governance policy of the Company by the year 2022. The important of corporate governance policy of the Company that have not yet complied with the Good Corporate Governance Principles for Listed Companies in 2017 of SEC are as follows:

Good Corporate Governance Principles for Listed Companies 2017		Company practices
1.	The Board should provide an annual performance assessment of the Board, sub-committees and individual directors. The evaluation results should also be used for further development of the performance of duties.	To expect that an annual performance assessment of the Board of Directors will be held. sub-committees and individual directors in 2022
2.	The board should establish a mechanism for handling complaints and whistleblowing.	Whistleblowing Policy is expected to be established in 2022, including a review of Anti-Corruption Policy.
3.	The Board should establish the policy that the tenure of an independent directors should not exceed a cumulative term of 9 year from the first day of service.	The Board of Directors has reasonably considered such necessity because he is qualified appropriately independent of the Company's management and major

Good Corporate Governance Principles for Listed Companies 2017		Company practices
		shareholders able to perform duties very well, bringing knowledge, experience, expertise give useful suggestions to the company according to sustainable development guidelines. and have complete independence qualifications in accordance with the rules prescribed by the SEC
4.	The company should appoint an external consultant to assist in setting guidelines and providing recommendations for a board assessment at least once every three years. This information should be disclosed in the annual report.	According to the company will begin to evaluate the annual performance of the Board of Directors, sub-committees and individual directors by themselves in 2022. For the provision of external consultants to help formulate guidelines and suggesting issues for evaluating the Board's performance will be considered in the next step when the Board's self-assessment has been arranged.
5.	The number of board meetings should be appropriate to the obligations and responsibilities of the board and nature of the business, but the board should meet at least six times per financial year. If the board meeting are not held monthly, the board should receive a report on the company's performance for the months in which the board does not hold a meeting, so that it can monitor management and company performance continuously and promptly.	At present, the Company has set 4 meetings of the Board of Directors as scheduled per year to approve the financial statements. and acknowledge the operating results every quarter. However, in the past 2021, the board held 6 meetings.
6.	To ensure business continuity, the board should ensure that development and succession plans for the chief executive officer and key executive are in place. The board should annually request reporting on the implementation of the development and succession plans from the chief executive officer.	To expect that a succession plan will be prepared by 2022. The Executive Committee is responsible for preparing the Chief Executive Officer succession plan and reporting the results of the succession plan to the Board of Directors for acknowledgment from time to time at least once a year.

7. Corporate Governance Structure and Important Information about the Board, Sub- Committees, Executives, Employees and Others

7.1 Corporate governance structure



Board of Directors of the Company

As of December 31, 2021, the Board of Directors consisted of 11 directors as followed:

Name	Position
1. Pol. Lt. Col. Thaweesin Rakkatanyu	Chairman and Independent Director
2. Mr. Supasith Sukhanindr	Director
3. Mr. Nadim Xavier Salhani	Director
4. Mr. Somyod Suteerapornchai	Director
5. Nongluck Phinainitisart, Ph.D.	Director
6. Miss Kamornwan Chinthammit	Director
7. Mr. Khem Wanglee	Director
8. Asst. Prof. Tippawan Pinvanichkul, Phd.	Independent Director
9. Mr. Pisit Jeungpraditphan	Independent Director
10. Pol.Gen. Ruangsak Jritake, Ph.D.	Independent Director
11. Benjapol Benjapalakorn, Ph.D.	Independent Director

The 11 members of the Board of Directors are qualified and have no forbidden qualification pursuant to the requirements set forth in the Public Limited Company Act, law on securities and stock exchange, rules, regulations, announcements of the Securities and Exchange Commission, Good corporate governance policy of the Company and other related laws as well as no prohibited characteristics that lack of appropriateness qualifications of executives which has been entrusted to manage the listed companies as specified by the Securities and Exchange Commission.

7.2 Information on the Board of Directors

7.2.1 Composition of the Board of Directors

The Board of Directors of the company shall consist of qualified persons with various experiences in various fields and a number of directors as chosen by shareholders to suit the size of company's business to efficiently perform business, with its Chairman as an independent director. In the Board of Directors, it shall be certain directors who are not executives to be not less than half of it and with actual independent directors without any business relation or other relation that may pose influence not less than one thirds of the total directorship. The Independent Directors' qualifications are in line with the qualifications under the rules of the SEC, calculated at one third of the total directors and one independent director is the company president and who is not the same person with the managing director to separate the division of duties on governance and regular management.

7.2.2 The information on each director and controlling person.

Name	Position
1.Pol. Lt. Col. Thaweesin Rakkatanyu	Chairman of Board of Directors Independent Director Chairman of Audit Committee Chairman of Risk Management Committee
2.Mr. Supasith Sukhanindr	Vice Chairman of Board of Directors Chairman of Executive Committee Risk Management Committee

Name	Position
	Chief Executive Officer
3.Mr. Nadim Xavier Salhani	Director Vice Chairman of Executive Committee Risk Management Committee
4.Mr. Somyod Suteerapornchai	Director Executive Committee
5.Nongluck Phinainitisart, Ph.D.	Director Executive Committee
6.Miss Kamornwan Chinthammit	Director
7.Mr. Khem Wanglee	Director
8.Asst. Prof. Tippawan Pinvanichkul, Phd.	Independent Director Audit Committee
9.Mr. Pisit Jeungpraditphan	Independent Director Audit Committee
10.Pol.Gen. Ruangsak Jritake, Ph.D.	Independent Director
11.Benjapol Benjapalakorn, Ph.D.	Independent Director

The Company Secretary: Mrs. Phatcharee Boonnak**

Note :

* The Meeting of the Board of Directors of the Company No. 6/2021 held on November 11, 2021 had passed the resolution to appoint Mr. Khem Wanglee as the Director in replacing Miss Limly Thipphonggraphas who has resigned from her position effective from December 1, 2021 onwards.

** The Meeting of the Board of Directors of the Company No. 6/2021 held on November 11, 2021 had passed the resolution to appoint Mrs. Phatcharee Boonnak as the Company Secretary in replacing Miss Limly Thipphonggraphas who has resigned from her position effective from December 1, 2021 onwards.

Authorized Directors

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

7.2.3 Roles and duties of the Board of Directors

The Board of Directors is appointed by the shareholders, whereby the Board of Directors appoints a company secretary to advise and assist the Board of Directors in compliance with the law and related regulations. Additionally, they are responsible for meetings of the Board of Directors and shareholders' meetings, as well as supporting corporate governance under the righteous corporate governance.๒๗๓

Authorization of the Board of Directors

The Board of Directors has the authority to approve various matters of the company under the scope of duties stipulated by the Law, the Company's Articles of Association, the Board of Directors' charter, manual, authority, and resolutions of the shareholders' meeting. This also includes formulating a policy to review the vision, mission,

strategy, and action plan of the company. As well as important subjects such as approval of financial statements, transactions that are required by law that require approval from the Board of Directors, financial policies, investments, annual budgets, appointment of executive directors and Chief Executive Officer, and henceforth.

Category of Director

Name of Directors	Category of Director			
	Representative Shareholders	Non-Executive Director	Independent Director	Executive Director
1. Pol. Lt. Col. Thaweesin Rakkatanyu		√	√	
2. Mr. Supasith Sukhanindr	√			√
3. Mr. Nadim Xavier Salhani				√
4. Mr. Somyod Suteerapornchai	√			√
5. Nongluck Phinainitisart, Ph.D.	√			√
6. Miss Kamornwan Chinthammit	√	√		
7. Mr. Khem Wanglee		√		
8. Asst. Prof. Tippawan Pinvanichkul, Ph.D		√	√	
9. Mr. Pisit Jeungpraditphan		√	√	
10. Pol. Gen. Ruangsak Jritake, Ph.D		√	√	
11. Benjapol Benjalakorn, Ph.D.		√	√	
Total	4	7	5	4
%	36.36%	63.63%	45.45%	36.36%

Securities Holding of Directors and Executives for Year 2021

Holding the Company's Shares of the Board of Directors and Managements (as of December 31, 2021)

Name/Position	Nature of Interest	Ordinary Share			
		As of Dec 31,2020	As of Dec 31,2021	Changing During the year 2021	Share holding (%)
1. Lt. Col. Thaweesin Rakkatanyu	-	-	-	-	-
2. Mr. Supasith Sukhanindr	Direct	8,133,937	8,133,937	-	-
3. Mr. Nadim Xavier Salhani	-	-	-	-	-
4. Mr. Somyod Suteerapornchai	Direct	202,291	202,291	-	-
5. Nongluck Phinainitisart, Ph.D.	-	-	-	-	-
6. Miss Kamornwan Chinthammit	Direct	2,820,841	2,820,841		
7. Mr. Khem Wanglee	-	-	-	-	-

Name/Position	Nature of Interest	Ordinary Share			
		As of Dec 31,2020	As of Dec 31,2021	Changing During the year 2021	Share holding (%)
8. Asst. Prof. Tippawan Pinvanichkul, Ph.D.	-				
9. Mr. Pisit Jeungpraditphan	-	-	-	-	-
10. Pol. Gen. Ruangsak Jritake, Ph.D.	-	-	-	-	-
11. Benjapol Benjapalakorn Ph.D.	-			-	-
12. Mr. Somsak Tangprakob	Direct	30,585	280,585	250,000	
13. Mr. Mr. Pakin Penparksakul	Direct	25	25	-	-
14. Miss Lapaporn Tiasakul	Direct	839,300	839,300	-	-
15. Miss Limly Thipphongpraphas	-	-	-	-	-

* Ms. Lapaporn Tiasakul had resigned from the position of Executive Vice President of Operations and Executive Vice President of Business Development from October 1, 2021

**Miss Limly Tippongpraphas resigned from the position of director from 1 December 2021

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

Chairman of the Board

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

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

The duties and responsibilities of Chairman of the Board

1. To be responsible in leadership role for The Board of Directors in the supervision, follow- up, overseeing the performance of The Board of Executive Directors and other sub-committees to attain the objectives as planned.
2. Ensure that all directors contribute to the company's ethical culture and good corporate governance.
3. Set the board meeting agenda by discussing with the chief executive officer which important matters should be included
4. To chair in the board's meeting and shareholders' meeting of the company.
5. Allocate sufficient time for management to propose topics and for directors to debate important matters thoroughly.
6. To be the final vote in board's meeting when it comes up with equivalent voting,
7. Promote a culture of openness and debate through ensuring constructive relations between the board and management.

Election of directors and term of office

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

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

Scope of Authority and Responsibilities of the Board of Directors

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

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

12. To appoint the management of the Company and subsidiaries (the management of the Company is based on the definition of Management per SEC/SET), company secretary, and their remuneration;
13. To set remuneration policy including based salary, salary adjustment, bonus, benefits, and etc. To assign the CEO to set remuneration policy for non-management level per the Delegation of Authority Manual;
14. To delegate approval policy with yearly review basis;
15. To seek outside professional opinions (if necessary);
16. To encourage and support the directors and the managements of the Company and subsidiaries to attend seminars or training courses of the Thai Institute of Director Association (IOD) in relation to duty and responsibility of director and management;
17. To ensure the good corporate governance of the subsidiaries / affiliates as a part of the Company, the following transactions or actions are required to be approved by the Company's Board of Directors or the Shareholders (as the case may be):
 - 17.1 Any transaction or action of the subsidiaries in the following cases must be approved by the Company's board of directors or shareholders meeting (as the case may be)
 - (1) Appoint or nominate a person to be director and management team in subsidiaries / affiliates, at least at pro rata basis in such subsidiaries / affiliates, otherwise indicated by the board of director;
 - (2) Capital increase by issuance of the subsidiaries' newly issued shares and allocation of shares, including reduction of the subsidiaries' registered capital which is not pro rata to the existing shareholding of the shareholders, resulting in more than ten percent (10%) decrease in the proportion of the Company's voting rights, direct and/or indirect, in any tier, of the total votes in the subsidiaries' shareholders meeting;
 - (3) Payment of the subsidiaries' annual dividend and interim dividend (if any);
 - (4) Amendment to the Company's articles of association, except for amendment to articles of association with significant matters in accordance with 17.2 (5);
 - (5) The Company's annual budget of the Company and in subsidiaries / affiliates except in case that is determined in Delegation of Authority; and
 - (6) Appoint an auditor of the subsidiaries in only case that such auditor is not a full member of the Company's auditor that the subsidiaries' auditor must be a full member of the Company's auditor.Items in (7) to (10) are deemed significant transactions, and if entered into, it will significantly affect the Company's financial position and operating results, and therefore approval from the Parent Company's board of directors is required. This is however provided that the size of a transaction entered into by the Company, when compared to the size of the Parent Company (the criteria prescribed in the Notifications of the Capital Market Supervisory Board and of the Stock Exchange of Thailand Commission relating to Acquisition or Disposition of Assets and/or relating to Connected Transactions and/or amended notifications being enforced at the time (as the case may be) shall be applied mutatis mutandis, meets the threshold for consideration and approval from the Parent Company's board of directors. The transactions are as follows:

- (7) If the Company agrees to enter into a transaction with its connected party, or a transaction relating to acquisition or disposition of its assets as follows:
 - a. Transfer or waiver of rights and privileges, including waiver of claims against the person causing damage to the Company
 - b. Sale or transfer of the Company's business, in whole or in material part, to another party
 - c. Purchase or acceptance of the transfer of another company's business to the Company
 - d. Entering into, amendment to or termination of an agreement relating to lease of the Company's business, in whole or in material part; assignment of another party to manage the Company's business; or merger of the Company's business with another party's
 - e. Lease or letting on hire-purchase of the Company's business or assets, in whole or in material part
 - (8) Borrowing money, lending money, giving credits, giving guarantee, taking a juristic act to bind the Company to take on additional financial obligations, or providing any other financial assistance to another party which is not its normal business. Dissolution of the Company's business.
 - (9) Shut down of the subsidiary businesses
 - (10) Any other transaction that is not a normal business transaction and significantly affects the Company
- 17.2 Any transaction or action of the subsidiaries in the following cases must be approved by the shareholders meeting while holding shares with voting rights more than 75 (seventy five) percent of the voting rights from the shareholders who attend in that meeting.
- (1) if the Company agrees to enter into a transaction with its connected party, or a transaction relating to acquisition or disposition of its assets, provided that the size of a transaction entered into by the Company, when compared to the size of the Parent Company (the criteria of transaction calculation as prescribed in applicable notifications of the Capital Market Supervisory Board and the Stock Exchange of Thailand Commission shall be applied mutatis mutandis), meets the threshold for consideration and approval from the Parent Company's shareholders meeting.
 - (2) Capital increase by issuance of the Company's newly issued shares and allocation of shares, including reduction of the Company's registered capital which is not pro rata to the existing shareholding of the shareholders, resulting in more than ten percent (10%) decrease in the proportion of the Parent Company's voting rights, direct and/or indirect, in any tier, of the total votes in the Company's shareholders meeting; or resulting in decrease in the proportion of the Parent Company's voting rights, direct and/or indirect, in any tier, to be lower than fifty percent (50%) of the total votes in the Company's shareholders meeting.
 - (3) Dissolution of the Company's business, provided that the size of a transaction entered into by the Company, when compared to the size of the Parent Company (the criteria of transaction calculation as prescribed in applicable notifications of the Capital Market Supervisory Board and the Stock Exchange of Thailand Commission relating to Acquisition or Disposition of Assets and/or amended

notifications being enforced at the time shall be applied mutatis mutandis), meets the threshold for consideration and approval from the Parent Company's shareholders meeting.

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

Directors, executives or related parties of the Company shall make a transaction with the Company only when such transaction has been approved by the board of directors of the Company and/or Parent Company, and/or the shareholders meeting of the Company and/or Parent Company (as the case may be) based on the transaction size

calculated (the criteria of transaction calculation as prescribed in the notifications of the Capital Market Supervisory Board, and the Notification of the Stock Exchange of Thailand Commission relating to Connected Transactions and/or amended notifications being enforced at the time shall be applied mutatis mutandis), unless the transaction is a commercial agreement that a reasonable person would enter into with any contract party in general under the same situation, by the exercise of commercial bargaining power without influence from the position of director, executive or related person, as the case may be, and being approved by the Parent Company's board of directors, or in accordance with the principles approved by the Parent Company's board of directors.

Corporate Secretary

The Meeting of the Board of Directors of the Company No. 6/2021 held on November 11, 2021 had passed the resolution to appoint Mrs. Patcharee Boonnak as the Company Secretary in replacing Miss Limly Thipphonggraphas who passed away effective from December 1, 2021 onwards in order to comply with Section 89/1 of the Securities and Exchange Act. Mrs. Patcharee Boonnak has the qualifications for position of the company secretary and she is knowledgeable, competent and experienced in law, management and tasks related to the regulations of the Stock Exchange of Thailand and the SEC and has trained in Fundamental Practice for Corporate Secretary (FPCS 30) and Corporate Secretary Development Program (the qualifications for position of the company secretary appears in Attachment)

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

- 1) To prepare and keep the following documents:
 - (a) Registration of Directors
 - (b) Invitation letter to attend the Board of Directors 'meeting, minutes of the Board of Directors' meeting and the Company's annual report
 - (c) Invitation letter to attend the Shareholders' meeting and minutes of the Shareholders' Meeting
- 2) To keep and maintain a report of interest as filed by directors and executives.
- 3) To provide a copy of report of interest to the chairman of the board of director and the chairman of audit committee within seven working days after the receiving date. To provide proper document storage system of any material documents or information at least 10 years after such document or information has been created
- 4) To follow other activities per the relevant authorities' guidance

7.3 Sub-committees

7.3.1 Information of each sub-committee

There are three sub-committees of the Company, which are (1) Audit Committee (2) Risk Management Committee and (3) Executive Committee, the detailed are as follows;

(1) Audit Committee

The Audit Committee consists of not less than three directors, of which the chairman and all directors must be independent directors. At least one member of this committee must have knowledge and experience in reviewing financial statements. The audit committee must have the qualifications prescribed by the Stock Exchange of Thailand and the Capital Market Supervisory Board. The Audit Committee has a term of office of three years and can be reappointed as an audit committee but not more than three consecutive terms unless the Board of Directors deems it appropriate to hold the position.

As of December 31, 2021, the Company's Audit Committee consists of 3 members as follows:

Name	Position	Remark
1. Lt. Col. Taweesin Rukkatanyu	Chairman of Audit Committee	-
2. Asst. Prof. Tippawan Pinvanichkul, Ph.D.	Audit Committee	the audit committee who has knowledge and experience in reviewing financial statements
3. Mr. Pisit Jeungpraditphan	Audit Committee	

Scope of Authority and Responsibilities of the Audit Committee

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

8.2 any fraud, irregularity, or material defect in an internal control system; or

8.3 an infringement of the law on securities and exchange, the Exchange's regulations, or any law relating to the Company's business.

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

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

(2) Risk Management Committee

The Company's Risk Management Committee consists of 3 Directors who are appointed by the Board of Directors. Risk Management Committee has a term of office as long as holding a position as a director of the company unless the Board of Directors resolves otherwise. As of December 31, 2021, the Risk Management Committee of the company consisted of 3 members as follows:

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

Scope of Authority and Responsibilities of the Risk Management Committee

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

(3) Executive Committee

The Executive Committee of the Company consists of not less than 3 directors who are appointed by the Board of Directors. The Executive Committee has a term of office as long as holding a position as a director of the company unless the Board of Directors resolves otherwise. As of December 31, 2021, the Executive Committee of the company consisted of 4 members as follows:

Name	Position
1. Mr. Supasith Sukhanindr	Chairman of Executive Committee
2. Mr. Nadim Xavier Salhani	Vice Chairman of Executive Committee
3. Mr. Somyod Suteerapornchai	Executive Committee
4. Miss Nongluck Phinainitisart	Executive Committee

Scope of Authority and Responsibilities of the Executive Committee

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

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

7.4 Information on executives

7.4.1 Names and positions of the executives

Management Team

As of December 31, 2021, the management team of the Company and its subsidiaries consist of 4 people as follows:

Name	Position
1. Mr. Supasith Sukhanindr	Chief Executive Officer Executive Vice President Supply Chain Management (Acting)
2. Mr. Somsak Tangpakob	Chief Financial Officer (Acting)
3. Mr. Pakin Penparksakul*	Chief Operating Officer

*Note

- The Board of Directors Meeting No. 5/2021, hold on August 11, 2021, resolved to appoint Mr. Pakin Penparksakul to replace Miss Lapaporn Tiasakul who resigned from the position of Executive Vice President – Operations, Executive

Vice President - Business Development and Managing Director of ABP Cafe Company Limited, effective October 1, 2021 onwards.

- 2) The Board of Directors Meeting No. 6/2021, held on November 11, 2021, resolved to appoint Mr. Phakin Penparksakul to replace Ms. Limly Thippongraphas. who resigned from the position of Managing Director of Greyhound Co., Ltd. and Greyhound Cafe Co., Ltd., effective from December 1, 2021 onwards.

7.4.2 Remuneration policy

Policy in respect of Remuneration for the Board of Directors and Committees

(1) Remuneration for directors and sub-committee

Paid in cash

The remuneration for directors, which was approved by the 2021 Annual General Meeting on April 27, 2021, is as followed:

Position	Amount (Baht/Month)	Person	Total (Baht/Year)
1. Chairman of Board of Director	50,000	1	600,000
2. Director	25,000	10	3,000,000
3. Chairman of Audit Committee	15,000	1	180,000
4. Audit Committee	5,000	2	120,000
5. Chairman of Risk Management Committee	4,000	1	48,000
6. Risk Management Committee	3,000	2	72,000
7. Chairman of Executive Committee	15,000	1	180,000
8. Vice Chairman of Executive Committee	5,000	1	60,000
9. Executive Committee	2,500	3	90,000
Any other benefits : none			-
Total			4,350,000
Total Remuneration (Not exceeding than)			5,000,000

Unit: THB

Name	Board	EXCOM	AC	RISK	Total
Pol. Lt. Col. Thaweesin Rakkatanyu	600,000	-	180,000	48,000	828,000
Mr. Supasith Sukhanindr	300,000	180,000	-	36,000	516,000
Mr. Nadim Xavier Salhani	300,000	60,000	-	36,000	396,000
Mr. Somyod Suteerapornchai	300,000	30,000	-	-	330,000
Miss Nongluck Phinainitisart, Ph.D.	300,000	30,000	-	-	330,000
Miss Kamornwan Chinthammit	300,000	-	-	-	300,000
Miss Limly Thippongraphas*	275,000	-	-	-	275,000
Mr. Khem Wanglee*	25,000	-	-	-	25,000
Asst. Prof. Tippawan Pinvanichkul, Ph.D.	300,000	-	60,000	-	360,000

Name	Board	EXCOM	AC	RISK	Total
Mr. Pisit Jeungpraditphan	300,000	-	60,000	-	360,000
Pol.Gen. Ruangsak Jritake, Ph.D.	300,000	-		-	300,000
Benjapol Benjapalakorn, Ph.D.	300,000	-	-	-	300,000
Total	3,600,000	300,000	300,000	120,000	4,320,000

Board: Board of Director

AC: Audit Committee

EXCOM: Executive Committee

RISK: Risk Management Committee

Note :

** The BOD No. 6/2021 on November 11, 2021 resolved to appoint Mr. Khem Wanglee as Director to replace Miss Limly Thippongphapas, effective on December 1, 2021 onward.

Paid in non-cash

-none-

(2) Chief Executive Officer's Remuneration

The Company prescribes the Chief Executive Officer's remuneration by taking into account qualifications, duties and responsibilities in comparison with the amount paid by other companies in the same industry as well as operating result and size of business so as to be an incentive for developing the Company in a continuous and sustainable manner.

(3) Remuneration for Management

Remuneration for executives is in line with the Company's principles and policies, and relates to the operating result and each individual's performance. The remuneration is prescribed to motivate and keep the qualified executives with the Company.

7.4.3 Total Remuneration of Executive Directors and Executives

Paid in cash

The remuneration including with salary, allowance, bonus, provident fund, social security, and others of Management Team (5 people) of The Company and its subsidiaries is totally 53.27 million Bath in 2021.

Paid in non-cash

-None-

7.5 Employees

(1) Number of employees and compensation

The Company and its subsidiaries have all employees. (Excluding management) 2,775 people. In 2021, the Company and its subsidiaries have paid remuneration to employees. (Excluding executives) totaling approximately 728 million baht, including salary, overtime allowance, living allowance, special bonus, Social Security and contributions to provident fund, etc., with the details as follows

Company (Person)	Amount of Employee as of 31 December 2021		Salary, bonus and other allowance (THB)
	Full Time	Part Time	Year 2021
Mud and Hound	49	1	49,681,486
Golden Donut (Thailand)	698	679	243,636,716
ABP Café (Thailand)	372	90	84,332,713
Golden Scoop	32	12	9,612,277
Greyhound Café	548	67	154,099,512
Greyhound	111	4	54,119,270
Greyhound U.K.	23	-	16,143,584
Societe Langonnaise des Vins et Hotelleries SAS	34	9	66,024,779
MM FR SAS	1	1	3,119,782
Maison MM1 SAS	7	2	10,211,444
Maison MM2 SAS	12	-	17,904,917
Maison MM3 SAS	23	-	19,878,943
Total	1,910	865	728,765,423
Total Amount (Exclude Executive Director)	2,775		728,765,423

(2) Human resource development policy

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

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

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

7.6 Other significant information

7.6.1 List of Personnel Directly Responsible for Accounting Supervision / Company Secretary / Internal Audit Supervisor

The person assigned to be directly responsible for accounting supervision	Miss Suwanee Kamkuea
Company Secretary	The Board of Directors has appointed Mrs. Patcharee Boonnak to be the Company Secretary with the powers and duties as stipulated in the Securities and Exchange Act.
Internal Audit	Dharmniti Internal Audit Company Limited

Information of given individuals appears in attachments 1 and 3 of this annual registration statement (Form 56-1, One Report).

7.6.2 Investor Relations and Contact Information

Contact information Tel : 02- 0799765 Email : IR@mudman.co.th

7.6.3 Auditor's Remuneration

The Annual General Meeting of Shareholders for the year 2022, held on Tuesday 27 April, 2021, the Company's shareholders' meeting resolved to appoint auditors from EY Office Limited to be the auditors of the Company and its subsidiaries for the fiscal year ended January 1, 2021 – December 31, 2021 as follows:

List	C.P.A. Registration No.	Number of years of auditing for the company
1. Ms. Kamontip Lertwitworatop	4377	Be the person who signs the financial statements for the year 2020 and 2021 of the company
2. Mr. Wichart Lokatekrawee	4451	Has never been a person who signs the financial statements of the company
3. Ms. Satida Ratananurak	4753	Has never been a person who signs the financial statements of the company

and approved the auditor's remuneration for the year 2021 as follows:

Unit : Baht

Audit Fee	Year 2021
1. The Company's audit fee	1,692,500.-
2. Non audit fee	Non

7.6.4 Personnel Assigned to Represent Thailand (In case of a foreign company)

-none-

8. Report on key operating results on corporate governance

8.1 Performance Summary of the Board of Directors in the Past Year

8.1.1 Recruitment, Development, and Evaluation of the Board of Directors

Nomination and Appointment of Directors and Top Executives

The Board of Directors consists of independent and non-independent directors, the proportion to warrant independence from the management, independent directors are required to have more specific qualifications than non-independent directors.

Qualifications of Independent Directors

Independent directors must possess all qualifications as prescribed by the Capital Market Supervisory Board and must be able to protect the interests of all shareholders equally and to avoid conflict of interest. Independent directors must attend Board of Directors' meetings and express their opinions independently

(1) Independent Directors

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

1. The person must hold no more than 1% of shares with voting rights of the Company, the parent Company, the associates, the affiliates, the major shareholders or the entities with the authority to control the Company; inclusive of shareholding by individuals related to such independent directors.
2. The person must not be serving, or have served, as a director who is involved with the management, or a staff member, an employee or a consultant with a monthly wage. The person also must not be or be an individual with the authority to control the Company, the parent Company, the associates, the affiliates, the associates of the same level, the major shareholders or of the entities with the authority to control the Company, with the exception of the case where he or she has retired from such a position for at least two years prior to the day on which he or she is appointed as an independent director. The ineligibility however does not include the case where an independent director has previously served as a public servant or a consultant of a government agency which is a major shareholder of, or an entity with the authority to control the Company.
3. The person must not be related by blood or law as father, mother, spouse, sibling or child, spouse of son or daughter of executives, major shareholders, individuals with the authority to control the Company or candidates for the position of an executive or an individual with the authority to control the Company or an associate.
4. The person must not have, or have had, a business relationship with the Company, the parent Company, the associates, the affiliates, the major shareholders or the entities with the authority to control the Company, in such a manner that may interfere with one's independent discretion. The person also must have not been or has been a shareholder, individuals with the authority to control the Company, of the person who has business relationship with the Company, the parent Company, the associates, the affiliates, the major shareholder or the entities with the authority to control the Company. There is an exception in the case where he or she has retired from such a position for at least two years prior to the day on which he or she is appointed as an

independent director. The business relationship as described in the above paragraph is inclusive of normal trading transactions for the conduct of business; lease or letting of immovable; transactions relating to assets or service; provision or acceptance of financial assistance through acceptance or provision of loans and guarantees, the use of assets as collateral and other such practices which result in the Company or the party to the agreement being under the obligation to repay the other party for an amount from 3% of net tangible assets of the Company or from Twenty Million Baht whichever is lower. The calculation of such obligation to debt is to be in accordance with the related transaction value calculation method as per the Announcement of the Capital Market Supervisory Board on the Related Transaction Criteria with exceptions. The said obligation to debt includes that which has materialized during the period of one year prior to the day of business relationship with the same individual.

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

(2) The selection of Directors and Management

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

The selection of the Directors

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

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

1. A company must, for the operation of its business, have a board of directors consisting of at least five directors, provided that not less than one half of the total number of directors must have a residence in the Kingdom.
2. The shareholders' meeting was authorized to appoint Company directors according to the criteria and method as follows:
 - (1) One shareholder shall have one vote per one share
 - (2) Each shareholder must exercise all of the votes he or she has under the first paragraph to elect one or several persons to be a director or directors and must not allot his or her votes to any person in any number
 - (3) The persons receiving the highest number of votes, followed by those with descending highest number of votes shall be elected as the directors fulfilling the number of directorship required to be elected by the shareholder's meeting. In case the number of votes for the candidates in descending order are equal and exceed the number of directors to be elected at said meeting, the Chairman shall cast the deciding vote

3. At every annual ordinary meeting of shareholders, there shall be an election of the board of directors en masse on the same occasion, provided that the original board of directors may remain in office to serve as the acting board of directors in furtherance of the operation of the business of the company for the time being and to the extent necessary until the new board of directors takes office, in which case one-third of the number of directors shall vacate office. If the number of directors is not a multiple of three, then the number nearest to one-third shall vacate office. The directors to vacate office in the first and second years following the registration of the company shall, unless otherwise provided in the articles of association, be drawn by lots. In every subsequent year, the directors who have been longest in office shall vacate office. The director who vacates office under this section may be re-elected
4. Any director intending to resign shall submit a resignation letter to the company. The resignation takes effect as from the date on which the resignation letter reaches the company
5. In the case where the office of a director becomes vacant by any reason other than the expiration of the term, the board of directors shall elect a person possessing the qualifications and being under no prohibitions under section 68 as a replacing director at the next meeting of the board of directors, unless the remaining term of office of such director is less than two months. The resolution of the board of directors under paragraph one must be supported by votes of not less than three-fourths of the number of the remaining directors

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

The Selection of the Management

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

The selection of the Chief Executive Officer

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

The selection of management positions below Chief Executive Officer

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

8.1.2 Meeting attendance

Board meetings are held at least every quarter by setting the meeting date in advance throughout the year and informing each committee by making an annual meeting schedule.

Quorum of the Board of Directors

At a meeting of the Board of Directors, not less than one- half of the total number of members must be present to constitute a quorum. In this regard, the Board of Directors has established a policy regarding the minimum quorum at the time of the directors' resolution at the Board of Directors meeting that there must be not less than two-thirds of the total number of directors.

In 2021, the Company provided meeting facilities in the form of electronic media so that directors can attend the Board of Directors meeting and give valuable opinions or suggestions to executives or the Company's operations, under the Emergency Decree on Conferencing via Electronic Media, B.E. 2020, and related regulations.

In 2021, the Company held a total of 6 Board of Directors' meetings. During the meeting, the Chairman allocated enough time for the management to propose matters and enough for the directors to carefully discuss important issues. The rate of attendance of directors accounted for approximately 80%, with details of each director's attendance as follows:

Directors' attendance at the meeting in each committee for year 2021 (1 January - 31 December 2021)

Directors	Board of director	Audit Committee	Executive Committee	Risk Management Committee
1. Pol. Lt. Col. Thaweesin Rakkatanyu	5/6	4/4	-	1/1
2. Mr. Supasith Sukhanindr	5/6	-	4/4	1/1
3. Mr. Nadim Xavier Salhani	6/6	-	4/4	1/1
4. Mr. Somyod Suteerapornchai	6/6	-	4/4	-
5. Miss Nongluck Phinaitisart	5/6	-	4/4	-
6. Miss Kamornwan Chinthammit	6/6	-	-	-
7. Miss Limly Thipphonggraphas * <i>Resigned since December 1, 2021</i>	2/3	-	-	-
8. Mr. Khem Wanglee * <i>Appointed as a director since December 1, 2021</i>	-	-	-	-
9. Asst. Prof. Tippawan Pinvanichkul	5/6	4/4	-	-
10. Mr. Pisit Jeungpraditphan	5/6	4/4	-	-
11. Pol.Gen. Ruangsak Jritake	5/6	-	-	-
12. Mr. Benjapol Benjapalakorn	6/6	-	-	-

Note :

* The Meeting of the Board of Directors of the Company No. 6/2021 held on November 11, 2021 had passed the resolution to appoint Mr. Khem Wanglee as the Director in replacing Miss Limly Thipphonggraphas who has resigned from her position effective from December 1, 2021 onwards.

8.1.3 Supervision of Subsidiaries and Associated Companies

Governance for subsidiaries and associates performance

In order to comply with governance and protect the Company's investment, the Board appoints directors of the parent company to be directors in subsidiaries and associated companies in proportion to the shareholding. The directors who represent the Company shall participate in decision of policies that are important to business operations.

Board of Directors of the Subsidiary

Golden Donuts (Thailand) Co., Ltd.

As of December 31, 2021, the Board of Directors of GDT consisted of 3 directors as follows:

Name	Position
Mr. Supasith Sukhanindr	Chairman of the Board of Directors
Mr. Nadim Xavier Salhani	Director
Mr. Somsak Tangprakob	Director

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

ABP Café (Thailand) Co., Ltd.

As of December 31, 2021, the Board of Directors of ABP consisted of 3 directors as follows:

Name	Position
Mr. Supasith Sukhanindr	Chairman of the Board of Directors
Mr. Nadim Xavier Salhani	Director
Mr. Somsak Tangprakob	Director

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

Golden Scoop Co., Ltd.

As of December 31, 2021, the Board of Directors of GS consisted of 3 directors as follows:

Name	Position
Mr. Supasith Sukhanindr	Director
Mr. Nadim Xavier Salhani	Director
Mr. Somsak Tangprakob	Director

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

Greyhound Café Co., Ltd.

As of December 31, 2021, the Board of Directors of GHC consisted of 3 directors as follows:

Name	Position
Mr. Supasith Sukhanindr	Director
Mr. Nadim Xavier Salhani	Director
Mr. Somsak Tangprakob	Director
Mr. Pakin Penparksakul	Director

The authorized directors: Any Two of those directors are co-sign with company seal.

Greyhound Co., Ltd.

As of December 31, 2021 the Board of Directors of GH consisted of 3 directors as follows:

Name	Position
Mr. Supasith Sukhanindr	Director
Mr. Nadim Xavier Salhani	Director
Mr. Somsak Tangprakob	Director
Mr. Pakin Penparksakul	Director

The authorized directors: Any Two of those directors are co-sign with company seal.

GHC Café (UK) Limited

As of December 31, 2021, the Board of Directors of GHC UK consisted of 4 directors as follows:

Name	Position
Mr. Supasith Sukhanindr	Director
Mr. Nadim Xavier Salhani	Director
Mr. Bhanu Inkawat	Director
Mr. Supachai Sukhanindr	Director

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

Mudman International Limited

As of December 31, 2021, the Board of Directors of MM Inter consisted of 3 directors as follows:

Name	Position
Mr. Supasith Sukhanindr	Director
Mr. Nadim Xavier Salhani	Director
Ms. Beatrice Lan Kung Wa	Director
Mr. Ashive Kanoosingh	Director

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

Societe Langonnaise des Vins et Hotelleries SAS

As of December 31, 2021, the director and authorized director of SLVH is Mr. Nadim Xavier Salhani.

MM FR SAS

As of December 31, 2021, the director and authorized director of MM FR is Mr. Nadim Xavier Salhani.

Maison MM1

As of December 31, 2021, the director and authorized director of Maison MM1 is Mr. Nadim Xavier Salhani.

Maison MM2

As of December 31, 2021, the director and authorized director of Maison MM2 is Mr. Nadim Xavier Salhani.

Maison MM3

As of December 31, 2021, the director and authorized director of Maison MM3 is Mr. Nadim Xavier Salhani.

Management of the subsidiary

The position of the top Management of the Company in 5 subsidiaries consisted of 4 persons as follows;

Name	Position	Position in Company				
		GDT	ABP	GS	GHC	GHF
1. Mr. Supasith Sukhanindr	Chief Executive Officer	✓	✓	✓	✓	✓
2. Mr. Somsak Tangpakob	Chief Financial Officer (Acting)	✓	✓	✓	✓	✓
3. Mr. Supasith Sukhanindr	Executive Vice President Supply Chain Management (Acting)	✓	✓	✓	✓	✓
4. Mr. Pakin Penparksakul	Chief Operating Officer	✓	✓	✓	✓	✓

GDT: Golden Donuts (Thailand) Co., Ltd.

ABP: ABP Café (Thailand) Co., Ltd.

GS: Golden Scoop Co., Ltd.

GHC: Greyhound Café Co., Ltd.

GHF: Greyhound Co., Ltd.

8.1.4 Monitor to Ensure Compliance with Corporate Governance Policies and Practices

1. The Use of Internal Information

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

1. Educating directors, executives, and Executive Director of Accounting & Financial field about the duty to report their securities holding and the holding of their spouse and minor children to SEC pursuant to Section 59 and penalty provisions under section 275 of the Securities and Exchange Act B.E.1996 (include the amendment).
2. Ensuring the directors, executive officers, and Executive Director of Accounting & Financial field of the Company including their spouse and minor children report the holding of securities and report through the secretary of the company within 30 days since the appointment or trading securities within 3 days since sale, purchase, and transfer its.

3. The Directors, executive officers, Executive Director of Accounting & Financial field and employees of the Company and subsidiaries that received inside information which may affect the stock price needs to be careful when trading securities of the Company in the last month before the financial statements or internal information is disclosed to the public. And during 24 hours after the information of the Company has disclosed to the public those related to inside information must not disclose it to anyone unless they have indicated that data to the stock market.

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

2. Anti-corruption

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

9. Internal Control and Related Transaction

9.1 Internal Control

1. Director's comment

The company emphasizes on having a good internal control system and the principles of good corporate governance to ensure the transparency, check-and-balance system, integrity, and accountability of the Company leading to maximize shareholders' wealth, stakeholders, business partners, communities, and all related parties. Therefore, the Board of Director has appointed the Audit Committee to review the internal control process to ensure that the Company operates its business in accordance with the law and rules related to the Securities and Exchange Commission and the Stock Exchange of Thailand and other applicable laws.

According to the Board of Directors' Meeting No. 1/2022 on February 24, 2022, which all Audit Committee members attended the meeting and the Board of Directors has considered and prepared an assessment of the sufficiency of the Company's internal control system in 2021 by asking information from the management and refer to the internal control system sufficiency assessment report prepared by Internal Audit Department of the Company. The Board of Directors had opinion that the Company has sufficient internal control system and appropriate in accordance with the internal control system adequacy assessment form of the Securities and Exchange Commission. Board of Directors has considered and assessed the sufficiency of the Company's internal control system in all 5 areas as follows:

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

2. Internal audit's comment

The Audit Committee appointed by the Company's Board of Directors consists of 3 independent directors with the qualifications of all Audit Committee's members have passed the criteria laid down by the Office of the Securities and Exchange Commission (SEC). The Audit Committee has carried out its work within the scope of duties and responsibilities specified in the Audit Committee Charter.

In 2021, the Audit Committee convened four meetings with the Company's executives, internal auditors, and the auditors. In addition, the Audit Committee met with the auditors to discuss financial statements without the presence of the Company's Management. The work of the Audit Committee during 2021 can be summarized as follows:

1) Review of quarterly financial statements and full year 2020 of financial statement

The Audit Committee reviewed the quarterly financial statements and full year 2021 financial statement including the connected transactions and transaction that may have a conflict of interest with executives, internal audit department and auditors. The Audit Committee inquired and received explanations from executives of the Company's finance and accounting units as well as the auditors concerning the accuracy of the Company's financial statements and consolidated financial statements, and also the adequacy of information disclosure and notes to the financial statements. After the review, the Audit Committee agreed with the auditors that fairly the financial statements were accurate in all material aspects and were reliable in accordance with the generally accepted

accounting standard. The financial statements were also presented to the Company's Board of Directors for approval.

2) Review of internal-control operations and system

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

3) Review of compliance with laws and regulations

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

4) Review of connected transactions or transactions that may cause conflict of interest

The Audit Committee reviewed the appropriateness of connected transactions or transactions that may cause conflict of interest. The review showed that the connected transactions by the Company in 2021 were done based on normal business practice, reasonable, and in the best interest of the Company's business. These connected transactions were transparent, with related information disclosed fully and accurately.

5) Promotion of Good Corporate Governance

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

6) Consider the appointment of the auditor

The Audit Committee reviewed the performance of auditor during the past year on the basis of his/her/their reliability, independence, competency and abilities to provide services, counseling on accounting standards, auditing, and certifying financial statements in a timely manner. Based on the review, the Audit Committee recommended to the Board of Directors that EY Office Limited be appointed as the Company's auditor for the year 2022. The appointment will be subjected to the approval from the 2022 Annual General Meeting of Shareholders.

In conclusion, after having thoroughly carried out its duties as defined in the Audit Committee Charter, the Audit Committee has the opinion that the Company accurately reported its financial information and operations; that not only the Company had internal-control system and internal audit in place but it also complied with relevant laws, rules and regulations; that its connected transactions were duly disclosed and the Company's operations responded to the

principle of good corporate governance in an adequate, transparent and reliable manner; and that the Company constantly improved its operation systems so as to deliver quality and respond well to changing business environme

Related party transactions

9.2.1 The group of person who may have a conflict of interest

For the year ending on 31 December 2020 and 2021, the key related party transactions entered into the Company can be summarized as follows:

Person/Juristic Entity with Possible Conflict of Interests	Relationship	Shareholding/ ¹	Position in the Company
Sub Sri Thai Plc. ("SST") <u>Business Nature</u> SST provides storage service for documents, products, and assets	Major shareholders of the Company, with shared directors Mr. Supasith Sukhanindr	66.3%	-none-
Mr. Supasith Sukhanindr	Major shareholder with shareholding of 19.6% ^{/2} of SST and director of MM	0.7%	- Chief Executive Officer - Vice Chairman of the Board of Director - Chairman of the Board of Executive Director - Risk Management Committee
Mr. Supachai Sukhanindr	Older brother of Mr. Supasith Sukhanindr, and major shareholder with 10.5% ^{/2} shareholding in SST.	-none-	- Consultant to the Management Team

Note: ^{/1} Data on March 10, 2021

^{/2} Data on May 7, 2021

9.2.2 Related party transaction of the company and subsidiaries

Related party transaction of the Company and subsidiaries with those who may have conflict of interest for the period year ended 31 December 2020 and 31 December 2021 are as follows

Person/Juristic Person who may have conflict of interest and nature of relationship	Type of Transactions	Transaction Size (THB mm)		Characteristic of Transactions
		2020	2021	
SST	Document storage services provided by SST - Account receivables - Other creditors	0.55 0.00	0.58 0.00	<u>Necessity and Details of The Transactions</u> <ul style="list-style-type: none"> Document storage service expenses incurred by the company and its subsidiaries Service fees are at fair-market price <u>Auditor's Opinion</u> <p>The auditors have assessed the rationality with regards to the transactions and have concluded that the storage services are regular activities of the company and its subsidiaries. Referential documents have stated that the service fees are at fair-market price, as if dealing with a third- party provider (Arm's Length Basis). Hence, the transactions are within reasons and appropriate.</p>
นาย สุภชัย สุขะนินทร์	Consultation Fees Scope and Responsibilities <ul style="list-style-type: none"> Offer advice on the operation of the business as a whole and the future trend in the industry Provide recommendations on investment 	0.30	0.30	<u>Necessity and Details of The Transactions</u> <ul style="list-style-type: none"> Given fierce competition within the industry, the company must seek new opportunities and retain its competitive advantages • The committee has decided on 7/2013 to appoint Mr. Supachai Sukhanindras board of director within the scope offering his expertise on land scouting, seeking investment opportunity, and collaborating with related entities. His services are based on new projects. Consultation fee is THB 25,000 per month and is at a fair-market price

Person/Juristic Person who may have conflict of interest and nature of relationship	Type of Transactions	Transaction Size (THB mm)		Characteristic of Transactions
		2020	2021	
	opportunities on land and properties <ul style="list-style-type: none"> • Counsel on the related business entities within the industry 			<u>Auditor's Opinion</u> The auditors have assessed the appropriateness of the transaction and have declared Mr. Supachai Sukhanindr to be a qualified consultant with the service fee is within a reasonable range concerning the scope and responsibilities. As a result the transaction is within it reasons and necessity as if dealing with a third-party service provider (Arm's Length Basis).

1. Connected transaction approval procedure

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

2. Trend of related transaction in the future

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

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

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

Part 3

Financial Statements

Board of Directors' Statement of Responsibility for Financial Reports

The Board of Director of Mud and Hound Public Company Limited strongly values the duties and responsibilities in accordance with good corporate governance. The Board of Directors is responsible for the financial statements of the Company and its subsidiaries including financial information presented in the annual report and the annual financial statements for the year ended December 31, 2021, which are prepared according to Financial Reporting Standards. The Board of Directors has selected and consistently followed an appropriate accounting policy. The aforementioned financial statements are prepared using careful judgment and the best estimation. In addition, important information is adequately disclosed in the Notes to the Financial Statements. The financial statements have been examined by an independent external auditor. Therefore, the financial statements are transparently and can be used for the benefit of shareholders and investors.

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

The Board of Directors believes that the Company's overall internal control system is able to create credibility and reliability for the financial statements of Mud and Hound Public Company Limited and subsidiaries for the period ended December 31, 2021



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



Mr. Supasith Sukhanindr
Chief Executive Office

Independent Auditor's Report

To the Shareholders of Mud and Hound Public Company Limited and its subsidiaries

(formerly known as "Mudman Public Company Limited")

Opinion

I have audited the accompanying consolidated financial statements of Mud and Hound 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 Mud and Hound 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 Mud and Hound Public Company Limited and its subsidiaries and of Mud and Hound 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.

Emphasis of Matter

I draw attention to Note 1.2 to the consolidated financial statements regarding COVID-19 Pandemic that is continuing to evolve in many regions around the world. This situation is impacting the Group's restaurant and garment businesses in Thailand due to the new waves of infections since December 2020 up to the present, causing the Group not being able to sell products and provide services to customers as usual as it had to comply with the several preventive measures laid down by the government. The Group has returned to normal operations since 1 November 2021. For restaurants in overseas countries, they had to be temporarily closed since January 2021 and stores began to open for service in May 2021. This is significantly impacting the Group's financial position, financial performance, and cash flows at present and is expected to do so in the future. The Group's management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgements in respect of various issues as the situation has evolved.

My opinion is not qualified in respect of the above matter.

Key Audit Matters

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

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

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

Revenue recognition

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

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

Impairment on investments in subsidiaries, goodwill and trademark

I have focused my audit on the consideration of impairment on investments in subsidiaries, goodwill and trademark arising from business combination, as discussed in Note 11 and 13 to the consolidated financial statements. This is due to the risk in respect of the possible impairment due to inability to achieve the expected profits of certain entities in the Group, which might affect to the recoverable amounts of the investments in subsidiaries. In addition, the Group has goodwill and trademark amounting to Baht 1,939.9 million and Baht 377.0 million, respectively. The Group has a risk of impairment of goodwill and trademark as future cashflows of the underlying business may not reach expectations. The assessment of impairment of investments in subsidiaries, goodwill and trademark is a significant accounting estimate requiring management to exercise a high degree of judgement in identifying the cash generating units, estimating the cash inflows that are expected to be generated from that group of assets in the future, and setting an appropriate discount rate and long-term growth rate. There are thus risks with respect to the amount of investments in subsidiaries, goodwill and trademark.

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

In performing the impairment review of goodwill and trademark, I assessed the identification of cash generating units and the financial models selected by management by gaining an understanding of management's decision-making process and assessing whether the decisions made were consistent with how assets are utilised. In addition, I tested the significant assumptions applied by management in preparing estimates of the cash flows expected to be realised from the assets, by comparing those

assumptions with information from both internal and external sources and comparing past cash flow projections to actual operating results in order to evaluate the exercise of management judgement in estimating the cash flow projections. I also evaluated the discount rate applied by management through analysis of the moving average finance costs of the Group and of the industry and involving internal expert to assist in the assessment of this information by comparing it to external sources based on an expert's knowledge and past experience, tested the calculation of the realisable values of the assets using the selected financial model and considered the impact of changes in key assumptions on those realisable values, especially changes in the discount rate and long-term revenue growth rates. Moreover, I reviewed the disclosures made with respect to the impairment assessment for goodwill and trademark, as well as sensitivity of the impact of changes in key assumptions to the cash flow projections.

Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

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

Kamontip Lertwitworatep

Certified Public Accountant (Thailand) No. 4377

EY Office Limited

Bangkok: 24 February 2022

Mud and Hound Public Company Limited and its subsidiaries

(formerly known as "Mudman Public Company Limited")

Statements of financial position

As at 31 December 2021

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	<u>Note</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Assets					
Current assets					
Cash and cash equivalents	7	206,469,150	164,678,466	26,586,229	23,287,188
Trade and other receivables	6, 8	113,101,646	130,413,375	75,939,151	103,135,161
Short-term loans to related parties	6	-	-	927,712,384	776,275,384
Inventories	9	177,737,413	150,211,922	47,523	43,725
Other current financial assets	10	19,307,400	-	-	-
Other current assets		31,168,243	33,507,253	469,034	436,392
Total current assets		547,783,852	478,811,016	1,030,754,321	903,177,850
Non-current assets					
Restricted bank deposits	32.4.2	1,279,806	1,277,408	-	-
Investments in subsidiaries	11	-	-	2,977,073,089	2,977,073,089
Building and equipment	12	575,883,810	483,402,901	31,649,411	12,171,367
Right-of-use assets	17	972,373,022	1,014,095,697	26,460,259	32,085,458
Goodwill	13	1,939,883,533	1,939,883,533	-	-
Intangible assets	14	715,334,052	733,934,756	197	4,921
Other non-current assets		144,017,824	141,012,312	22,634,034	21,399,684
Total non-current assets		4,348,772,047	4,313,606,607	3,057,816,990	3,042,734,519
Total assets		4,896,555,899	4,792,417,623	4,088,571,311	3,945,912,369

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

Mud and Hound Public Company Limited and its subsidiaries

(formerly known as "Mudman Public Company Limited")

Statements of financial position (continued)

As at 31 December 2021

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	<u>Note</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	15	233,353,198	175,395,438	124,000,000	69,300,000
Trade and other payables	6, 16	420,811,524	366,289,782	14,917,517	25,433,825
Short-term loans from related party	6	-	-	211,000,100	206,000,000
Current portion of lease liabilities	17	198,380,216	238,727,645	5,272,874	4,958,303
Current portion of long-term loans					
from financial institutions	18	76,529,626	89,241,238	28,250,000	63,187,186
Current portion of debentures	19	-	332,505,529	-	332,505,529
Current portion of other long-term loans	20	165,214,444	-	165,214,444	-
Income tax payable		2,108,615	1,554,913	-	-
Other current liabilities		35,001,811	33,642,717	3,847,014	3,828,810
Total current liabilities		1,131,399,434	1,237,357,262	552,501,949	705,213,653
Non-current liabilities					
Lease liabilities - net of current portion	17	567,408,072	548,514,430	23,006,278	28,279,151
Long-term loans from financial institutions -					
net of current portion	18	325,980,718	292,781,781	151,095,163	155,345,163
Long-term debentures - net of current portion	19	513,276,073	214,912,182	513,276,073	214,912,182
Provision for long-term employee benefits	21	19,424,330	23,185,974	2,005,134	3,353,938
Other non-current provision	22	47,325,910	46,344,310	200,000	200,000
Deferred tax liabilities	28	158,823,908	168,565,631	-	-
Other non-current liabilities		23,030,428	24,906,355	388,980	3,431,771
Total non-current liabilities		1,655,269,439	1,319,210,663	689,971,628	405,522,205
Total liabilities		2,786,668,873	2,556,567,925	1,242,473,577	1,110,735,858

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

Mud and Hound Public Company Limited and its subsidiaries

(formerly known as “Mudman Public Company Limited”)

Statements of financial position (continued)

As at 31 December 2021

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2021	2020	2021	2020
Liabilities and shareholders' equity (continued)					
Shareholders' equity					
Share capital	23				
Registered					
1,685,418,800 ordinary shares of Baht 1 each					
(2020: 1,054,903,750 ordinary shares of					
Baht 1 each)		1,685,418,800	1,054,903,750	1,685,418,800	1,054,903,750
Issued and fully paid					
1,053,386,750 ordinary shares of Baht 1 each					
(2020: 1,054,903,750 ordinary shares of					
Baht 1 each)		1,053,386,750	1,054,903,750	1,053,386,750	1,054,903,750
Share premium		1,953,348,039	1,953,348,039	1,953,348,039	1,953,348,039
Surplus on business combination under					
common control		212,355,818	212,355,818	-	-
Treasury stocks	24	-	(3,941,135)	-	(3,941,135)
Retained earnings					
Appropriated - statutory reserve	25	19,730,565	19,194,206	19,730,565	19,194,206
Reserve for treasury stocks	24	-	3,941,135	-	3,941,135
Unappropriated (deficit)		(1,074,572,856)	(974,651,266)	(180,367,620)	(192,269,484)
Other component of shareholders' equity		(13,419,128)	35,579	-	-
Equity attributable to owners of the Company		2,150,829,188	2,265,186,126	2,846,097,734	2,835,176,511
Non-controlling interests of the subsidiaries		(40,942,162)	(29,336,428)	-	-
Total shareholders' equity		2,109,887,026	2,235,849,698	2,846,097,734	2,835,176,511
Total liabilities and shareholders' equity		4,896,555,899	4,792,417,623	4,088,571,311	3,945,912,369

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

Mud and Hound Public Company Limited and its subsidiaries

(formerly known as "Mudman Public Company Limited")

Statements of comprehensive income

For the year ended 31 December 2021

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2021	2020	2021	2020
Profit or loss					
Revenues					
Sales and service income	30	2,169,598,710	2,165,829,663	5,612,323	7,537,997
Management service income		-	-	108,833,909	109,257,483
Dividend income	11	-	-	-	69,199,946
Other income		146,802,074	149,710,871	34,127,913	36,803,538
Total revenues		2,316,400,784	2,315,540,534	148,574,145	222,798,964
Expenses	26				
Cost of sales and services		848,651,342	871,927,145	60,854,933	74,347,908
Selling and distribution expenses		1,181,804,124	1,247,134,153	4,312,741	5,626,204
Administrative expenses		303,174,815	344,679,410	8,746,430	30,223,073
Allowance for expected credit losses		-	-	-	204,024,475
Impairment loss on assets	11, 13	-	200,000,000	-	84,975,525
Total expenses		2,333,630,281	2,663,740,708	73,914,104	399,197,185
Operating profit (loss)		(17,229,497)	(348,200,174)	74,660,041	(176,398,221)
Finance cost	27	(98,752,250)	(84,350,986)	(63,932,862)	(50,084,061)
Profit (loss) before income tax		(115,981,747)	(432,551,160)	10,727,179	(226,482,282)
Income tax	28	4,734,306	12,775,243	-	-
Profit (loss) for the year		(111,247,441)	(419,775,917)	10,727,179	(226,482,282)
Other comprehensive income					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>					
Exchange differences on translation of financial statements in foreign currencies		(14,909,275)	1,496,855	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods		(14,909,275)	1,496,855	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>					
Actuarial gain	21	-	23,702,650	-	14,659,776
Less: Income tax effect	28	-	(1,810,194)	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods: - net of income tax		-	21,892,456	-	14,659,776
Other comprehensive income for the year		(14,909,275)	23,389,311	-	14,659,776
Total comprehensive income for the year		(126,156,716)	(396,386,606)	10,727,179	(211,822,506)

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

Mud and Hound Public Company Limited and its subsidiaries

(formerly known as "Mudman Public Company Limited")

Statements of comprehensive income (continued)

For the year ended 31 December 2021

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2021	2020	2021	2020
Profit (loss) attributable to:					
Equity holders of the Company		(101,096,275)	(395,093,201)	10,727,179	(226,482,282)
Non-controlling interests of the subsidiaries		(10,151,166)	(24,682,716)		
		<u>(111,247,441)</u>	<u>(419,775,917)</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		(114,550,982)	(371,777,645)	10,727,179	(211,822,506)
Non-controlling interests of the subsidiaries		(11,605,734)	(24,608,961)		
		<u>(126,156,716)</u>	<u>(396,386,606)</u>		
Earnings (loss) per share	29				
Basic earnings (loss) per share					
Profit (loss) attributable to equity holders of the Company		<u>(0.096)</u>	<u>(0.375)</u>	<u>0.010</u>	<u>(0.215)</u>

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

Mud and Hound Public Company Limited and its subsidiaries
(formerly known as "Mudman Public Company Limited")
Statements of changes in shareholders' equity
For the year ended 31 December 2021

(Unit: Baht)

Consolidated financial statements												
Equity attributable to owners of the Company												
	Issued and paid-up share capital	Share premium	Surplus on business combination under common control	Treasury stocks	Retained earnings			Other component of equity			Equity attributable to non-controlling interests of the subsidiaries	Total
					Appropriated - statutory reserve	Reserve for treasury stocks	Unappropriated (deficit)	differences on translation of financial statements in foreign currencies	Total other component of shareholders' equity	Total equity attributable to owners of the Company		
Balance as at 1 January 2020	1,054,903,750	1,953,348,039	212,355,818	(1,397,494)	19,194,206	1,397,494	(537,816,277)	(1,387,496)	(1,387,496)	2,700,598,040	(4,727,492)	2,695,870,548
Loss for the year	-	-	-	-	-	-	(395,093,201)	-	-	(395,093,201)	(24,682,716)	(419,775,917)
Other comprehensive income for the year	-	-	-	-	-	-	21,892,456	1,423,075	1,423,075	23,315,531	73,780	23,389,311
Total comprehensive income for the year	-	-	-	-	-	-	(373,200,745)	1,423,075	1,423,075	(371,777,670)	(24,608,936)	(396,386,606)
Treasury stocks (Note 24)	-	-	-	(2,543,641)	-	2,543,641	(2,543,641)	-	-	(2,543,641)	-	(2,543,641)
Dividend paid (Note 31)	-	-	-	-	-	-	(61,090,603)	-	-	(61,090,603)	-	(61,090,603)
Balance as at 31 December 2020	1,054,903,750	1,953,348,039	212,355,818	(3,941,135)	19,194,206	3,941,135	(974,651,266)	35,579	35,579	2,265,186,126	(29,336,428)	2,235,849,698
Balance as at 1 January 2021	1,054,903,750	1,953,348,039	212,355,818	(3,941,135)	19,194,206	3,941,135	(974,651,266)	35,579	35,579	2,265,186,126	(29,336,428)	2,235,849,698
Loss for the year	-	-	-	-	-	-	(101,096,275)	-	-	(101,096,275)	(10,151,166)	(111,247,441)
Other comprehensive income for the year	-	-	-	-	-	-	-	(13,454,707)	(13,454,707)	(13,454,707)	(1,454,568)	(14,909,275)
Total comprehensive income for the year	-	-	-	-	-	-	(101,096,275)	(13,454,707)	(13,454,707)	(114,550,982)	(11,605,734)	(126,156,716)
Transferred profit for the year												
to statutory reserve	-	-	-	-	536,359	-	(536,359)	-	-	-	-	-
Sales of treasury stocks (Note 24)	-	-	-	240,339	-	-	(46,295)	-	-	194,044	-	194,044
Reduced share capital to write-off												
treasury stocks (Note 24)	(1,517,000)	-	-	3,700,796	-	-	(2,183,796)	-	-	-	-	-
Reversal of reserve for treasury stocks (Note 24)	-	-	-	-	-	(3,941,135)	3,941,135	-	-	-	-	-
Balance as at 31 December 2021	1,053,386,750	1,953,348,039	212,355,818	-	19,730,565	-	(1,074,572,856)	(13,419,128)	(13,419,128)	2,150,829,188	(40,942,162)	2,109,887,026

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

Mud and Hound Public Company Limited and its subsidiaries

(formerly known as "Mudman Public Company Limited")

Statements of changes in shareholders' equity (continued)

For the year ended 31 December 2021

(Unit: Baht)

	Separate financial statements						
	Issued and		Retained earnings				
	paid-up		Treasury	Appropriated -		Unappropriated	
	share capital	Share premium	stocks	statutory	Reserve for	(deficit)	Total
				reserve	treasury stocks		
Balance as at 1 January 2020	1,054,903,750	1,953,348,039	(1,397,494)	19,194,206	1,397,494	83,187,266	3,110,633,261
Loss for the year	-	-	-	-	-	(226,482,282)	(226,482,282)
Other comprehensive income for the year	-	-	-	-	-	14,659,776	14,659,776
Total comprehensive income for the year	-	-	-	-	-	(211,822,506)	(211,822,506)
Treasury stocks (Note 24)	-	-	(2,543,641)	-	2,543,641	(2,543,641)	(2,543,641)
Dividend paid (Note 31)	-	-	-	-	-	(61,090,603)	(61,090,603)
Balance as at 31 December 2020	1,054,903,750	1,953,348,039	(3,941,135)	19,194,206	3,941,135	(192,269,484)	2,835,176,511
Balance as at 1 January 2021	1,054,903,750	1,953,348,039	(3,941,135)	19,194,206	3,941,135	(192,269,484)	2,835,176,511
Profit for the year	-	-	-	-	-	10,727,179	10,727,179
Other comprehensive income for the year	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	10,727,179	10,727,179
Transferred profit for the year to statutory reserve	-	-	-	536,359	-	(536,359)	-
Sales of treasury stocks (Note 24)	-	-	240,339	-	-	(46,295)	194,044
Reduced share capital to write-off treasury stocks (Note 24)	(1,517,000)	-	3,700,796	-	-	(2,183,796)	-
Reversal of reserve for treasury stocks (Note 24)	-	-	-	-	(3,941,135)	3,941,135	-
Balance as at 31 December 2021	1,053,386,750	1,953,348,039	-	19,730,565	-	(180,367,620)	2,846,097,734

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

Mud and Hound Public Company Limited and its subsidiaries

(formerly known as "Mudman Public Company Limited")

Statements of cash flows

For the year ended 31 December 2021

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash flows from operating activities				
Profit (loss) before tax	(115,981,747)	(432,551,160)	10,727,179	(226,482,282)
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	441,644,253	501,005,268	6,550,433	15,663,614
Reduction in lease payments by lessors	(75,033,003)	(37,262,137)	(764,560)	-
Allowance for expected credit losses	346,357	-	-	204,024,475
Reduction of cost of inventories to net realisable value	3,132,306	10,772,539	-	-
Loss on changed in fair value of other current financial assets	689,550	-	-	-
Impairment loss on assets	-	200,000,000	-	84,975,525
Loss on disposals and write-off of equipment	24,202,640	19,815,858	24	6,367,184
Loss on write-off of right-of-use assets	2,590,988	8,140,368	-	1,163,087
Provision for long-term employee benefits	5,556,337	6,867,691	126,309	1,440,574
Amortisation of deferred costs relating to the issuance of debentures	2,628,362	1,362,116	2,628,362	1,362,116
Dividend income	-	-	-	(69,199,946)
Interest income	(204,128)	(2,672,332)	(26,660,249)	(22,677,524)
Interest expenses	96,123,888	84,350,986	61,304,500	50,084,061
Profit from operating activities before changes in operating assets and liabilities	385,695,803	359,829,197	53,911,998	46,720,884

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

Mud and Hound Public Company Limited and its subsidiaries

(formerly known as "Mudman Public Company Limited")

Statements of cash flows (continued)

For the year ended 31 December 2021

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash flows from operating activities (continued)				
Operating assets (increase) decrease				
Trade and other receivables	16,392,989	5,513,103	1,344,088	(27,857,004)
Inventories	(30,657,797)	10,969,707	(3,798)	661,410
Other current assets	2,339,010	(16,750,603)	(32,642)	(103,879)
Restricted bank deposits	(2,398)	(12,097)	-	-
Other non-current assets	(3,005,512)	12,627,721	(1,234,350)	150,832
Operating liabilities increase (decrease)				
Trade and other payables	54,810,736	(23,530,802)	(1,958,601)	4,637,287
Other current liabilities	1,359,094	6,587,657	18,204	1,630,025
Provision for long-term employee benefits	(9,363,323)	(2,442,656)	(1,475,113)	-
Other non-current liabilities	(1,875,927)	(7,280,104)	(3,042,791)	430,672
Cash from operating activities	415,692,675	345,511,123	47,526,995	26,270,227
Cash received from dividend income	-	-	-	69,199,946
Cash paid for income tax	(4,453,715)	(7,969,076)	-	-
Net cash from operating activities	411,238,960	337,542,047	47,526,995	95,470,173
Cash flows from investing activities				
Cash paid for short-term loans to related parties	-	-	(216,488,350)	(176,271,500)
Cash received from short-term loans to related parties	-	-	65,051,350	21,336,034
Cash paid for investments in other current financial assets	(19,996,950)	-	-	-
Cash paid for acquisitions of building and equipment	-212,973,600	(107,838,471)	(23,634,721)	(6,514,420)
Proceeds from disposals of equipment	2,013,338	627,308	-	11,366
Cash paid for right-of-use assets	(1,200,000)	(132,071,814)	-	-
Cash paid for intangible assets	(18,712,248)	(5,273,997)	-	-
Cash received from interest income	776,511	2,673,979	52,512,171	2,584,772
Net cash used in investing activities	(250,092,949)	(241,882,995)	(122,559,550)	(158,853,748)

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

Mud and Hound Public Company Limited and its subsidiaries

(formerly known as "Mudman Public Company Limited")

Statements of cash flows (continued)

For the year ended 31 December 2021

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash flows from financing activities				
Cash received from short-term loans from financial institutions	235,724,450	214,633,733	151,100,000	102,800,000
Repayment of short-term loans from financial institutions	(179,118,338)	(89,500,000)	(96,400,000)	(59,500,000)
Cash received from short-term loans from related parties	-	-	249,222,018	231,000,000
Repayment of short-term loans from related parties	-	-	(244,221,918)	(171,700,000)
Payment of lease liabilities	(230,317,868)	(296,475,939)	(5,744,240)	(18,490,290)
Cash received from long-term loans from financial institutions	124,336,757	181,077,900	-	71,890,700
Repayment of long-term loans from financial institutions	(111,842,221)	(26,268,828)	(39,187,186)	(19,467,651)
Cash received from issuance of debentures	296,350,000	214,633,400	296,350,000	214,633,400
Cash paid for repayment of debentures	(333,120,000)	(166,880,000)	(333,120,000)	(166,880,000)
Cash received from other long-term loans	162,700,000	-	162,700,000	-
Cash paid for treasury stocks	-	(2,543,641)	-	(2,543,641)
Cash received from sales of treasury stocks	194,044	-	194,044	-
Dividend paid	-	(61,090,603)	-	(61,090,603)
Cash paid for interest expenses	(61,165,719)	(41,670,641)	(62,561,122)	(44,037,428)
Net cash from (used in) financing activities	(96,258,895)	(74,084,619)	78,331,596	76,614,487
Exchange differences on translation of financial statements in foreign currencies	(23,096,432)	(4,873,260)	-	-
Net increase in cash and cash equivalents	41,790,684	16,701,173	3,299,041	13,230,912
Cash and cash equivalents at beginning of year	164,678,466	147,977,293	23,287,188	10,056,276
Cash and cash equivalents at end of year (Note 7)	206,469,150	164,678,466	26,586,229	23,287,188

Supplement disclosures of cash flows information

Non-cash transactions from investing activities

Accounts payable for acquisitions of

building and equipment

32,280,108 31,524,154 1,222,162 4,458,305

Increase in right-of-use assets from leases

284,689,238 226,345,229 - 21,396,714

Decrease in right-of-use assets from termination of leases

(32,805,845) - - -

Non-cash transaction from financing activities

Convert short-term loan to long-term loan

- 28,109,300 - 28,109,300

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

Mud and Hound Public Company Limited and its subsidiaries**(formerly known as “Mudman Public Company Limited”)****Notes to consolidated financial statements****For the year ended 31 December 2021****1. General information****1.1 Corporate information**

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

On 27 April 2021, the Annual General Meeting of the Company’s shareholders passed a resolution approving the change of the Company’s name from “Mudman Public Company Limited” to “Mud and Hound Public Company Limited”. The Company registered the change of its name with the Ministry of Commerce on 21 May 2021.

1.2 The COVID-19 Pandemic

The COVID-19 Pandemic is continuing to evolve in various regions around the world, resulting in an economic slowdown and adversely impacting most businesses and industries.

This situation is impacting the Group’s restaurant and garment businesses in Thailand due to the new waves of infections since December 2020 up to the present, causing the Group not being able to sell products and provide services to customers as usual as it had to comply with the several preventive measures laid down by the government such as the order to temporarily shut down the operating facilities or to reduce operating hours. The Group has returned to normal operations since 1 November 2021. For restaurants in overseas countries, they had to be temporarily closed since January 2021 and stores began to open for service in May 2021.

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

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

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

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

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of Mud and Hound Public Company Limited ("the Company") and its subsidiaries ("the subsidiaries") (collectively "the Group") as follows:

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2021	2020
			Percent	Percent
<u>Subsidiaries</u> (held by the Company)				
Golden Donuts (Thailand) Co., Ltd.	Distribution of food and beverage	Thailand	100	100
ABP Café (Thailand) Co., Ltd.	Distribution of food and beverage	Thailand	100	100
Golden Scoop Co., Ltd.	Distribution of food and beverage	Thailand	100	100
Greyhound Co., Ltd.	Production and distribution of ready-made clothing and leather goods	Thailand	100	100
Greyhound Café Co., Ltd.	Restaurant	Thailand	100	100
Mudman International Limited	Holding company	Republic of Mauritius	100	100
<u>Subsidiary</u> (held by Greyhound Café Company Limited)				
GHC CAFÉ (UK) Co., Ltd.	Restaurant	United Kingdom	100	100
<u>Subsidiaries</u> (held by Mudman International Limited)				
Societe Langonnaise des Vins et Hotelleries SAS	Restaurant	France	100	100
MM FR SAS	Restaurant	France	67	67

Subsidiaries (held by MM FR SAS)

MAISON MM1	Restaurant	France	100	100
MAISON MM2	Restaurant	France	100	100
MAISON MM3	Restaurant	France	100	100

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.
- f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.
- g) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currency" in the statements of changes in shareholders' equity.
- h) The excess of the fair value of net assets at the date of the acquisition of the subsidiaries over related cost of investment is accounted as "Goodwill" in the consolidated statement of financial position.

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 applies the practical expedient to all rent concessions that meet the above conditions and the impact of this application, amounting to Baht 75.0 million (2020: Baht 37.3 million) (the Company only: Baht 0.8 million, 2020: Nil), due to changes in lease payments resulting from rent concessions was recognised in profit or loss in the consolidated statement of comprehensive income for the year ended 31 December 2021. 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. Change in accounting estimates

During the current year, the Group changed its accounting estimates with respect to the useful life of certain items of building and equipment from 5 years to 10 years. The management of the Group believes that the new useful life of such assets is more appropriate and consistent with their expected economic benefits provided to the Group.

The Group applies the change in accounting estimates prospectively. The change had the effects of increasing building and equipment in the consolidated statement of financial position as at 31 December 2021 of Baht 14 million and decreasing loss in the consolidated statements of comprehensive income for the year then ended of Baht 14 million (Baht 0.013 per share).

5. Significant accounting policies

5.1 Revenue and expense recognition

Sales and service income - food and beverage and restaurant business

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

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

Revenue from sales of goods is recognised at the point in time when control of asset is transferred to the customer, generally upon delivery of the goods. The Group does not recognise consignment sales when delivering the goods, but when the goods are sold. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

Management service income

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

Interest income

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

Dividends

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

Other income

Other income is recognised on an accrual basis.

Finance cost

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

5.2 Cash and cash equivalents

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

5.3 Inventories

Inventories are valued at the lower of cost (first-in, first-out method) and net realisable value.

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

5.4 Investments in subsidiaries

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

5.5 Building and equipment and depreciation

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

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

Building and building improvement	5 - 20 years
Equipment	5 - 10 years
Furniture and office equipment	5 - 10 years
Motor vehicles	10 years

Depreciation is included in determining income. No depreciation is provided on assets under construction and installation.

An item of building 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.

5.6 Goodwill

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

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

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

5.7 Intangible assets

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

Intangible assets with finite lives are amortised on the 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 expense is charged to the profit or loss.

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

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

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

5.8 Related party transactions

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

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

5.9 Leases

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

The Group as a lessee

The Group applies 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 any accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located and lease payments made at or before the commencement date of the lease less any lease incentives received.

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

Right-of-use building space	3 - 9 years
Building improvement	10 years
Equipment	5 years

Furniture and office equipment	5 years
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Motor vehicles	5 years
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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 discounts 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.

5.10 Foreign currencies

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

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction.

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

Gains and losses on exchange are included in determining income.

5.11 Impairment of non-financial assets

At the end of each reporting period, the Group performs impairment reviews in respect of the building and equipment, right-of-use assets and intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Group also carries out annual impairment reviews in respect of goodwill and intangible assets with indefinite useful lives. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the 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 the profit or loss.

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

5.12 Employee benefits

Short-term 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 the employees and 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 post-employment benefits are recognised immediately in other comprehensive income.

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

5.13 Provisions

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

5.14 Income tax

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

Current tax

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

Deferred tax

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

The Group recognises deferred tax liabilities for all taxable temporary differences while 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.

5.15 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.

Financial assets at FVOCI (debt instruments)

The Group measures financial assets at FVOCI if the financial asset is held to collect contractual cash flows and selling 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.

Interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value including interest income recognised in profit or loss.

These financial assets include derivatives, security investments held for trading, equity investments which the Group has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Classification and measurement of financial liabilities

Except for derivative liabilities, at initial recognition the Group's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation

process. In determining amortised cost, the Group takes into account any discounts or premiums on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Regular way purchases and sales of financial assets

Regular way purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace are recognised on the trade date, i.e., the date on which the Group commits to purchase or sell the asset / the settlement date, i.e., the date on which an asset is delivered.

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.

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

The Group considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset as credit impaired or default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

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

Offsetting of financial instruments

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

5.16 Fair value measurement

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

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

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

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

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

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

6. Significant accounting judgements and estimates

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

Leases

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

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

Estimating the incremental borrowing rate - The Group as a lessee

The Group cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate

is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Goodwill and intangible assets

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

Allowance for impairment of non-financial assets

In determining allowance for impairment of a non-financial asset, the management is required to exercise judgements regarding determination of the recoverable amount of the asset, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next 5 years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the cash-generating unit being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group. The key assumptions used to determine the recoverable amount for the different cash-generating units are disclosed and further explained in Note 13.

Deferred tax assets

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

Post-employment benefits under defined benefit plans

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

6. Related party transactions

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

(Unit: Thousand Baht)

	Consolidated		Separate		
	financial statements		financial statements		Transfer pricing policy
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	
<u>Transactions with parent company</u>					
Dividend paid	-	39,320	-	39,320	Announced rate
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Dividend income	-	-	-	69,200	Announced rate
Management service income	-	-	108,834	109,257	At the higher of the 2.5% of sales and the cost plus margin of 5% - 15%
Rental income	-	-	4,777	8,107	Contract rate
Service income	-	-	437	5,125	Contract rate
Interest income	-	-	26,621	22,658	3.75% - 12.56% p.a. (2020: 3.80% - 5.03% p.a.)
Interest expenses	-	-	6,044	6,178	3.22% - 3.75% p.a. (2020: 3.50% - 4.15% p.a.)

As at 31 December 2021 and 2020, the balances of the accounts between the Company and its subsidiaries and those related parties are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Trade and other receivables - related parties (Note 8)				
Parent company	55	3	-	-
Subsidiaries	-	-	72,251	98,609

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Total trade and other receivables - related parties	<u>55</u>	<u>3</u>	<u>72,251</u>	<u>98,609</u>
Short-term loans to related parties				
Subsidiaries	-	-	1,193,737	1,042,300
Less: Allowance for expected credit losses	<u>-</u>	<u>-</u>	<u>(266,025)</u>	<u>(266,025)</u>
Short-term loans to related parties - net	<u>-</u>	<u>-</u>	<u>927,712</u>	<u>776,275</u>
Trade and other payables - related parties (Note 15)				
Parent company	19	18	-	-
Subsidiaries	<u>-</u>	<u>-</u>	<u>2</u>	<u>1,222</u>
Total trade and other payables - related parties	<u>19</u>	<u>18</u>	<u>2</u>	<u>1,222</u>
Short-term loans from related party				
Subsidiary	<u>-</u>	<u>-</u>	<u>211,000</u>	<u>206,000</u>

Short-term loans to related parties

As at 31 December 2021, these represent short-term loans in form of promissory notes, carrying interests between 3.75 and 11.76 percent per annum (2020: between 3.80 and 6.05 percent per annum). The loans have no collateral and are repayable on demand.

Short-term loans from related party

As at 31 December 2021, these represent short-term loans in form of promissory notes, carrying interest at 3.22 percent per annum (2020: between 3.80 and 5.03 percent per annum). The loans have no collateral and are repayable on demand.

Movements of loans to and loans from related parties for the year ended 31 December 2021 are as follows:

(Unit: Thousand Baht)

		Separate financial statements			
		Balance as at			Balance as at
Loan to / Loan from	Related by	1 January 2021	Increase	Decrease	31 December 2021
<u>Short-term loans to related parties</u>					
ABP Café (Thailand) Co., Ltd.	Subsidiary	55,000	8,000	-	63,000
Golden Scoop Co., Ltd.	Subsidiary	31,900	15,900	-	47,800
Greyhound Café Co., Ltd.	Subsidiary	240,863	101,996	(15,896)	326,963
Greyhound Co., Ltd.	Subsidiary	168,951	48,200	(18,300)	198,851
Mudman International Limited	Subsidiary	545,586	42,392	(30,855)	557,123
Total		1,042,300	216,488	(65,051)	1,193,737
Less: Allowance for expected credit losses		(266,025)	-	-	(266,025)
Net		776,275	216,488	(65,051)	927,712
<u>Short-term loans from related party</u>					
Golden Donuts (Thailand) Co., Ltd.	Subsidiary	206,000	249,222	(244,222)	211,000
Total		206,000	249,222	(244,222)	211,000

Allowance for expected credit losses was allowance on short-term loans to Mudman International Limited and Greyhound Co., Ltd. of Baht 204 million and Baht 62 million, respectively.

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>2020</u>	<u>2021</u>	<u>2020</u>
Short-term employee benefits	25,568	50,439	11,457	16,940
Post-employment benefits	2,107	2,838	1,618	1,901
Total	<u>27,675</u>	<u>53,277</u>	<u>13,075</u>	<u>18,841</u>

During the year 2021, the Company paid post-employment benefits to its directors and management of approximately Baht 9.11 million (the Company only: Baht 1.48 million) (2020: the Company paid post-employment benefits of Baht 15.27 million).

Guarantee obligations with related parties

The Group has outstanding guarantee obligations with its related parties, as described in Note 32.4.1.

7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Cash	17,290	14,349	43	33
Bank deposits	189,179	150,329	26,543	23,254
Total	<u>206,469</u>	<u>164,678</u>	<u>26,586</u>	<u>23,287</u>

As at 31 December 2021, bank deposits in savings accounts carried interests between 0.05 and 0.125 percent per annum (2020: between 0.05 and 0.125 percent per annum).

8. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<u>Trade accounts receivable - related parties</u>				
Aged on the basis of due dates				
Not yet due	55	3	22,551	21,017
Past due				
Up to 3 months	-	-	1,712	5,339
3 - 6 months	-	-	2,427	6,099
6 - 12 months	-	-	10,356	6,100
Over 12 months	-	-	1,355	-
Total trade accounts receivable - related parties	55	3	38,401	38,555
<u>Trade accounts receivable - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	57,363	40,945	767	558
Past due				
Up to 3 months	3,283	5,918	-	606
3 - 6 months	502	478	-	-
6 - 12 months	1	492	-	-
Over 12 months	6,020	5,595	-	-
Total	67,169	53,428	767	1,164
Less: Allowance for expected credit losses	(5,938)	(5,592)	-	-
Total trade accounts receivable - unrelated parties - net	61,231	47,836	767	1,164

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<u>Trade accounts receivable - related parties</u>				
Total trade accounts receivable - net	61,286	47,839	39,168	39,719
<u>Other receivables</u>				
Other receivables - related parties	-	-	33,850	60,054
Other receivables - unrelated parties	14,568	30,620	324	109
Prepaid expenses	37,248	51,954	2,597	3,253
Total other receivables	51,816	82,574	36,771	63,416
Total trade and other receivables - net	113,102	130,413	75,939	103,135

The normal credit term is 15 to 30 days.

9. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Finished goods	70,942	70,103	-	-
Work in process	4,698	2,715	-	-
Raw materials	102,317	80,825	23	32
Packing materials	13,301	10,521	5	5
Goods in transit	4,144	3,105	-	-
Others	22,154	19,630	20	7
Total	217,556	186,899	48	44
Less: Reduce cost to net realisable value	(39,819)	(36,687)	-	-
Total inventories	<u>177,737</u>	<u>150,212</u>	<u>48</u>	<u>44</u>

During the current year, a subsidiary reduced cost of inventories by Baht 3.1 million (2020: Baht 10.8 million), to reflect the net realisable value. This was included in cost of sales and services.

10. Other current financial assets

As at 31 December 2021, other current financial assets consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
<u>Other current financial assets at FVTPL</u>		
Investments in equity instruments	19,307	-
Total other current financial assets	<u>19,307</u>	<u>-</u>

11. Investments in subsidiaries

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

(Unit: Thousand Baht)											
Company's name	Paid-up capital		Shareholding percentage		Cost		Allowance for impairment loss		Carrying amount based on cost method - net		Dividend received during the year ended 31 December
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021 2020
	(Thousand Baht)	(Thousand Baht)	(Percent)	(Percent)							
Golden Donut (Thailand) Co., Ltd.	300,000	300,000	100	100	842,447	842,447	-	-	842,447	842,447	- 16,200
ABP Café (Thailand) Co., Ltd.	40,000	40,000	100	100	382,147	382,147	-	-	382,147	382,147	- 20,000
Golden Scoop Co., Ltd.	125,000	125,000	100	100	125,000	125,000	(84,000)	(84,000)	41,000	41,000	- -
Greyhound Café Co., Ltd.	10,784	10,784	100	100	1,492,606	1,492,606	-	-	1,492,606	1,492,606	- 33,000
Greyhound Co., Ltd.	96,990	96,990	100	100	361,194	361,194	(142,321)	(142,321)	218,873	218,873	- -
	(Thousand US dollar)	(Thousand US dollar)									
Mudman International Limited	30	30	100	100	976	976	(976)	(976)	-	-	- -
Total					3,204,370	3,204,370	(227,297)	(227,297)	2,977,073	2,977,073	- 69,200

The Company pledged the share certificates of two subsidiaries in Thailand as collateral against long-term debentures and credit facilities obtained from individuals, as described in Note 19 and 20 to the financial statements.

12. Building and equipment

(Unit: Thousand Baht)

Consolidated financial statements							
	Building	Building improvement	Equipment	Furniture and office equipment	Motor vehicles	Assets under construction and installation	Total
Cost							
1 January 2020	-	753,030	309,557	289,807	2,459	5,427	1,360,280
Additions	-	51,803	12,228	40,542	2,565	16,656	123,794
Disposals/write-off	-	(62,121)	(5,037)	(12,310)	-	-	(79,468)
Transfers in (out)	-	6,382	-	4,488	-	(10,870)	-
31 December 2020	-	749,094	316,748	322,527	5,024	11,213	1,404,606
Additions	-	80,349	43,249	36,089	-	54,043	213,730
Disposals/write-off	-	(58,375)	(17,348)	(18,205)	-	-	(93,928)
Transfers in (out)	22,793	3,715	1,067	7,376	-	(34,951)	-
31 December 2021	22,793	774,783	343,716	347,787	5,024	30,305	1,524,408
Accumulated depreciation							
1 January 2020	-	432,128	206,944	214,088	1,258	-	854,418
Depreciation for the year	-	56,702	28,213	35,436	731	-	121,082
Depreciation on disposals/write-off	-	(43,458)	(4,293)	(11,273)	-	-	(59,024)
31 December 2020	-	445,372	230,864	238,251	1,989	-	916,476
Depreciation for the year	119	45,181	25,218	31,725	305	-	102,548
Depreciation on disposals/write-off	-	(35,795)	(15,223)	(16,091)	(603)	-	(67,712)
31 December 2021	119	454,758	240,859	253,885	1,691	-	951,312
Allowance for impairment loss							
1 January 2020	-	7,668	10	-	-	-	7,678
31 December 2020	-	7,668	10	-	-	-	7,678
31 December 2021	-	7,668	10	-	-	-	7,678
Translation adjustment							
31 December 2020	-	1,279	321	1,177	-	174	2,951
31 December 2021	-	7,794	906	1,692	-	74	10,466
Net book value							

31 December 2020	-	297,333	86,195	85,453	3,035	11,387	483,403
31 December 2021	22,674	320,151	103,753	95,594	3,333	30,379	575,884
Depreciation for the year							
2020 (Baht 14.45 million included in cost of sales and services, and the balance in selling and administrative expenses)							121,082
2021 (Baht 11.68 million included in cost of sales and services, and the balance in selling and administrative expenses)							102,548

(Unit: Thousand Baht)

	Separate financial statements					Total
	Building	Building improvement	Equipment	Furniture and office equipment	Assets under construction and installation	
Cost						
1 January 2020	-	10,734	501	8,757	-	19,992
Additions	-	1,438	-	225	9,309	10,972
Disposals/write-off	-	(9,040)	-	(108)	-	(9,148)
31 December 2020	-	3,132	501	8,874	9,309	21,816
Additions	-	-	-	10	20,388	20,398
Disposals/write-off	-	-	(16)	(354)	-	(370)
Transfers in (out)	22,793	2,740	950	3,214	(29,697)	-
31 December 2021	22,793	5,872	1,435	11,744	-	41,844
Accumulated depreciation						
1 January 2020	-	3,328	376	6,522	-	10,226
Depreciation for the year	-	1,079	46	1,064	-	2,189
Depreciation on disposals/write-off	-	(2,707)	-	(63)	-	(2,770)
31 December 2020	-	1,700	422	7,523	-	9,645
Depreciation for the year	119	172	26	603	-	920
Depreciation on disposals/write-off	-	-	(16)	(354)	-	(370)
31 December 2021	119	1,872	432	7,772	-	10,195
Net book value						
31 December 2020	-	1,432	79	1,351	9,309	12,171
31 December 2021	22,674	4,000	1,003	3,972	-	31,649
Depreciation for the year						
2020 (Baht 1.92 million included in cost of sales and services, and the balance in selling and administrative expenses)						2,189
2021 (Baht 0.79 million included in cost of sales and services, and the balance in selling and administrative expenses)						920

As at 31 December 2021 and 2020, certain equipment items of the Group have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets amounted to approximately Baht 721 million and Baht 725 million, respectively (the Company only: Baht 7.3 million and Baht 11.4 million, respectively).

13. Goodwill

Movements of goodwill for the years ended 31 December 2021 and 2020 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	
	<u>2021</u>	<u>2020</u>
Balance at beginning of year	1,939,884	2,139,884
Allowance for impairment	-	(200,000)
Balance at end of year	<u>1,939,884</u>	<u>1,939,884</u>

For the purpose of annual impairment testing, the Company allocated goodwill acquired in business combinations to each of the cash generating units (CGUs), as presented below.

(Unit: Thousand Baht)

	<u>Donuts unit</u>	<u>Bakery unit</u>	<u>Restaurant unit</u>	<u>Total</u>
Goodwill	484,370	298,192	1,157,322	1,939,884

The recoverable amount of each CGU is determined based on a value-in-use calculation, using cash flow projections extracted from financial budgets approved by the management. The cash flow projections cover a 4.5-year period.

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

(Unit: percent per annum)

	<u>Donuts unit</u>	<u>Bakery unit</u>	<u>Restaurant unit</u>
Long-term revenue growth rate	1.9	1.9	1.3 - 1.9
Discount rate	11.3	11.3	8.0 - 11.3

In 2020, the Company assessed the recoverable amount of goodwill for the restaurant business and its result was concluded that the recoverable amount was lower than the carrying amount. The Company therefore recognised allowance for impairment loss on such goodwill amounting to Baht 200 million in profit or loss in the consolidated statement of comprehensive income for the year.

14. Intangible assets

(Unit: Thousand Baht)

	Consolidated financial statements				Separate financial statements
	Franchise	Trademark	Computer software	Total	Computer software
1 January 2020	376,639	377,657	9,921	764,217	30
Transfer in (out)	3,301	(3,301)	-	-	-
Additions	3,755	1,029	490	5,274	-
Amortisation for the year	(33,813)	-	(2,962)	(36,775)	(25)
Translation adjustment	-	1,178	41	1,219	-
31 December 2020	349,882	376,563	7,490	733,935	5
Additions	14,640	-	4,072	18,712	-
Amortisation for the year	(35,604)	-	(2,125)	(37,729)	(5)
Translation adjustment	-	387	29	416	-
31 December 2021	328,918	376,950	9,466	715,334	-

Trademark acquired through business combination for restaurant business that has allowed the Group to determine that this asset has an indefinite useful life was tested for impairment annually, together with goodwill, as described in Note 13 to the financial statements.

15. Short-term loans from financial institutions

Short-term loans from financial institutions consisted of:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Short-term loans from financial institutions	233,353	175,395	124,000	69,300

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

(Unit: Percent per annum)

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Short-term loans from financial institutions	2.00 - 3.55, MLR - 2.50	2.00 - 3.55, MLR - 2.50	2.20 - 3.55	2.20 - 3.55

As at 31 December 2021, the Group had short-term credit facilities, which have not yet been drawn down, of Baht 70.5 million (2020: Baht 136 million), of which Baht 28.5 million (2020: Baht 131 million) are guaranteed by the Company and its subsidiaries as described in Note 32.4.1 to the financial statements.

16. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Trade payables - unrelated parties	176,945	144,965	1,196	831
Other payables - related parties	19	18	2	1,222
Other payables - unrelated parties	58,727	74,948	568	6,240
Payables for purchase of assets	32,280	31,524	1,222	4,458
Accrued expenses	140,405	89,071	11,911	12,670
Deferred income	11,178	25,176	-	-

Others	1,258	588	19	13
Total	420,812	366,290	14,918	25,434

17. Leases

The Group as a lessee

The Group has lease contracts for various items of assets used in its operations. Leases generally have lease terms between 1 and 15 years.

a) Right-of-use assets

Movements of right-of-use assets for the years ended 31 December 2021 and 2020 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements					
	Right-of-use building space	Building improvement	Equipment	Furniture and office equipment	Motor vehicles	Total
1 January 2020	1,074,651	40,853	317	594	20,454	1,136,869
Additions	352,398	2,304	-	-	2,437	357,139
Disposals/write-off - net book value at disposal/write-off date	(140,987)	(4,513)	(27)	(9)	(3,102)	(148,638)
Depreciation for the year	(328,550)	(4,205)	(63)	(267)	(10,063)	(343,148)
Translation adjustment	11,874	-	-	-	-	11,874
31 December 2020	969,386	34,439	227	318	9,726	1,014,096
Additions	241,499	4,947	9,183	-	30,260	285,889
Disposals/write-off - net book value at disposal/write-off date	(26,545)	(3,170)	(4,292)	(46)	(2,847)	(36,900)
Depreciation for the year	(282,051)	(5,061)	(1,859)	(158)	(12,238)	(301,367)
Translation adjustment	10,655	-	-	-	-	10,655
31 December 2021	912,944	31,155	3,259	114	24,901	972,373

(Unit: Thousand Baht)

	Separate financial statements			
	Right-of-use			
	building space	Building improvement	Motor vehicles	Total
1 January 2020	102,974	160	4,091	107,225
Additions during the year	21,396	-	-	21,396
Disposals/write-off - net book value at disposal/write-off date	(79,984)	-	(3,102)	(83,086)
Depreciation for the year	(12,599)	(20)	(831)	(13,450)
1 January 2021	31,787	140	158	32,085
Depreciation for the year	(5,447)	(20)	(158)	(5,625)
31 December 2021	26,340	120	-	26,460

As at 31 December 2020, the subsidiary mortgaged leasehold rights with total net book value amounting to Baht 6.55 million as collateral for long-term loans from financial institutions, as disclosed in Note 18 to the financial statements. On 13 January 2021, the subsidiary already released the mortgage of such leasehold rights

b) Lease liabilities

Lease liabilities as at 31 December 2021 and 2020 are presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Lease payments	869,422	886,453	33,238	39,746
Less: Deferred interest expenses	(103,634)	(99,211)	(4,959)	(6,509)
Total	765,788	787,242	28,279	33,237
Less: Portion due within one year	(198,380)	(238,728)	(5,273)	(4,958)
Lease liabilities - net of current portion	567,408	548,514	23,006	28,279

Movements of lease liabilities 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>2020</u>	<u>2021</u>	<u>2020</u>
Balance at beginning of year	787,242	987,740	33,237	106,749
Add: Additions during the year	279,743	224,041	-	21,396
Accretion of interest	37,454	43,986	1,550	5,505
Less: Payments during the year	(230,318)	(296,476)	(5,744)	(18,490)
Decrease from cancelation of lease contracts	(34,309)	(140,498)	-	(81,923)
Reduction in lease payments by lessors	(75,033)	(37,262)	(764)	-
Translation adjustment	1,009	5,711	-	-
Balance at end of year	<u>765,788</u>	<u>787,242</u>	<u>28,279</u>	<u>33,237</u>

A maturity analysis of lease payments is disclosed in Note 34 under the liquidity risk.

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

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Depreciation expense of right-of-use assets	301,367	343,148	5,625	13,450
Interest expense on lease liabilities	34,454	43,986	1,550	5,505
Expense relating to short-term leases	6,111	86,771	-	-
Expense relating to leases of low-value assets	608	77,067	-	-
Expense relating to variable lease payments that do not depend on an index or a rate	143,152	165,076	-	-

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

d) Others

The Group had total cash outflows for leases for the year ended 31 December 2021 of Baht 380.2 million (2020: Baht 625.4 million) and of the Company amounting to Baht 5.7 million (2020: Baht 18.5 million), including the cash outflow related to short-term leases, leases of low-value assets and variable lease payments that do not depend on an index or a rate.

18. Long-term loans from financial institutions

			(Unit: Thousand Baht)			
	Interest rate (Percent per annum)		Consolidated financial statements		Separate financial statements	
Loan		Repayment schedule	2021	2020	2021	2020
<u>The Company</u>						
1.	MLR - 1.00	Quarterly installments as from February 2019 to February 2027	103,500	126,500	103,500	126,500
2.	4.25	Monthly installments as from January 2020 to December 2023	75,845	92,032	75,845	92,032
			179,345	218,532	179,345	218,532
<u>Subsidiaries</u>						
3.	MLR - 1.75 to 2.00	Monthly installments as from April 2013 to March 2021	-	90	-	-
4.	2.75	Monthly installments as from December 2021 to December 2024	9,666	-	-	-
5.	1.00	Quarterly installments as from August 2019 to May 2026	45,181	24,259	-	-
6.	1.30	Quarterly installments as from August 2019 to June 2026	31,152	27,660	-	-
7.	1.23	Monthly installments as from July 2019 to June 2026	1,673	3,235	-	-
8.	1.30	Monthly installments as from January 2019				

		to December 2026	41,764	45,500	-	-
9.	1.45	Monthly installments as from October 2020				
		to September 2027	37,688	42,747	-	-
10.	2.00	Monthly installments as from April 2022				
		to April 2025	20,000	20,000	-	-
11.	2.75	Monthly installments as from April 2021				
		to December 2024	36,042	-	-	-
			<u>223,166</u>	<u>163,491</u>	<u>-</u>	<u>-</u>
Total			402,511	382,023	179,345	218,532
Less: Current portion			<u>(76,530)</u>	<u>(89,241)</u>	<u>(28,250)</u>	<u>(63,187)</u>
Long-term borrowings - net of current portion			<u>325,981</u>	<u>292,782</u>	<u>151,095</u>	<u>155,345</u>

Movements of long-term loans from financial institutions 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>2020</u>	<u>2021</u>	<u>2020</u>
Balance at beginning of year	382,023	195,715	218,532	138,000
Converted from short-term loan	-	28,109	-	28,109
Additional borrowings	124,337	181,078	-	71,891
Repayments	(111,842)	(26,269)	(39,187)	(19,468)
Translation adjustment	<u>7,993</u>	<u>3,390</u>	<u>-</u>	<u>-</u>
Balance at end of year	<u>402,511</u>	<u>382,023</u>	<u>179,345</u>	<u>218,532</u>

During the year, the Company entered into the Amendment Agreement to the Credit Facility Agreement with a financial institution to extend the repayment period of the outstanding principal for 8 months, starting from 1 August 2021. Therefore, the loans shall be repaid in March 2022 and one year, starting from 1 November 2021. Therefore, the loans shall be repaid in October 2022.

As at 31 December 2020, the loans were secured by the mortgage of leasehold rights of a subsidiary, as described in Note 17 to the financial statements. On 13 January 2021, the subsidiary already released the mortgage of such leasehold rights.

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

In December 2021, the Group received the waiver letter from financial institutions, approving a waiver for certain financial conditions including a waiver for maintenance of the interest bearing debt to EBITDA plus extraordinary items and non-cash items ratio and debt- to-equity ratio for the year ended 31 December 2021.

19. Long-term debentures

(Unit: Thousand Baht)

	Consolidated/Separate financial statements	
	<u>2021</u>	<u>2020</u>
Face value	517,700	550,820
Less: Deferred transaction costs relating to the issuance of debentures	(4,424)	(3,403)
Total	513,276	547,417
Less: Current portion	-	(332,505)
Long-term debentures - net of current portion	<u>513,276</u>	<u>214,912</u>

Movements of debentures during the years ended 31 December 2021 and 2020 are summarised below.

(Unit: Thousand Baht)

	Consolidated/Separate financial statements	
	<u>2021</u>	<u>2020</u>
Balance at beginning of year	547,417	498,302
Add: Net cash received from issuance of debentures during the year	296,350	214,633
Amortisation of transaction costs during the year	2,629	1,362
Less: Redemption of debentures during the year	(333,120)	(166,880)

Balance at end of year	513,276	547,417
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The outstanding balances of debentures of the Company as at 31 December 2021 and 2020 are as follows:

No.	Debentures period		Number of units (Units)	Amount (Million Baht)	Coupon rate (Percent per annum)	Outstanding balance (Million Baht)	
	Issue Date	Maturity Date				2021	2020
MM217A	26 Jul 2018	26 Jul 2021	500,000	500	5.0	-	333
MM237A	1 Oct. 2020	1 Jul. 2023	217,700	218	5.8	218	218
MM23NA	20 May 2021	20 Nov 2023	300,000	300	6.0	300	-
						518	551

Debenture no. MM23NA are guaranteed by the pledge of the share certificates of a subsidiary.

On 20 May 2021, the Company issued 300,000 units of debentures by way of private placement to specific institutional investors and/or major investors at a par value of Baht 1,000 each, totaling Baht 300 million. The term of the debentures is 2 years and 6 months with the redemption date on 20 November 2023 and the fixed interest at 6.0 percent per annum.

Under the conditions of debenture issuance, the Company is required to maintain debt-to-equity at the rate prescribed in the debenture conditions.

Fair value of debentures, which was the latest price as at 31 December 2021 and 2020, was presented below.

No.	Fair value per unit		Fair value	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	(Baht)	(Baht)	(Million Baht)	(Million Baht)
MM217A	-	1,004.74	-	335
MM237A	1,000.62	1,000.93	218	218
MM23NA	999.20	-	300	-
			518	553

20. Other long-term loans

During the current year, the Company entered into the long-term loan agreements with individuals for loans of Baht 170 million, carrying interest at 8 percent per annum. There were transaction costs of Baht 7.3 million which are recorded as deferred transaction costs and are amortised over the period of the loan agreements. The loans are guaranteed by the pledge of the share certificates of a subsidiary and fall due in December 2022.

The loan agreements contain covenants which, among other things, require the Company to maintain debt-to-equity ratio, sales and earnings before interest, income tax and depreciation and amortisation expenses.

21. Provision for long-term employee benefits**21.1 Defined contribution plans**

The Group and its permanent employees have jointly registered a provident fund scheme under Provident Fund Act B.E. 2530. Such fund is monthly contributed by both the employees and the Group at rates of 2 to 4 percent of the employees' basic salaries. The fund, which is managed by Bualuang Asset Management Company Limited and Tisco Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the year 2021, the contributions of the Group amounting to Baht 3.46 million (2020: Baht 4.96 million) and of the Company amounting to Baht 0.74 million (2020: Baht 1.21 million) were recognised as expenses.

21.2 Defined benefit plans

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

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Provision for long-term employee benefits				
at beginning of year	23,186	43,152	3,354	16,573
Included in profit or loss:				
Current service cost	5,301	5,833	101	1,089
Interest cost	255	1,035	25	352
Included in other comprehensive income:				
Actuarial gain				
Demographic assumptions changes	-	(3,959)	-	(801)
Financial assumptions changes	-	(3,762)	-	(1,109)
Experience adjustments	-	(15,982)	-	(12,750)
Benefits paid during the year	(9,363)	(2,443)	(1,475)	-
Translation adjustment	45	(688)	-	-
Provision for long-term employee benefits				
at end of year	<u>19,424</u>	<u>23,186</u>	<u>2,005</u>	<u>3,354</u>

The Group expects to pay Baht 4.2 million for long-term employee benefits during the next year (the Company only: Baht 1.2 million) (2020: Baht 1.1 million, the Company only: nil).

As at 31 December 2021, the weighted average duration of the liabilities for long-term employee benefits of the Group is 9 - 15 years (the Company only: 9 years) (2020: 9 - 15 years, the Company only: 9 years).

Significant actuarial assumptions are summarised below.

(Unit: % per annum)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Discount rate	1.35 - 1.71	1.35 - 1.71	1.35	1.35
Future salary increase rate	2.50 - 3.96	2.50 - 3.96	2.50	2.50
Turnover rate	0 - 73	0 - 73	0 - 50	0 - 50

The results of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations as at 31 December 2021 and 2020 are summarised below.

(Unit: Thousand Baht)

	As at 31 December 2021			
	Consolidated		Separate	
	financial statements		financial statements	
	Increase	Decrease	Increase	Decrease
	0.5%	0.5%	0.5%	0.5%
Discount rate	(623)	666	(63)	66
Future salary increase rate	722	(681)	72	(69)
Turnover rate	(784)	771	(87)	71

(Unit: Thousand Baht)

	As at 31 December 2020			
	Consolidated		Separate	
	financial statements		financial statements	
	Increase	Decrease	Increase	Decrease
	0.5%	0.5%	0.5%	0.5%
Discount rate	(837)	894	(120)	127
Future salary increase rate	864	(817)	120	(115)
Turnover rate	(949)	936	(144)	117

22. Other non-current provision

Other non-current provision is provision for dismantling and restoring cost.

Movements in the provision for dismantling and restoring cost for the years ended 31 December 2021 and 2020 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Balance as at 1 January	46,344	49,756	200	200
Add: Increase during the year	4,947	2,199	-	-
Less: Disposal/written-off during the year	(3,965)	(5,611)	-	-
Balance as at 31 December	<u>47,326</u>	<u>46,344</u>	<u>200</u>	<u>200</u>

23. Share capital

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

- To approve the reselling of 98,500 treasury shares which are shares repurchased before the commencement of the project and could not be registered for capital reduction. The shares were resold on the Stock Exchange of Thailand, with incurred loss of Baht 46,295.
- To approve the reduction of the Company's registered share capital of Baht 1,517,000 from Baht 1,054,903,750 (1,054,903,750 ordinary shares of Baht 1 each) to Baht 1,053,386,750 (1,053,386,750 ordinary share of Baht 1 each) in order to cut the Company's registered shares that were repurchased.

23.2 On 27 April 2021, the Annual General Meeting of the Company's shareholders passed a resolution to approve the increase in the Company's registered share capital from Baht 1,053,386,750 million (1,053,386,750 ordinary shares of Baht 1 each) to Baht 1,685,418,800 million (1,685,418,800 ordinary shares of Baht 1 each) by issuing 632,032,050 new ordinary shares with a par value of Baht 1 each. The Company registered its share capital increase with the Ministry of Commerce on 7 May 2021.

24. Treasury stocks

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

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

As at 24 March 2020, the share repurchase period approved by the Company's Board of Directors was expired. The Company had an outstanding treasury stocks of 1,615,500 shares in the account with an average cost of Baht 2.44 per share. The total cost was Baht 3,941,136. The treasury stocks of 1,615,500 shares have a par value of Baht 1.00 per share with retained earnings of Baht 3,941,136 being appropriated as reserve for treasury stocks. The Company can hold treasury stocks not longer than three years after repurchasing the stocks. During 1 - 14 January 2021, the Company resold 98,500 treasury stocks which were shares repurchased before the commencement of the program and could not be registered for capital reduction.

On 15 January 2021, the Company registered the reduction of its registered and paid-up share capital from Baht 1,054,903,750 to Baht 1,053,386,750 with the Ministry of Commerce to cut the remaining 1,517,000 treasury stocks of Baht 3,700,796. The Company recognised the difference amounting to Baht 2,183,796, resulting from the reduction of its share capital at par value by means of writing off the treasury stocks, to unappropriated retained earnings. Moreover, the Company reversed reserve for treasury stocks of Baht 3,941,136 to unappropriated retained earnings.

25. Statutory reserve

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

26. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Salaries and wages and other employee benefits	728,765	752,476	49,681	67,172
Raw materials and consumables used	608,545	595,708	2,319	2,991
Depreciation and amortization	441,644	501,005	6,550	15,664
Rental and related service expenses	149,871	328,914	-	-
Allowance for expected credit losses	-	-	-	204,024
Impairment loss on assets	-	200,000	-	84,976

Franchise fees	53,000	47,684	-	-
Utilities expenses	67,416	82,610	1,543	592
Transportation expenses	36,558	30,726	202	225
Marketing expenses	25,452	37,324	1	351
Maintenance expenses	24,423	18,550	1,004	683
Changes in finished goods and work in process	(2,822)	(1,466)	-	-

27. Finance cost

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Interest expenses on borrowings	61,298	46,099	62,383	44,616
Interest expenses on lease liabilities	37,454	38,252	1,550	5,468
Total	<u>98,752</u>	<u>84,351</u>	<u>63,933</u>	<u>50,084</u>

28. Income tax

Income tax for the years ended 31 December 2021 and 2020 is made up as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Current income tax:				
Current income tax charge	5,008	1,961	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(9,742)	(14,736)	-	-
Income tax reported in profit or loss	<u>(4,734)</u>	<u>(12,775)</u>	<u>-</u>	<u>-</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 financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Deferred tax relating to actuarial gain	-	1,810	-	-
Income tax charged to other comprehensive income	-	1,810	-	-

The reconciliation between accounting profit (loss) and income tax for the years ended 31 December 2021 and 2020 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Accounting profit (loss) before tax	<u>(115,982)</u>	<u>(432,551)</u>	<u>10,727</u>	<u>(226,482)</u>
Applicable tax rate	15%, 19%, 20%, 25%	15%, 17%, 20%, 28%	20%	20%
Accounting profit (loss) before tax multiplied by income tax rate	(24,849)	(109,998)	2,145	(45,296)

Effects of:

Income not subject to tax	-	-	-	(13,840)
Non-deductible expenses	7,638	2,243	1,320	2,760
Additional expense deductions allowed	(5,751)	(11,339)	(2,491)	(638)
Taxable income	-	-	4,776	4,735
Utilised tax losses	(8,264)	(6,032)	(5,771)	(5,963)

Unrecognised deferred tax on temporary differences				
and unused tax losses	26,492	112,351	21	58,242
Total	20,115	97,223	(2,145)	45,296
Income tax reported in profit or loss	(4,734)	(12,775)	-	-

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

(Unit: Thousand Baht)

Statements of financial position as at
31 December

Consolidated
financial statements

	2021	2020
Deferred tax assets		
Provision for long-term employee benefits	2,767	3,502
Deferred income	82	563
Leases	3,949	2,233
Provision for decommissioning	4,546	1,915
Others	821	179
Total	12,165	8,392
Deferred tax liabilities		
Depreciation	2,097	1,200
Amortisation	29,475	29,475
Fair value adjustment of intangible assets arose in business acquisition	139,417	146,283
Total	170,989	176,958

Net deferred tax liabilities

(158,824)

(168,566)

As at 31 December 2021, the Group has deductible temporary differences and unused tax losses totaling Baht 607.3 million (2020: Baht 911.1 million), on which deferred tax assets have not been recognised as the Group considers that future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

The unused tax losses of the Group amounting to Baht 342.0 million (the Company only: Baht 60.6 million) will expire by 2022 - 2026.

29. Earnings (loss) per share

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

29.1 Weighted average number of ordinary shares

	(Unit: Thousand shares)	
	Consolidated/Separate financial statements	
	<u>2021</u>	<u>2020</u>
Balance brought forward	1,053,288	1,054,341
Less: Shares repurchased during the year	-	(987)
Ordinary shares reduced during the year	(1,459)	-
Add: Treasury stocks sold during the year	95	-
Weighted average number of ordinary shares	<u>1,051,924</u>	<u>1,053,354</u>

29.2 Reconciliation of earnings (loss) per share

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

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Profit (loss) for the year (Thousand Baht)	(101,096)	(395,093)	10,727	(226,482)
Weighted average number of ordinary shares (Thousand shares)	1,051,924	1,053,354	1,051,924	1,053,354
Basic earnings (loss) per share (Baht/share)	(0.096)	(0.375)	0.010	(0.215)

30. Operating segment information

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

For management purposes, the Group is organised into business units based on its products and services. The Group has the following two reportable segments.

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

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

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

The following table presents revenue and loss information regarding the Group's operating segments for the years ended 31 December 2021 and 2020.

	(Unit: Million Baht)					
	Food and beverage		Garment segment		Consolidated	
	segment				financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Revenue						
Sales and service income	2,006	2,017	164	149	2,170	2,166
Operating results						
Segment loss	(155)	(276)	(9)	(22)	(164)	(298)
Other income					147	149
Impairment loss on assets					-	(200)
Finance cost					(99)	(84)
Loss before income tax					(116)	(433)
Income tax					5	13
Loss for the year					<u>(111)</u>	<u>(420)</u>

Geographic area information

Financial information by geographic area for the years ended 31 December 2021 and 2020 of the Group is as follows:

(Unit: Million Baht)

	Domestic		Overseas		Total	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Revenue from external customers	1,940	2,054	230	112	2,170	2,166

Disaggregation of revenue

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

(Unit: Million Baht)

	Food and beverage segment		Garment segment		Consolidated financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Timing of revenue recognition						
At a point in time	1,977	1,957	164	149	2,141	2,106
Overtime	241	60	-	-	29	60
Total revenue	<u>2,006</u>	<u>2,017</u>	<u>164</u>	<u>149</u>	<u>2,170</u>	<u>2,166</u>

Major customers

For the years 2021 and 2020, the Group has no major customer with revenue of 10 percent or more of an entity's revenues.

31. Dividends

Dividend declared for the year ended 31 December 2020 consisted of the following:

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

32. Commitments and contingent liabilities

32.1 Capital commitments

As at 31 December 2021, the Group had capital commitments of Baht 28.7 million (2020: Baht 15.8 million), relating to the improvement of buildings and acquisitions of equipment.

32.2 Lease and service commitments

The Group has entered into several lease agreements and other service agreements. The terms of the agreements are generally between 1 and 3 years.

As at 31 December 2021 and 2020, future minimum payments required under these lease and service contracts were as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Payable:				
Within 1 year	35.1	30.7	-	-
In over 1 year and up to 3 years	3.6	9.4	-	-
Total	38.7	40.1	-	-

The above future payments do not include certain long-term lease agreements with rental fees based on percentage of sales.

32.3 Franchise agreements

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

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

32.3.2 On 1 April 2006, a subsidiary entered into a master franchise agreement with ABP Corporation for a period of 28 years. Under the agreement, the subsidiary, which has been granted the franchise to operate bakery shops in Thailand, is obliged to pay the franchisor a franchise fee calculated at a percentage of sales as stipulated in the agreement.

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

32.4 Guarantees

32.4.1 As at 31 December 2021, the Company and its subsidiaries have jointly guaranteed the revolving credit facilities of the Group in an amount not exceeding Baht 250 million (2020: Baht 365 million).

32.4.2 As at 31 December 2021, there were outstanding letters of guarantee of Baht 18.1 million issued by banks on behalf of the subsidiaries to guarantee rental payments and electricity use (2020: Baht 14 million). Such amounts included the letters of guarantee of Baht 1.28 million which were guaranteed by the pledge of the subsidiaries' bank deposits (2020: Baht 1.23 million).

33. Fair value hierarchy

As at 31 December 2021 and 2020, the Group had the assets that were measured at fair value and the liabilities for which fair value was disclosed 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				
Investments in equity instruments	19	-	-	19

(Unit: Million Baht)

	Consolidated/Separate financial statements			
	As at 31 December 2021			
	Level 1	Level 2	Level 3	Total
Liabilities for which fair value was disclosed				
Long-term debentures	-	518	-	518

(Unit: Million Baht)

	Consolidated/Separate financial statements			
	As at 31 December 2020			
	Level 1	Level 2	Level 3	Total
Liabilities for which fair value was disclosed				
Long-term debentures	-	553	-	553

34. Financial instruments

34.1 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade accounts receivable, loans to, short-term and long-term loans and long-term debentures. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group is exposed to credit risk primarily with respect to trade accounts receivable, loans, deposits with banks and financial institutions and other financial instruments. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

Financial instruments and cash deposits

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

Market risk

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

Foreign currency risk

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

As at 31 December 2021 and 2020, the Group had no outstanding foreign exchange forward contracts.

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its bank deposits, loans to, short-term and long-term loans and long-term debentures. 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.

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

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2021

	Fixed interest rates						Effective interest rate (% per annum)
	Within		Over 5	Floating	Non-	Total	
	1 year	1 - 5 years	years	interest rate	interest bearing		
Financial assets							
Cash and cash equivalents	-	-	-	96	110	206	0.05 - 0.125
Trade and other receivables	-	-	-	-	113	113	-
Restricted bank deposits	1	-	-	-	-	1	0.02
	1	-	-	96	223	320	
Financial liabilities							
Short-term loans from financial institutions	178	-	-	55	-	233	2.00 - 3.55, MLR - 2.50
Trade and other payables	-	-	-	-	427	427	-
Lease liabilities	198	415	153	-	-	766	4.53 - 5.23
Long-term loans from financial institutions	72	213	7	104	-	396	1.00 - 4.25, MLR - 1.00
Long-term debentures	-	513	-	-	-	513	5.80 - 6.00
Other long-term loans	165	-	-	-	-	165	8.00
	613	1,141	160	159	427	2,500	

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2020

	Fixed interest rates					Non- interest bearing	Effective interest rate
	Within 1 year	1 - 5 years	Over 5 years	Floating interest rate	Total		
							(% per annum)
Financial assets							
Cash and cash equivalents	-	-	-	48	117	165	0.05 - 0.125
Trade and other receivables	-	-	-	-	130	130	-
Restricted bank deposits	1	-	-	-	-	1	0.05 - 0.20
	1	-	-	48	247	296	
Financial liabilities							
Short-term loans from financial institutions	115	-	-	60	-	175	2.00 - 3.55, MLR - 2.50
Trade and other payables	-	-	-	-	366	366	-
Lease liabilities	238	409	140	-	-	787	4.50 - 5.20
Long-term loans from financial institutions	89	143	23	127	-	382	1.00 - 2.50, MLR -1.00 to 2.00
Long-term debentures	-	547	-	-	-	547	5.00 - 5.80
	442	1,099	163	187	366	2,257	

(Unit: Million Baht)

Separate financial statements as at 31 December 2021

	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1 - 5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	-	-	-	26	1	27	0.05 - 0.125
Trade and other receivables	-	-	-	-	76	76	-
Short-term loans to related parties	928	-	-	-	-	928	3.80 - 6.25
	<u>928</u>	<u>-</u>	<u>-</u>	<u>26</u>	<u>77</u>	<u>1,031</u>	
Financial liabilities							
Short-term loans from financial institutions	124	-	-	-	-	124	2.00 - 3.55
Trade and other payables	-	-	-	-	15	15	-
Short-term loans from related party	211	-	-	-	-	211	3.22 - 3.75
Lease liabilities	5	15	8	-	-	28	4.53 - 5.23
Long-term loans from financial institutions	22	53	-	104	-	179	MLR - 1.0, 4.25
Long-term debentures	-	513	-	-	-	513	5.80 - 6.00
Other long-term loans	<u>165</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>165</u>	<u>8.00</u>
	<u>527</u>	<u>581</u>	<u>8</u>	<u>104</u>	<u>15</u>	<u>1,235</u>	

(Unit: Million Baht)

Separate financial statements as at 31 December 2020

	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1 - 5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	-	-	-	15	8	23	0.02 - 0.125
Trade and other receivables	-	-	-	-	103	103	-
Short-term loans to related parties	776	-	-	-	-	776	3.80 - 6.05
	<u>776</u>	<u>-</u>	<u>-</u>	<u>15</u>	<u>111</u>	<u>902</u>	
Financial liabilities							
Short-term loans from financial institutions	69	-	-	-	-	69	2.20 - 3.55
Trade and other payables	-	-	-	-	25	25	-
Short-term loans from related party	206	-	-	-	-	206	3.80
Lease liabilities	5	17	11	-	-	33	4.50 - 5.20
Long-term loans from financial institutions	-	29	63	127	-	219	MLR-1.0 - 1.50, 2.0 - 2.5
Long-term debentures	-	547	-	-	-	547	5.00 - 5.80
	<u>280</u>	<u>593</u>	<u>74</u>	<u>127</u>	<u>25</u>	<u>1,099</u>	

Interest rate sensitivity

The following table demonstrates the sensitivity of the Group's loss 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.

As at 31 December 2021				
Currency	Consolidated financial statements		Separate financial statements	
	Interest rate	Effect on loss before tax	Interest rate	Effect on profit before tax
	Increase/decrease	Increase/decrease	Increase/decrease	Increase/decrease
	(%)	(Thousand Baht)	(%)	(Thousand Baht)
Baht	0.5	795	0.5	520

As at 31 December 2020				
Currency	Consolidated financial statements		Separate financial statements	
	Interest rate	Effect on loss before tax	Interest rate	Effect on loss before tax
	Increase/decrease	Increase/decrease	Increase/decrease	Increase/decrease
	(%)	(Thousand Baht)	(%)	(Thousand Baht)
Baht	0.5	935	0.5	635

The above analysis has been prepared assuming that the amounts of the floating rate loans from financial institutions and all other variables remain constant over one year. Moreover, the floating legs of these loans from financial institutions are assumed to not yet have set interest rates. As a result, a change in interest rates affects interest receivable/payable for the full 12-month period of the sensitivity calculation.

Liquidity risk

The Group monitors the risk of shortage of liquidity through the use of bank loans and lease contracts. Approximately 44% of the Group's debts will mature in less than one year as at 31 December 2021 (2020: 53%) (the Company only: 44%, 2020: 64%).

The table below summarises the maturity profile of the Group's non-derivative financial liabilities as at 31 December 2021 and 2020 based on contractual undiscounted cash flows:

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2021				
	Within 1 year	1 to 5 years	Over 5 years	Total
Non-derivatives				
Short-term loans from financial institutions	237	-	-	237
Trade and other payables	421	-	-	421
Lease liabilities	225	484	160	869
Long-term loans from financial institutions	89	337	11	437
Long-term debentures	31	540	-	571
Other long-term loans	183	-	-	183
Total non-derivatives	1,186	1,361	171	2,718

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2020				
	Within 1 year	1 to 5 years	Over 5 years	Total
Non-derivatives				
Short-term loans from financial institutions	177	-	-	177
Trade and other payables	366	-	-	366
Lease liabilities	269	466	151	886
Long-term loans from financial institutions	98	292	24	414
Long-term debentures	355	237	-	592
Total non-derivatives	1,265	995	175	2,435

(Unit: Million Baht)

Separate financial statements as at 31 December 2021				
	Within 1 year	1 to 5 years	Over 5 years	Total
Non-derivatives				
Short-term loans from financial institutions	126	-	-	126
Trade and other payables	15	-	-	15
Lease liabilities	7	17	9	33
Long-term loans from financial institutions	35	164	6	205
Long-term debentures	31	540	-	571
Other long-term loans	183	-	-	183
Total non-derivatives	397	721	15	1,133

(Unit: Million Baht)

Separate financial statements as at 31 December 2020				
	Within 1 year	1 to 5 years	Over 5 years	Total
Non-derivatives				
Short-term loans from financial institutions	70	-	-	70
Trade and other payables	25	-	-	25
Lease liabilities	7	21	12	40
Long-term loans from financial institutions	72	169	-	241
Long-term debentures	355	237	-	592
Total non-derivatives	529	427	12	968

34.2 Fair values of financial instruments

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

35. Capital management

The primary objective of the Group's capital management is to ensure that it has an appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2021, the Group's debt-to-equity ratio was 1.32:1 (2020: 1.14:1) and the Company's was 0.44:1 (2020: 0.39:1).

36. Events after the reporting period

On 24 February 2022, the meeting of the Board of Directors of the Company No. 1/2022 passed the following resolutions.

- To approve the extension of allocation of the newly issued ordinary shares of the Company in the amount of not exceeding 632,032,050 shares, which will be due on the date of the 2022 Annual General Meeting of Shareholders, under the General Mandate basis for another year. The details and all conditions remain as those approved by the 2021 Annual General Meeting of Shareholders on 27 April 2021, in all respects.
- To approve the issuance and offering of debt instruments in the form of bills and/ or debentures in the amount not exceeding Baht 2,000 million or equivalent in other currencies, which is the same amount and with the same conditions that were approved by the shareholders' meeting.
- To approve the transfer of statutory reserve of Baht 19,730,565.08 and share premium of Baht 160,637,054.51 to compensate the accumulated loss of the Company in the amount of Baht 180,367,619.59.

37. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 24 February 2022.

Attachments

Attachment 1 : Details of directors, executives, controlling persons and the Company's secretary



Lt.Col. Taweessin Rukkatanyu

Independent Director

Chairman of Board of Director

Chairman of Audit Committee

Chairman of Risk Management Committee



Mr. Supasith Sukhanindr

Vice Chairman of Board of Director

Chairman of Executive Committee

Member of Risk Management Committee

Chief Executive Officer



Mr. Nadim Xavier Salhani

Director

Vice Chairman of Executive Committee

Member of Risk Management Committee

Mr. Somyod Suteerapornchai

Director

Executive Director



Miss Nongluck Phinainitisart

Director

Executive Director

Miss Kamornwan Chinthammit

Director





Mr. Khem Wanglee

Director

Asst. Prof. Tippawan Pinvanichkul

Independent Director

Audit Committee



Mr. Pisit Jeungpraditphan

Independent Director

Audit Committee



Pol.Gen. Ruangsak Jritake

Independent Director

Mr. Benjapol Benjapalakorn

Independence Director



1. POL. LT. COL. THAWEESIN RAKKATANYU Age 70 year Director qualified as an independent director	
Position Independent Director/ Chairman of the Board Director / Chairman of Audit Committee / Chairman of Risk Management Committee Date of Appointment as a Director <ul style="list-style-type: none"> 6 June 2013 Education/Training <ul style="list-style-type: none"> Certificate, Management of Government and Private Sectors Class No.8, King Prajadhipok's Institute B.Ss. (Engineering) Hons. Royal Military College of Science (SHRIVENHAM) M.Sc. (Soil Mechanics), Imperial College University of London D.I.C. (Diploma of Membership of Imperial College) Imperial College University of London Director Training <ul style="list-style-type: none"> Director Certification program (DCP) Class 124/2006 Thai Institute of Directors Association (IOD) Advanced Audit Committee Program (AACP) Class 23/2016 Thai Institute of Directors Association (IOD) 	Working experience 2008 - 2011 Governor The Expressway Authority of Thailand Board Member/Management in Other Listed Company (None) Position in Other Company /Organization/Institution (None) Shareholding (Ordinary Shares) (as of 31 October 2021) - Own: (None) - Held by Spouse or minor children: (None) Family Relationship among Directors and Executives (None)
2. MR. SUPASITH SUKHANINDR Age 47 year	
Position Director / Vice - Chairman of the Board Director / Chairman of the Board of Executive Director (Authorized signatory) / Member of Risk Management Committee / Chief Executive Officer Date of Appointment as a Director <ul style="list-style-type: none"> 9 January 2012 Education/Training <ul style="list-style-type: none"> M.B.A. Specialized in Finance, Marketing and International Business, University of Miami U.S.A. Bachelor of Business Administration Program in Marketing, Thammasat University 	Board Member/Management in Other Listed Company 2004 – Present Director Sub Sri Thai Public Company Limited 2016 – Present Chief Executive Officer and President Sub Sri Thai Public Company Limited Position in Other Company /Organization/Institution 2001 – Present Director Super Enterprises Co., Ltd. 2009 – Present Director SST Warehouse Co., Ltd. 2012 – Present Director Golden Donut (Thailand) Co., Ltd. 2012 – Present Director ABP Café (Thailand) Co., Ltd. 2012 – Present Director Golden Scoop Co., Ltd. 2014 – Present Director Greyhound Café Co., Ltd. 2014 – Present Director Greyhound Co., Ltd. 2016 – Present Director GHC Café (UK) Co., Ltd.

Director Training <ul style="list-style-type: none"> Director Accreditation Program (DAP) Class 50/2006 Thai Institute of Directors Association (IOD) 	2016 – Present Director Tinbaron Co., Ltd. 2017 – Present Director Mudman International Ltd. 2017 – Present Director SST REIT Management Co., Ltd. (* Subsidiary Company) Shareholding (Ordinary Shares) (as of 31 October 2021) - Own: 8,133,937 Shares (0.7721%) - Held by Spouse or minor children: (None) Family Relationship among Directors and Executives (None)
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3. MR. NADIM XAVIER SALHANI Age 62 year	
Position Director / Vice - Chairman of the Board of Executive Director (Authorized signatory) / Member of Risk Management Committee Date of Appointment as a Director <ul style="list-style-type: none"> 9 January 2012 Education/Training <ul style="list-style-type: none"> Bachelor degree of Hospitality and Recreation MKTG-OPS, School of Hotel Administration at Cornell University Starbucks Coffee University Certification, Seattle USA Sales & Marketing Course, Dust Thani College Accounting for Non-Accountant, Dusit Thani College Workshop, Paradigm Prism, Robert Perry Director Training <ul style="list-style-type: none"> Director Accreditation Program (DAP) Class 104/2013 Thai Institute of Directors Association (IOD) 	Working experience 1997 – 2003 Manager Starbucks Coffee (Thailand) Co., Ltd. 1992 – 1997 Manager Dusit Thani Public Company Limited Board Member/Management in Other Listed Company (None) Position in Other Company /Organization/Institution 2003 – Present Director Golden Donut (Thailand) Co., Ltd. 2003 – Present Director ABP Café (Thailand) Co., Ltd. 2012 - Present Director Golden Scoop Co., Ltd. 2014 - Present Director Greyhound Café Co., Ltd. 2014 – Present Director Greyhound Co., Ltd. 2016 - Present Director GHC Café (UK) Co.,Ltd. 2017 - Present Director Mudman International Ltd. 2018 – Present Director Societe Langonnaise des Vins et Hotelleries SAS 2019 - Present Director MM FR SAS 2020 - Present Director Maison MM1 SAS, Maison MM2 SAS, Maison MM3 SAS (* Subsidiary Company) Shareholding (Ordinary Shares) (as of 31 October 2021) - Own: (None) - Held by Spouse or minor children: (None) Family Relationship among Directors and Executives (None)

4. MR. SOMYOD SUTEERAPORNCHAI	
Age 56 year	
Position Director / Executive Director (Authorized signatory) Date of Appointment as a Director <ul style="list-style-type: none"> 1 December 2019 Education/Training <ul style="list-style-type: none"> Master of Law, New South Wales, Australia Bachelor of Law, Chulalongkorn University Director Training <ul style="list-style-type: none"> Director Accreditation Program (DPA) Class 119/2015 Thai Institute of Directors Association (IOD) 	Board Member/Management in Other Listed Company 2015 – Present Director AP (Thailand) PCL. 2017 – Present Director and Audit Committee AP (Thailand) PCL 2020 – Present Director Sub Sri Thai PCL. Position in Other Company /Organization/Institution 2010 – Present Director Green Partners Holding Co., Ltd. 2010 – Present Director Wayu and Partners Co., Ltd. 2014 – Present Director Joint ventures companies between AP subsidiary companies and Mitsubishi Estate group. 2020 – Present Director Bio Skinresq Co., Ltd Shareholding (Ordinary Shares) (as of 31 October 2021) - Own: 202,291 Shares (0.0192%) - Held by Spouse or minor children: (None) Family Relationship among Directors and Executives (None)

5. MISS NONGLUCK PHINAINITSART	
Age 62 year	
Position Director / Executive Director Date of Appointment as a Director <ul style="list-style-type: none"> 1 September 2019 Education/Training <ul style="list-style-type: none"> Doctorate Degree in Electrical Engineering, Chulalongkorn University Master Degree in Electrical Engineering, University of Missouri, USA Bachelor Degree in Electrical Engineering, Chulalongkorn University Executive Program, Harvard University, USA Stanford Executive Program, Stanford University, USA Director Training <ul style="list-style-type: none"> Director Accreditation Program (DAP) 4/2003 Thai Institute of Directors Association (IOD) Director Certification Program (DCP) 71/2006 Thai Institute of Directors Association (IOD) 	Working experience 2012 – 2014 Independent Director / Chairman of Risk Management Committee Government Saving Bank 2009 – 2014 Chairman of Board of Director / Independent Director Thailand Post Co., Ltd. 2007 – 2014 Chief Commercial Officer Thaicom PCL Board Member/Management in Other Listed Company 2010 – Present Independent Director / audit Committee Khon Kaen Sugar Industry PCL Position in Other Company /Organization/Institution (None) Shareholding (Ordinary Shares) (as of 31 October 2021) - Own: (None) - Held by Spouse or minor children: (None) Family Relationship among Directors and Executives (None)

6. MISS KAMORNWAN CHINTHAMMIT	
Age 45 year	
Position Director Date of Appointment as a Director <ul style="list-style-type: none"> 17 September 2014 Education/Training <ul style="list-style-type: none"> Master of Law, Southern Methodist University, USA Master of Law, Case Western Reserve University, USA Bachelor of Law, Chulalongkorn University, Director Training <ul style="list-style-type: none"> Director Accreditation Program (DAP) Class 137/2017 Thai Institute of Directors Association (IOD) 	Board Member/Management in Other Listed Company 2008 – 2019 Senior Manager Khon Kaen Sugar Industry PCL Position in Other Company /Organization/Institution (None) Shareholding (Ordinary Shares) (as of 31 October 2021) - Own: 2,820,841 Shares (0.2678%) - Held by Spouse or minor children: (None) Family Relationship among Directors and Executives (None)

7. MR. KHEM WANGLEE	
Age 46 year	
Position Director Date of Appointment as a Director <ul style="list-style-type: none"> 1 December 2021 Education/Training <ul style="list-style-type: none"> Bachelor's Degree of Science at Rensselaer Polytechnic Institute, USA Master Degree of Engineering at Rensselaer Polytechnic Institute, USA Director Training -	Board Member/Management in Other Listed Company (None) Position in Other Company /Organization/Institution 2015 - Present Director, SMS Corporation Co., Ltd Director, Thanakorn Vegetable Oil Products Company Limited Director, Dole Thailand Co., Ltd. Shareholding (Ordinary Shares) (as of 31 October 2021) - Own: (None) - Held by Spouse or minor children: (None) Family Relationship among Directors and Executives (None)

8. ASST. PROF. TIPPAWAN PINCVANICHKUL, PH.D. Age 56 year Director qualified as an independent director	
Position Independent Director / Audit Committee Date of Appointment as a Director <ul style="list-style-type: none"> 6 June 2013 Education/Training <ul style="list-style-type: none"> Bachelor of Accounting, Thammasat University M.B.A. Management of Technology, Asia Institute of Technology (AIT) Ph.D. Management of Technology, Asia Institute of Technology (AIT) Capital Market Academy Class 25 Director Training <ul style="list-style-type: none"> Director Accreditation Program (DAP) Class 104/2013 Thai Institute of Directors Association (IOD) Advanced Audit Committee Program (AACP) class 23/2016 Thai Institute of Directors Association (IOD) 	Board Member/Management in Other Listed Company (None) Position in Other Company /Organization/Institution 2010 – Present Vice President for Property and Finance King Mongkut's University of Technology Thonburi 2016 – Present Director / Executive Small and Medium Enterprise Development Bank of Thailand (SME Bank) Shareholding (Ordinary Shares) (as of 31 October 2021) - Own: (None) - Held by Spouse or minor children: (None) Family Relationship among Directors and Executives (None)
9. MR. PISIT JEUNGPRADITPHAN Age 50 year Director qualified as an independent director	
Position Independent Director / Audit Committee Date of Appointment as a Director <ul style="list-style-type: none"> 6 June 2013 Education/Training <ul style="list-style-type: none"> BBA in Banking & Management, Assumption University Chartered Alternative Investment Analyst, CAIA Association Chartered Financial Analyst, CFA Institute Director Training <ul style="list-style-type: none"> Director Accreditation Program (DAP) Class 104/2013 Thai Institute of Directors Association (IOD) Advanced Audit Committee Program (AACP) Class 19/2015 Thai Institute of Directors Association (IOD) 	Working experience 2006 – 2019 Mutual Fund Manager Siam Knight Fund Management Securities Co., Ltd Board Member/Management in Other Listed Company 2012 – Present Senior Director (Investment Banking) IV Global Securities Public Company Limited Position in Other Company /Organization/Institution 2011 - Present Director Gereje Advisory Asia Pte., Ltd 2015 - Present Director KT Restaurant Co., Ltd. Shareholding (Ordinary Shares) (as of 31 October 2021) - Own: (None) - Held by Spouse or minor children: (None) Family Relationship among Directors and Executives (None)

10. POL. GEN. RUANGSAK JRITAKE, PH.D. Age 67 year Director qualified as an independent director	
Position Director / Independent Director Date of Appointment as a Director <ul style="list-style-type: none"> 13 August 2013 Education/Training <ul style="list-style-type: none"> Bachelor of Public administration in Public Administration, Bangkokthonburi University Faculty of Political Science, Chulalongkorn University Faculty of Political Science, Royal Police Cadet Academy Director Training <ul style="list-style-type: none"> Director Accreditation Program (DAP) Class 124/2016 Thai Institute of Directors Association (IOD) 	Working experience 2011 - 2012 Commander (Education) Royal Thai Police 2012 - 2014 Assistant Royal Thai Police 2014 - 2015 Deputy Commissioner General Royal Thai Police Board Member/Management in Other Listed Company (None) Position in Other Company /Organization/Institution (None) Shareholding (Ordinary Shares) (as of 31 October 2021) - Own: (None) - Held by Spouse or minor children: (None) Family Relationship among Directors and Executives (None)

11. MR. BENJAPOL BENJAPALAKORN Age 44 year Director qualified as an independent director	
Position Director / Independent Director Date of Appointment as a Director <ul style="list-style-type: none"> 1 June 2020 Education/Training <ul style="list-style-type: none"> Bachelor of Education, Faculty of Education, Chulalongkorn University Master of Education, Faculty of Education, Chulalongkorn University Doctor of Education, Bio-behavioral Sciences, Columbia University, Teachers College Director Training -	Working experience 2015 - 2018 Head of Conditioning coaches Vajiravudh College Board Member/Management in Other Listed Company (None) Position in Other Company /Organization/Institution 2004 - Present Lecture Faculty of Sports Sciences, Chulalongkorn University 2013 – Present Senior Exercise Specialist Samitivej Sukumvit Hospital Shareholding (Ordinary Shares) (as of 31 October 2021) - Own: (None) - Held by Spouse or minor children: (None) Family Relationship among Directors and Executives (None)

13. MR. SOMSAK TANGPRAKOB	
Age 60 year	
Position Executive Vice President Accounting and Finance (Acting) Date of Appointment as a Director <ul style="list-style-type: none"> 1 July 2020 Education/Training <ul style="list-style-type: none"> B.A. of Accountancy, Chulalongkorn University Modern Marketing Management (MMM), Faculty of Commerce and Accountancy, Chulalongkorn University CFO Orientation Course, TSI, The Stock Exchange of Thailand (SET) CFO Refresher Course No.1 	Working experience <p>1998-2006 Accounting Manager, United Tactical Communication Ltd. (UTC)</p> <p>2007-2018 Assistant Accounting and Finance Manager, Sub Sri Thai Plc</p> Board Member/Management in Other Listed Company <p>2019 – Present Accounting and Finance Manager, Sub Sri Thai Plc.</p> Position in Other Company /Organization/Institution <p>2021 – Present Director Golden Donut (Thailand) Co., Ltd.</p> <p>2021 – Present Director ABP Café (Thailand) Co., Ltd.</p> <p>2021 - Present Director Golden Scoop Co., Ltd.</p> <p>2021 – Present Director Greyhound Co., Ltd.</p> <p>2021 - Present Director Greyhound Café Co., Ltd.</p> Shareholding (Ordinary Shares) (as of 31 October 2021) <p>- Own: 280,585 Shares (0.0266%)</p> <p>- Held by Spouse or minor children: (None)</p> Family Relationship among Directors and Executives <p>(None)</p>

14. MRS. PATCHAREE BOONNAK	
Age 64 year	
Position Company Secretary Date of Appointment as a Director <ul style="list-style-type: none"> 1 December 2021 Education/Training <ul style="list-style-type: none"> B.A. In Law Ramkhamhaeng University Corporate Secretary Development Program Faculty of Commerce and Accountancy, Chulalongkorn University Organizational Risk Management Program Sasin Graduate Institute of Business Administration of Chulalongkorn University Entrepreneurs Development for Manufacturer program: Sustainable Innovation Management (SIM) Department of Industrial promotion, Ministry of Industry CSR for Corporate Sustainability Class 2 	Board Member/Management in Other Listed Company <p>2009 – Present Senior Operation Manager Sub Sri Thai Plc.</p> <p>2021 – Present Company Secretary, Sub Sri Thai Plc.</p> Position in Other Company /Organization/Institution <p>(None)</p> Shareholding (Ordinary Shares) (as of 31 October 2021) <p>- Own: 151,256 Shares (0.0144%)</p> <p>- Held by Spouse or minor children: (None)</p> Family Relationship among Directors and Executives <p>(None)</p>

<ul style="list-style-type: none"> • Workshop for Stengthening Practical skills in CSR Sustainable Business Development Institute, Stock Exchange of Thailand • Fundamental Practice for Corporate Secretary (FPCS 30) 	
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Attachment 2 : Details of the directors of subsidiaries

No.	Director Name	MM	GDT	ABP	GS	GHC	GHC (UK)	GHF	MMI	France group
1	Pol. Lt. Col. Thaweesin Rakkatanyu	C, V, X,II	-	-	-	-	-	-	-	-
2	Mr. Supasith Sukhanindr	I, IV,XI.VI	C	C	C	C	I	C	I	-
3	Mr. Nadim Xavier Salhani	I, IV, VI	I	I	I	I	I	I	I.XI	I.XI
4	Asst. Prof. Tippawan Pinvanichkul, Phd.	III, X	-	-	-	-	-	-	-	-
5	Mr. Pisit Jeungpraditphan	III, X	-	-	-	-	-	-	-	-
6	Mr. Somyod Suteerapornchai	I, IV	-	-	-	-	-	-	-	-
7	Nongluck Phinainitisart, Ph.D.	I, IV	-	-	-	-	-	-	-	-
8	Miss Kamornwan Chinthammit	I	-	-	-	-	-	-	-	-
9	Pol.Gen. Ruangsak Jritake, Ph.D.	X	-	-	-	-	-	-	-	-
10	Benjapol Benjapalakorn, Ph.D.	X	-	-	-	-	-	-	-	-
11	Mr. Supachai Sukhanindr	-	-	-	-	-	I	-	-	-
12	Mr. Khem Wanglee	I	-	-	-	-	-	-	-	-
13	Mr. Somsak Tangprakob	XI	XI	XI	XI	XI	-	XI	-	-
14	Mr. Pakin Phenpakkul	XI	XI	XI	XI	XI	-	XI	-	-

C	Chairman of Board of Directors	III	Audit Committee	X	Independent Director
I	Director	IV	Executive Director	XI	Executive
II	Chairman of Audit Committee	V	Chairman of Risk Management Committee	VI	Risk Management Committee

Attachment 3 : Corporate Governance Policies

Corporate Governance Policies

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

1. Rights and equality of shareholders

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

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

Shareholder meeting

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

2. Notice of meeting

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

3. Proposing agenda in advance for the shareholders' meeting

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

- 3.1 Proposal of additional agenda in advance in the event of the Annual General Meeting of Shareholders. It should send the agenda and details and reasons in writing to the Company in advance during October to December of each year in which the Company will have notice to shareholders in advance.
- 3.2 Proposal of additional agenda in advance in the event of the Extraordinary General Meeting of Shareholders. It should send the agenda and details and reasons in writing to the Company within 30 days in advance.
- 3.3 Proposal of additional agenda. After the Board of Directors' Meeting passed the resolution to hold a shareholders' meeting, it should send the agenda and details and reasons in writing to the Company within 7 days from the date of the Board of Directors' resolutions of the meeting to have a shareholders meeting.
4. Meeting attendance and registration
All shareholders have the right to attend the meeting and vote or authorize others to attend the meeting and vote instead. The Company allows shareholders to register to attend the meeting in advance of the meeting time and has organized the system to facilitate the shareholders to be able to complete the registration quickly.
5. Inquiring, expressing opinions, voting and recording of meeting minutes
All shareholders are given equal opportunities by the Board of Directors to verify business operations. In every shareholder meeting, shareholders can inquire, express opinions and provide suggestions. All matters are considered and voted independently on all matters. In voting, 1 share is equal to 1 vote to be equal to all. The Company has recorded minutes of the meeting together with inquiries, suggestions, resolutions of the meeting and the number of votes for agreeing, disagreeing or abstaining from voting in each agenda in writing. Shareholders and related persons can also check.
6. Attendance at the meetings of the Board of Directors
The Board of Directors give importance to the shareholders meeting. It is considered a duty that the Board of Directors is required to attend the shareholders' meeting every time, presenting all information to the shareholders completely, listening to their opinions and suggestions. The shareholders are given opportunities to ask questions and answer them with correct information.

2. Code of Conducts for directors

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

1. Honesty, fairness and integrity
 - In conducting business for the Company, directors shall act with honesty, fairness and integrity.
 - Directors will not discriminate against race, religion, sex, marital status or lack of physical performance.
 - Directors will not make any promises or commitments that the Company does not wish to undertake or is unable to perform.
 - Any actions of the directors will be honest.
 - Directors will adhere to the truth and will not cause misunderstandings either directly or indirectly, will not speak, or commit a false act and will not cause misunderstandings by omitting in speech or practice.
2. Conducting personal transactions

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

3. Code of Conducts for management and staff

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

1. Code of conduct for executives

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

1.1 Executives treat shareholders

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

1.2 Executives treat employees

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

1.3 Executives treat customers

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

1.4 Executives treat partners

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

1.5 Executives treat competitors

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

1.6 Executives treat the society and the environment

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

2. Employee code of conduct

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

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

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

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

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

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

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

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

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

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

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

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

4. The Use of Internal Information

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

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

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

Attachment 4 : Report of Audit Committee

To: The Shareholders of Mudman Public Company Limited

The Audit Committee appointed by the Company's Board of Directors consists of three independent directors. Chaired by Lt. Col. Taweesin Rukkatanyu, the Committee has Asst. Prof. Tippawan Pinvanichkul, Ph.D. and Mr. Pisit Jeungpraditphan as 3 audit members. The qualifications of all Audit Committee's members have passed the criteria laid down by the Office of the Securities and Exchange Commission (SEC). The Audit Committee has carried out its work within the scope of duties and responsibilities specified in the Audit Committee Charter.

In 2020, the Audit Committee convened four meetings with the Company's executives, internal auditors, and the auditors. In addition, the Audit Committee met with the auditors to discuss 2020 financial statements without the presence of the Company's Management. The work of the Audit Committee during 2020 can be summarized as follows:

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

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

2. Review of internal-control operations and system

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

3. Review of compliance with laws and regulations

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

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

The Audit Committee reviewed the appropriateness of connected transactions or transactions that may cause conflict of interest. The review showed that the connected transactions by the Company in 2019 were done based on normal business practice, reasonable, and in the best interest of the Company's business. These connected transactions were transparent, with related information disclosed fully and accurately.

5. Promotion of Good Corporate Governance

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

6. Consider the appointment of the auditor

The Audit Committee reviewed the performance of auditor during the past year on the basis of his/her/their reliability, independence, competency and abilities to provide services, counseling on accounting standards, auditing, and certifying financial statements in a timely manner. Based on the review, the Audit Committee recommended to the Board of Directors that EY Office Limited be appointed as the Company's auditor for the year 2020. The appointment will be subjected to the approval from the 2020 Annual General Meeting of Shareholders.

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

Yours Sincerely,



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

DUNKIN'

au bon pain.
the bakery café



Funky Fries
creativity in your mouth

**GREYHOUND
CAFÉ**

a
no
ther
hound
Cafe

BAANHOUND
BY GREYHOUND CAFÉ

**GREYHOUND
CAFÉ**



La mère lachaise
BY GUY MARTIN

**AUGUSTIN
BISTROT**



A NOSTE

**GREYHOUND
ORIGINAL**

**SMILEYHOUND
GREYHOUND**

