

(Translation)



Zen Corporation Group Public Company Limited

56-1 One Report

Annual registration statement / Annual report

Ended on 31 December 2020



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Zen Corporation Group Public Company Limited

Section 1

Business operation and Performance

1. Structure and Operation of the Group

1.1 Policy and Business Overview





ZEN Corporation Group Public Company Limited ("The Company" or "ZCG") operates its businesses as a holding company, holding the shares of other companies in restaurant industry and other related businesses through operations of its subsidiaries consisting of ZEN Restaurant Holding Company Limited ("ZRH"), AKA Interfood Company Limited ("AKF"), Gyu Grill Group Company Limited "GGG"), Spice Synergy Company Limited ("SYN"), Tokyo Concept Company Limited ("OTT"), ZEN and Spicy Company Limited ("ZPC") and ZEN Supply Chain Management Company Limited ("ZSM"), and other related businesses with the main business groups as follows

1. Restaurant businesses under the Group's brands
2. Franchise businesses under the Group's brands and
3. Other related businesses

As of 31 December 2020 ZEN Group has restaurants that operate under the restaurant brand of the group of companies. The total number of 346 branches both the branches owned by the Group 148 branches and franchise branches 198 branches In addition, ZEN Group also operates businesses other related delivery and catering, restaurant management, restaurant consultancy and food retail business such as ready-to-cook and ready-to-eat products







Currently, there are a total of 13 restaurant brands under the operations of the Group, which can be divided into 2 groups: Japanese restaurant brands 7 brand and Thai restaurant brands 6 brand, as follows:

Japanese restaurant brand

Logo	Brand	Restaurant Type
	ZEN	Traditional Japanese restaurant
	ZENBOX	Japanese restaurant with Grab-and-Go concept
	AKA	Japanese charcoal grill or Yakiniku restaurant
	On the Table Tokyo café	Lifestyle restaurant

Logo	Brand	Restaurant Type
	Tetsu	Premium Japanese charcoal grill or premium Yakiniku restaurant
	Sushi Cyu Carnival Yakiniku	Premium Japanese restaurant
 THE FLYING XIAO LONG BAO	Din's	Neo Taiwanese-style or Chinese fast food restaurant

Thai restaurant brands

Logo	Brand	Restaurant Type
	Tummour	Thai-Isaan restaurant
	LaoYuan	Thai-Isaan and Vietnamese restaurant
	JaewHon	Laos suki or hotpot
	Pho	Vietnamese noodles
	de Tummour	Premium Thai-Isaan restaurant
	Kiang	Thai à la carte or Thai fast food restaurant

As of 31 December 2020, there are a total of 345 branches operate under the Group's brands, both the branches owned by the Group or franchise branches.

Brand	Branches owned by the Group (branches)			Franchise branches (branches)			Total Bangkok (branches)
	Bangkok (branches) and perimeter	Different province	Different Country	Bangkok (branches) and perimeter	Different province	Different Country	
1. ZEN	32	11	-	-	-	-	43
2. ZENBOX	2	-	-	-	-	-	2
3. AKA	18	7	-	-	-	3	28
4. Tetsu	1	-	-	-	-	-	1
5. Sushi Cyu	4	-	-	-	-	-	4
6. On the Table	23	3	-	-	-	2	28
7. Din's	2	-	-	-	-	-	2
8. Tummour	10	2	-	51	53	3	119
9. LaoYuan	6	1	-	11	11	-	29
10. JaewHon	2	-	-	-	4	1	7
11. Pho	-	-	-	-	2	2	4
12. de Tummour	-	-	-	1	-	-	1
13. Khiang	24	-	-	43	11	-	78
Total	124	24	-	106	81	11	346

Note: Musha brand and Foo Flavor brand are experimental models and canceled in 2020

1.1.1 Vision Objective Goal and Company's operating strategy

To provide executives and employees with the same operating direction, the Board of Directors has reviewed and approved the vision, mission, strategy, goals. and the direction of business operation of the company in 2020.

1. Vision

The Group has a vision of business operation: To be the most preferred and trusted food services group for our customers, business partners and stakeholders.

2. Mission

The Group has four major missions to be delivered, one to each stakeholder forming the four major pillars of business: Customers, Employees, Society and the Environment, Shareholders.

1. Customers : We provide our customers with uniquely delicious food using quality ingredients, together with best-in-class service to ensure the highest level of customer experience and satisfaction.
2. Employees : We treat employees with respect and foster a culture where everyone's contributions are valued. We believe in a happy place to work, allowing our employees to grow, nurture their passions and improve their quality of life.
3. Society and Environment : We believe in operating with good corporate governance principles while positively contributing in a sustainable way to our community and environment.
4. Shareholders : We create shareholder value by delivering sustainable and profitable growth.

3. Goal

The Company's group has operational goals To be the country's leader in the restaurant service business ("Food Service")

Strategic Goal

Improve Profit Margin: Net profit margin to be > 8% (2019 Net profit margin 3.4%)

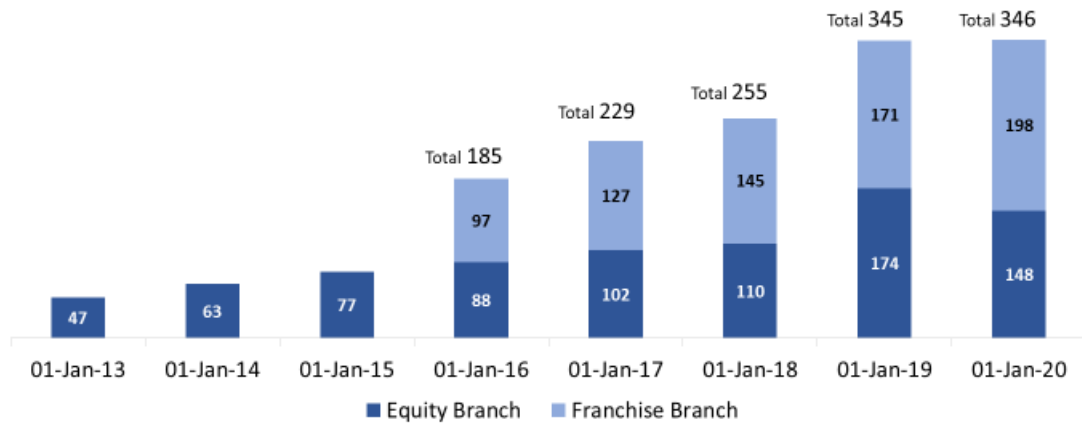
Company's operating strategy

The Group has established business policies by planning to achieve the goals for profit and sustainable growth as follows:

1. Ongoing expansion of restaurant branches both at home and abroad

At present, the Company's plan to expand its restaurant branches has been adjusted to reflect the purchasing power and the economic slowdown. It will expand small-sized restaurants outside of shopping centers in densely populated areas and focus on the expansion of street food franchises, which can be expanded easily and quickly.

Diagram showing the number of restaurant branches under the brand of the Group from 2013 - present



The Group plans to expand and open more restaurant branches to cover all significant locations, whether shopping centers, department stores, retail stores, standalone branches or gas stations, etc. for more convenience and easier access our restaurants and to be in line with the characteristics of each target market.

However, at present, the company plans to expand the restaurant branches. Has been adjusted to reflect the purchasing power and the economic slowdown which will expand the form of a small shop Outside the shopping center In a densely populated location and takes up not much space Focused on expanding the format of franchises, the type of street food, which can be expanded easily and quickly.

2. Development of New Restaurant Brands

In addition to the expansion of restaurant chains under the existing brands, the Group has established the new business development department to create new restaurant brands in order to meet the needs of consumers and to cover more consumers. In the past, the group of companies Able to offer brand new restaurants Including various products Continuously entering the market

Schematic showing the presentation of the new restaurants of the Group of Companies



3. Expansion into new businesses related to the restaurant business

In order to increase distribution channels and revenue, the Group has expanded into new businesses related to the restaurant business, including (1) delivery and catering services, (2) restaurant management and consultancy services and (3) food retail businesses such as ready-to-cook and ready-to-eat products.

3.1 Food delivery and catering business

The Group provides food delivery services to respond to consumers' need for convenience as they do not need to come to a restaurant but order meals via online food ordering systems such as Grab Food, Food Panda, Lineman Gojek, and Robinhood. Currently, the Group has a unit to develop the Group's food delivery system by itself through the Call Center 1376 and www.1376delivery.com to expand its distribution channel of food to be more comprehensive and standardized, including changing menus to make it more convenient for delivery and able to eat out of restaurants more conveniently. In addition, the Group also provides catering services, both on-premise, and off-premise, for events such as weddings, company parties, and birthday parties. Food delivery and catering service is an extension of the business and an additional channel to generate revenue growth for the Group without high investment.

3.2 Retail food business

The Group offers ready-to-cook food products such as Pad MeeMua and ready-to-eat food products such as fermented fish sauce, Jaew sauce, sweet chilli sauce, and Jaew Bong (fermented fish chilli paste) with standard quality and taste, which can be placed for sale in at the Group's restaurants across the country and can be sold in other distribution channels such as convenience stores, retail stores, and wholesalers. These products create revenue growth for the Group without having to invest in finding more distribution channels. The Group also has a plan to develop ready-to-cook food products and ready-to-eat food products from products or ingredients with recipes of the Group's restaurants to have more variety to meet consumers' needs with its existing knowledge for maximum benefit.

4. The quality and taste of food and the quality of service.

The Group places importance on every detail, from the selection of fresh, clean, and quality ingredients from suppliers of standardized raw materials, provision of a wide variety of tasty food menus, to provision of standard and impressive services.

As taste and cleanliness of food are extremely important factors for the Group's restaurant business, it focuses on a selection of raw materials with the Supply Chain Management and the Research and Development Department to jointly select clean and quality raw materials from standardized raw material distributors from all over the world and to monitor and control delivery process to storefronts in

order to ensure that the raw materials used for cooking meet the standards set by the Group. The Group also has a quality audit team to regularly conduct general management checks inside restaurants and kitchens in order to ensure that every restaurant branch, whether it is owned by the Group or franchised, has tastes of food, cleanliness, management, and services that are standardized and quality as specified by the Group.

5. Acquisition / merger / joint venture of restaurant businesses or other restaurant brands, or businesses related to restaurants

In order to create faster growth in addition to the ongoing business expansion, the Group may consider acquisitions/mergers/joint ventures with restaurant businesses or other restaurant brands to increase its business opportunities, revenue, and channels of distribution immediately without having to invest and develop by itself, and may consider other food business models to diversify business risks.

- In 2016, the Group acquired Thai restaurants under the “Tummour” group in order to increase the diversity of its restaurants and cover more consumer groups, and build a foundation for the franchise business.
- In 2017, the Group acquired a premium Japanese restaurant business under the “Sushi Cyu” brand to meet the needs of high-end customers. The acquisition of both the aforementioned businesses significantly increased revenue, distribution channels, and consumer groups to the Group.
- In 2019, the Group continued to enhance the diversity of its restaurants by purchasing the rights to the master franchise restaurant concept “Neo Taiwanese”, which is a traditional Chinese food mixed with Japanese flavors under the “Din’s” brand from Japan, which first opened in Thailand in December 2019
- In 2020, the Group established a joint venture company under the name of “Gin Dee Yu Dee 2020 Company Limited” to expand the Khiang brand’s restaurants in the southern region of Thailand.

In addition to the acquisition/ merger/ joint venture with the restaurant businesses or other restaurant brands, the Group may consider acquiring/merge/joint venture with other businesses related to restaurants in order to increase its efficiency and reduce its operating costs.

1.1.2 Major changes and developments

1.1.2.1 Major developments

- | | |
|---------------------------|--|
| Year
1991 | <ul style="list-style-type: none"> ■ As the shareholders saw an opportunity to pioneer the premium Japanese restaurant market in Thailand, they opened the first Japanese restaurant under the ZEN brand at Soi Thonglor. It is one of the first pioneers of the Japanese food market in Thailand, which focuses on offering traditional Japanese food with premium materials and good quality service for high-end customers. |
| Year
1993
-
2005 | <ul style="list-style-type: none"> ■ As a result of the success of the first Japanese restaurant under the ZEN brand, the Group continuously expanded ZEN's restaurant branches, and in 2003 the Company saw business opportunities in the other provinces where consumers have higher purchasing power and Japanese food consumption demand. The first ZEN branch out of Bangkok and its outlying vicinities is located at Central Plaza Airport, Chiang Mai Province. |
| Year
2007
-
2010 | <ul style="list-style-type: none"> ■ From the ongoing expansion of the Japanese restaurant branches under the ZEN brand in 2007, the Group considered expanding the categories of Japanese restaurants to be more diversified and in order to expand the customer base. Therefore, it opened the first Japanese-style BBQ restaurant (Yakiniku) under the AKA brand at Central World Shopping Center, and in the same year, the Group opened two branches under the AKA brand at Royal Garden Pattaya and Central Plaza Rama 2. |
| Year
2011 | <ul style="list-style-type: none"> ■ Later in 2009, the Group introduced a new lifestyle restaurant of "Tokyo Cafe" under the On the Table brand, and its first branch is located at Central World ■ The shareholders restructured the business in order to increase efficiency and clarity in its business operations. <ul style="list-style-type: none"> - ZRH was established on June 24, 2011, with registered capital of 1.0 million baht, divided into 10,000 ordinary shares with a par value of 100.0 Baht per share to operating a restaurant business under the ZEN brand; - OTT was established on August 15, 2011, with registered capital of 8.0 million baht, divided into 80,000 ordinary shares with a par value of 100.0 Baht per share operate a restaurant business under the On the Table brand; and |

- GGG was established on August 26, 2011, with registered capital of 12.0 million baht, divided into 120,000 ordinary shares with a par value of 100.0 Baht per share to operating a premium Japanese restaurant business.

- AKA was established on August 30, 2011, with a registered capital of 30.0 million baht, divided into 300,000 ordinary shares with a par value of 100.0 Baht per share to operate a restaurant business under the AKA brand.

Year 2012 ■ ZRH increased its registered capital by 29.0 million baht by issuing 290,000 ordinary shares with a par value of 100.0 Baht per share, resulting in an increase in registered capital to 30.0 million baht to support business restructuring and branch expansion

Year 2013 ■ AKA increased its registered capital by 20.0 million baht by issuing 200,000 ordinary shares with a par value of 100.0 Baht per share, resulting in an increase in its registered capital to 50.0 million baht to support business restructuring and branch expansion

- GGG increased its registered capital by 18.0 million Baht by issuing 180,000 ordinary shares with a par value of 100.0 Baht per share, resulting in an increase in its registered capital to 30.0 million baht to support business restructuring and branch expansion

Year 2014 ■ AKA increased its registered capital by 30.0 million baht by issuing 300,000 ordinary shares with a par value of 100.0 Baht per share, resulting in an increase in its registered capital to 80.0 million baht to support business restructuring and branch expansion

- OTT increased its registered capital by 17.0 million baht by issuing 170,000 ordinary shares with a par value of 100.0 Baht per share, resulting in an increase in its registered capital to 25.0 million baht to support business restructuring and branch expansion

- The shareholders established ZCG or the Company on December 1, 2014, with a registered capital of 135.0 million baht, divided into 13,500,000 ordinary shares with a par value of 10.0 Baht per share in order to conduct business with a holding company and restructuring the shareholding of the Group with ZCG acquiring all shares of ZRH, AKF, OTT, and GGG from existing shareholders. As a result, after such restructuring of the shareholding, ZCG holds shares in all 4 subsidiaries in the proportion of 100.0 percent.

- The Group opened the first premium grilled restaurant under the Tetsu brand under the operation of GGG at Central Embassy.
- Year 2015
 - The Company established ZSM on December 2, 2015, with registered capital of 70.0 million baht, divided into 700,000 ordinary shares with a par value of 100.0 Baht per share in order to manage the supply chain for the restaurant branches under the Group's brands.
- Year 2016
 - ZCG increased the registered capital of 5.6 million baht by issuing 562,500 newly issued ordinary shares at a par value of 10.0 Baht per share, resulting in an increase of its registered capital to 140.6 million baht.
 - In order to expand the customer base to cover customers at all levels and to diversify risks in the business operations, as well as to build the foundation for business expansion into the franchise business, the Group acquired the businesses under the Tummour brand, which is a leader in the business of Isan-Thai restaurant franchise consisting of Lao Yuan, Pho and Jaewhon
- Year 2017
 - The Group acquired two branches of premium Japanese restaurant under the Sushi Cyu brand to meet the needs of high-end customers.
 - In order to increase the channels for revenue growth and reaching more consumer groups, the Group expanded its business into restaurant services such as food delivery services, catering services, and retail food business for ready-to-cook products and ready-to-eat products according to the restaurant branches of the Group and other distribution channels. It also plans to provide restaurant management services and restaurant consultancy services for restaurant operators who wish to establish a standard restaurant management system or who are encountering problems in business operations
- Year 2018
 - - The Company was transformed into a public company limited under the name of Zen Corporation Group Public Company Limited
 - The par value was changed from 10.0 Baht per share to 1.0 Baht per share.
 - The Company increased the registered capital amount of 159,375,000.0 Baht by issuing 84,375,000 newly issued ordinary shares for the right offering; and 75,000,000 newly issued shares for initial public offering (IPO)

- After the offering of the newly issued ordinary shares, the Company has a total of 300,000,000.0 Baht, divided into 300,000,000 ordinary shares with a par value of 1.0 Baht. In December, the Group introduced a Thai restaurant under the Kiang brand, which mainly provides à la carte dishes that are popular in Thailand, such as basil fried rice (Khao Ka Prao), chicken-roasted noodles (Khua Khai), and stir-fried flat noodle (Pad See Ew).
- | | |
|--------------|---|
| Year
2019 | <ul style="list-style-type: none"> ■ In January, ZRH increased its registered capital in the amount of 270,000,000.0 Baht divided into 2,700,000 ordinary shares with a par value of 100.0 Baht ■ The Company offered 75,000,000 newly issued ordinary shares with a par value of 1.0 Baht per share for initial public offering (IPO) during February 7 - 11, 2019, and was listed and traded for the first day on the Stock Exchange of Thailand as of February 20, 2019 ■ In March 2019, the ZEN Box business was expanded to respond to consumers' hasty life with the Grab and Go-Food concept, focusing on healthy food in a hasty way of life. Most of the menu includes a variety of fish and fresh vegetables such as Maki wraps and Onigiri salads. ■ In July, the Company moved its head office to a new address at 662 Soi On Nut 17, Suan Luang Subdistrict, Suan Luang District, Bangkok, 10250, for more efficient administration. ■ In December, AKA introduced a Neo Taiwanese style restaurant, offering traditional Chinese food with Japanese flavors under the Din's brand from the purchase of the master franchise rights from Japan to operate with the distinctive menu including "THE FLYING XIAO LONG BAO". The first branch is located at Sam Yan Mitr Town Shopping Center. |
| Year
2020 | <ul style="list-style-type: none"> ■ The Group established a joint venture company under the name of "Gin Dee Yudee 2020 Company Limited" on February 18, 2020, with a registered capital of 30.0 million baht, in which the Group holds 25% stake through Zen & Spicy Co., Ltd. to faster and more efficiently expand the restaurants under the Kiang brand in 14 southern provinces ■ ZRH reduced its registered capital of 225.0 million baht from 300.0 million baht, resulting in the remaining registered capital of 75.0 million baht |

1.1.3 Details of spending fundraising money

1. Details of spending fundraising money from each offering of equities or debt securities

In 2020, the Company did not conduct fundraising from the offering of equities or debt securities.

1.1.4 Company General Information

The Company name (Thai)	:	บริษัท เซ็น คอร์ปอเรชั่น กรุ๊ป จำกัด (มหาชน)
The Company name (English)	:	Zen Corporation Group Public Company Limited
Type of Business	:	holding company which invested in companies operating restaurant business and other related businesses
Main Business	:	restaurant business and other related businesses
Core Company	:	Zen Restaurant Holding Company Limited ("ZRH")
Registered Capital	:	300,000,000 Baht (Three Hundred Million Baht Only)
Paid up Capital	:	300,000,000 Baht (Three Hundred Million Baht Only) Consisting of 300,000,000 ordinary shares with a par value of 1 baht per share
Head Office	:	662 Soi Onnut 17 Suanluang, Suanluang, Bangkok 10250
Company's registration number	:	0107561000439
Home Page	:	www.zengroup.co.th
Telephone	:	0-2019-5000
Facsimile	:	0-2030-5322

1.2 Nature of Business Operations

1.2.1 Revenue structure

Income structure	For the fiscal year ended December 31					
	2018		2019		2020	
	Million baht	% ⁽¹⁾	Million baht	% ⁽¹⁾	Million baht	% ⁽¹⁾
Restaurant business	2,672.6	90.1	2,703.2	86.0	1,812.8	77.5
- Brand ZEN	1,182.5	39.9	1,053.0	33.5	572.6	24.5
- Brand AKA	607	20.5	725.8	23.1	612.2	26.2
- Brand Din's	-	0	1	0.0	19.3	0.8
- Brand On the Table	414.6	14.0	455.4	14.5	311.6	13.4
- Brand Tetsu	50.9	1.7	57.1	1.8	36.1	1.5
- Brand Sushi Cyu	130.7	4.4	95	3.0	70.0	3.0
- Brand Musha	13.3	0.4	20.8	0.7	7.8	0.3
- Brand BOX	-	0.0	9.9	0.3	7.1	0.3
- Thai restaurant brands ⁽²⁾	273.6	9.2	285.2	9.1	176.1	7.5
Franchise business ⁽³⁾	235.7	8.0	268.2	8.5	207.2	8.8
Other related businesses ⁽⁴⁾	20.6	0.7	130	4.1	262.0	11.2
Other income ⁽⁵⁾	35.7	1.2	42.8	1.4	51.4	2.5
Total income	2,964.6	100	3,144.2	100.0	2,333.4	100.0

Note: ⁽¹⁾ Percentage of total revenue

⁽²⁾ Thai restaurant brands consist of Tummour, Lao Yuan, Jaew Hon, Pho, De Tummour, and Khiang;

⁽³⁾ Franchise revenue consists of (1) entrance fee, (2) royalty fee, (3) marketing fee (4) raw material sales, and

(5) branch construction revenue;

⁽⁴⁾ Revenue from other related businesses consists of (1) revenue from food delivery service and catering and (2) retail food businesses revenue. The Group has no revenue from the restaurant management services and restaurant consultancy services;

⁽⁵⁾ Other revenue mainly consists of interests, sales of membership cards and sale of assets

1.2.2 Characteristics of products or services

1. The Group's products and services and innovative development

1.1 Restaurant

The Group operates a restaurant service business and a franchise business with details as follows:

(1) ZEN, ZENBOX

ZEN is an authentic Japanese restaurant with an average area of 130-180 square meters per branch, focusing on ingredients selection, food quality control, and service standards



ZEN is committed to creating an authentic Japanese dining experience with the art of determination and meticulous attention to detail of the Japanese zen lifestyle, combined with the interior ambiance that has been designed to provide a warm and homey atmosphere like dining at home together with a whole family. Each branch of ZEN has both a hot kitchen and a cold kitchen, and every dish is freshly cooked by a professional chef.



ZEN is an A La Carte-style restaurant serving a wide variety of dishes and beverages such as sushi, sashimi, meal sets, grilled meat, soba, udon, appetizers, salads, desserts, and non-alcoholic beverages and alcoholic beverages. ZEN always offers an

exclusive seasonal menu. In addition to boosting sales, it is also to obtain feedback for new products that are introduced to consumers in order to ensure that every dish of ZEN is loved by customers. ZEN also places importance on business cooperation through co-promotion continuously, such as mobile network service providers or credit cards



ZEN's target customers are working-age groups, friends, and family groups, with middle to high revenue of approximately 400 baht spending per person per time.

On March 13, 2019, the Zen Box business was expanded to respond to consumers' hasty life, at BITEC Exhibition and Convention Center Bangna, with the Grab and Go-Food concept, focusing on healthy food in a hasty way of life. Most of the menu includes a variety of fish and fresh vegetables such as Maki wraps, Onigiri salads, Oni sandwiches. In the last quarter, two branches opened at Sam Yan Mitr Town.

As of December 31, 2020, the Group has 43 restaurants under the ZEN brand and 2 branches under Zen Box, which are all owned by the Group

(2) AKA

AKA is a Japanese-style BBQ restaurant (Yakiniku) with an average area of 150 - 180 square meters. It places importance on detail and selection of ingredients that are of the highest quality and are fresh and sourced from different places all over the world, combined with a wide variety of flavors to be unique and suitable for grilling, including special sauces created by the Group, from the selection of the best raw materials through meticulous processes for aromatic and mellow sauces for AKA-style BBQ.



AKA offers both buffets and A La Carte dishes for customers who do not want a buffet. The BBQ buffet runs at 339+, 439+, and 549+ baht (excluding beverages and service charges). AKA always offers special seasonal menus, in addition to boosting sales, to obtain feedback for new products that are introduced to consumers, in order to ensure that every dish of ZEN is loved by customers in order to ensure that every food AKA is loved by its customers. AKA also places importance on business cooperation through co-promotion continuously, such as mobile network service providers or credit cards.



AKA's target customers are university students, working-age groups, friends, and family groups, spending approximately 500 baht spending per person per time.

As of December 31, 2020, the Group has a total of 28 restaurants under the AKA brand, 25 local branches of which are owned by the Group, and 3 overseas franchise branches: 2 in Myanmar and 1 in Cambodia.

(3) On the Table

On the Table is a lifestyle restaurant that combines Japanese food and western-style food with Thai flavors. The average area per branch is about 140-150 square meters, and its interior design is inspired by the Tokyo Café in Japan, which emphasizes natural materials to like eating at home with a warm and friendly atmosphere.



On the Table is an A La Carte restaurant serving freshly prepared homemade-style dishes such as rice, pasta, sushi, salad, and pizza, as well as a wide variety of desserts and beverages. It offers an exclusive seasonal menu, in addition to boosting sales, to obtain feedback for new products that are introduced to consumers in order to ensure that every dish of On the Table is loved by customers. On the Table also places importance on business cooperation through co-promotion continuously, such as mobile network service providers or credit cards



On the Table's target groups are friend groups, office workers, and families of the new generation, spending approximately 400 baht per person per time.

As of December 31, 2020, the Group has a total of 28 restaurants under the On the Table brand, 26 local branches of which are owned by the Group, and 2 franchise branches in Cambodia

(4) Din's

Din's is a Neo Taiwanese-style restaurant that is a blend of traditional Chinese food culture with Japanese inspiration. Food style based on Taiwanese food is unique in both characteristics and tastes. The restaurant's signature dish is "the Flying Xiao Long Bao," invented by the best dim-sum chef. The specialty of this menu is the fusion of Xiao Long Bao and Japanese gyoza by placing a dumpling wrapper under Xiao Long Bao like wings, with a unique style and unique way of eating. This is a menu only available at Din's restaurant and is the first time it has been introduced in Thailand.



In addition to the Xiao Long Bao, which is the recommended menu of the restaurant, it also serves rice dishes, ramen, dim sum, gyozas, and more than 50 different appetizers with a wide variety of flavors every day, as well as meals set with great value to satisfy customers who want a full set of menu.

Din's restaurant is designed in a modern style that blends an oriental vibe with simplicity and modernity, suitable for families and groups of friends to enjoy their meals together. Another highlight of the restaurant is the kitchen area that is open for customers to see while a chef is cooking in order to deliver the dining experience at every step, such as

well-selected ingredients, quality of food, and meticulous cooking techniques for customers to see how to make every dish at Din's restaurant served to them.

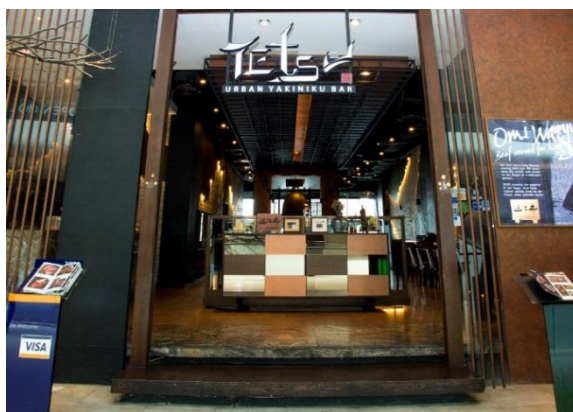


Din's's target customers are students, working-age groups, and families, spending approximately 200 baht per person per time.

As of December 31, 2020, the Group has 2 branches of restaurants under the Din's brand in Thailand, which are owned by the Group

(5) Tetsu

Tetsu is a premium Japanese restaurant and Japanese-style BBQ (Yakiniku). The average area per branch is about 200 square meters. It mainly serves grilled dishes and focuses on creating a delicious experience of Omi beef, one of the best three kinds of beef, as a staple ingredient. The interior of the contemporary industrial design gives a cool and stylish vibe, featured by bare brick walls and large steel plates as a highlight under the word "Tetsu," which in Japanese means "iron/ steel," resulting in a perfect combination. "Tetsu" has been open since 2014 on the 5th floor of Central Embassy, the only branch in Thailand.



Tetsu places great importance on selecting quality raw materials and directly imports some raw materials from Japan. The highlight of Tetsu is Omi Wagyu beef, which is imported from the largest farm in Kansai, Japan. It has a logo to guarantee the best Omi beef from Japan comparable to Matsusaka beef and Kobe beef. Importantly, Omi cows are fed organic grains to ensure that we will experience the aroma and deliciousness of the meat. The ingredients selected for the menu are made from the dedication of the beef chef savvy of Tetsu.

In addition, Tetsu offers an exclusive menu according to various festivals in order to boost sales and to obtain feedback for new products that are introduced to consumers.

Tetsu's target customers are customers who like dishes made from premium ingredients, along with a private zone for catering to specific groups to accommodate all kinds of customers' needs and the lifestyle of urban people who truly appreciate Japanese food, spending approximately 1,600 baht per person per time.

As of December 31, 2020, the Group has 1 restaurant under the Tetsu brand, which is owned by the Group.

(6) Sushi Cyu & Carnival Yakiniku

Sushi Cyu & Carnival Yakiniku is the Group's premium Japanese and Japanese-style BBQ (Yakiniku) restaurant with an average area of 140-240 square meters per branch and offers selected premium quality ingredients. Some certain raw materials such as tuna and sea urchin are directly imported from Japan and cooked by a Japanese chef to provide a taste of traditional Japanese food.



Sushi Cyu & Carnival is an A La Carte restaurant under the premium Japanese food concept that values the quality and freshness of ingredients. The dishes are prepared by a Japanese chef who has a long experience in Japanese cuisine. The exclusive menu of Sushi Cyu (Exclusive Menu) "Omakase as the chef pleases," including 10 - 18 pieces of one set selected by a Japanese head chef. In addition, Sushi Cyu holds some events to boost its sales, such as providing a meal course by inviting Michelin-starred Japanese chefs to privately serve a premium meal, which is open to customers interested to make a reservation and has received good feedback from customers.

Sushi Cyu's target customers are Japanese food lovers with high purchasing power, corporate customers, and those with high image and high-end taste and spending approximately 1,600 baht per person per time.

As of December 31, 2019, the Group has 3 restaurants under the Sushi Cyu brand and 1 Sushi Cyu Ryo branch, which are allowed by the Group.

(7) Tummour

Tummour restaurant is a Thai-Isan restaurant with an average area of approximately 80-120 square meters per branch and the interior decoration giving a warm and contemporary vibe. It gives priority to comfort in the dining area and provides the Papaya Salad section where customers can see, which is its highlight. In addition, it shows a meticulous process in cooking with well-selected ingredients to assure customers that all dishes are of high quality and spicy taste according to the slogan "Spicy Dish with Pounding."



Tummour Restaurant is an A La Carte restaurant serving various types of Thai-Isan food with clean and quality ingredients such as papaya salad, fried chicken, and stir-fried noodles. Furthermore, the restaurant has an exclusive seasonal menu in order to boost sales and to obtain feedback for new products that are introduced to consumers.



Tummour's target customers are families and middle-income earners, spending approximately 250 baht per person per time.

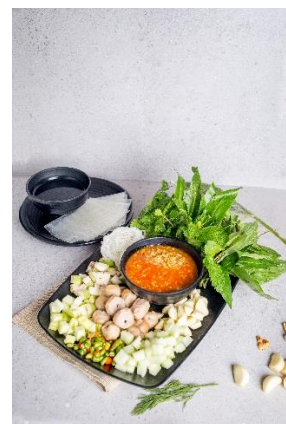
As of December 31, 2020, the Group has a total of 119 restaurants under the Tummour brand, 12 branches of which are owned by the Group and 107 franchise branches.

(8) Lao Yuan

Lao Yuan Restaurant is a restaurant combining Thai-Isan food and authentic Vietnamese cuisine with an average area of approximately 80-120 square meters per branch, offering a wide variety of Thai-Isaan food combined with Vietnamese food to meet consumers' needs who want healthy, fresh, clean, delicious food.



Lao Yuan is an A La Carte restaurant serving Thai-Isan food combined with Vietnamese dishes that blend together perfectly. In addition, Lao Yuan restaurant offers an exclusive seasonal menu in order to boost sales and to obtain feedback for new products that are introduced to consumers.



Lao Yuan's target customers are families and middle-income earners, spending approximately 300 baht per person per time.

As of December 31, 2020, the Group has a total of 29 restaurants under the Lao Yuan brand, 7 branches of which are owned by the Group and 22 franchise branches.

(9) Jaewhon

Jaewhon Restaurant is a Lao Suki or so-called Jim-Jum restaurant providing a Northeastern style clay pot with soup simmered from the finest ingredients, roasted rice, and filled with herbs which have medicinal properties beneficial to the body, along with the authentic Isan spicy sauce.



Jaewhon Restaurant offers both buffet and A LA Carte menus.



Jaewhon's target customers are families and middle-income workers spending approximately 350 baht per person per time.

As of December 31, 2020, the Group has a total of 7 restaurants under the Jaewhon brand, 2 branches of which are owned by the Group and 5 franchise branches.

(10) Pho

Pho Restaurant is a Vietnamese-style noodle restaurant offering noodles with mellow taste with pork, beef, entrails, and egg served with a special dipping sauce of Pho

Restaurant and many fresh vegetables. The interior decoration gives a comfortable vibe and consists of a contemporary wall painting that illustrates the Vietnamese lifestyle.



Pho restaurant offers A LA Carte menus serving Vietnamese noodles with a wide variety of dishes, focusing mainly on ingredients such as dried pho with pork, soup pho with beef, and vermicelli with roasted pork.



Pho's target customers are students, young workers, including families and consumers who want a quick meal, spending approximately 120 baht per person per time.

As of December 31, 2020, the Group has 4 restaurants under the Pho brand, all of which are franchise branches.

(11) De Tummour

De Tummour Restaurant is a premium authentic Thai-Isan restaurant offering a variety of menus from the Tum Mua brand.



De Tummour is an A La Carte restaurant with well-selected premium grade ingredients to serve and Thai unique tastes, as well as to serve the needs of foreigners



De Tummour's target customers are high-income customers and foreign customers, spending approximately 400 baht per person per time.

As of December 31, 2020, the Group has 1 restaurant under the De Tummour brand, which is a franchise branch.

(12) Kiang

Kiang restaurant is a Thai restaurant with cooked-to-order food or fast food in response to the hasty lifestyle of Thai people, with an average area of approximately 50 square meters per branch. It offers Thai people's favorite dishes, such as Basil Pork Fried Rice with Garlic Pork, Traditional Fried Rice, Stir-Fried Noodles, Stir-Fried Kale with Crispy Pork, Roasted Chicken Noodles (Khau Khai), and Stir-fried Soy Sauce (Pad See Ew)



Kiang's target customers are students, young workers, including families and consumers who want a quick meal, spending approximately 80-100 baht per person per time.

The Group opened the first branch of Khieng in December 2018 at PTT Jesada Bodin Gas Station, Nonthaburi Province. The expansion of Khiang's branches is divided into branches in the gas stations, community malls, food courts, shopping centers, and shops for rent. At present, Khieng has opened more than 50 branches which are located in all major cities across the country by 2020.

As of December 31, 2020, the Group has a total of 78 restaurants under the Khieng brand, 24 branches of which owned by the Group and 54 franchise branches

1.2 Franchise

Franchise Business The Group has 2 franchising systems: (1) the Group choose the restaurant brand under the Group including the location and then proposes to the franchisee for approval and (2) the franchisee chooses the restaurant brand of the Group including its location and proposes to the Group for consideration of the appropriateness of the location.

The Group supports the full range of franchisees from providing services for branch contractors, branch interior design, employee training, preparation for a restaurant opening, ongoing training courses to the franchise, including marketing

1.3 Other related businesses

At present, the Group operates businesses that are related to other restaurant businesses, which consist of:

(1) Food delivery and catering business

The Group provides food delivery service through the Call Center 1376 and www.1376delivery.com, which is the Group's food ordering channels and other food ordering channels of food applicators such as Grab Food, Lineman, Food Panda, and Gojek, where consumers can order food from any restaurant branch. In addition, the Group also provides catering services both on-premise and off-premise for events such as weddings, corporate parties, and birthday parties. The catering service is a full service like in fine dining and food stalls.

Delivery business

The changing consumer lifestyle and the development of technology that makes ordering food online easier and more convenient cause the food delivery service market to grow steadily and continuously. Nowadays, the Group makes it more convenient for customers to order food through online channels and food

applicators to help increase the capabilities of the Group's branches to expand the customer base to the office and neighboring residential areas. In 2020, the Group planned to invest in developing online food ordering channels through mobile applications to give customers the convenience to order food online and to expand branches that only serve food delivery, starting to cover all areas in Bangkok, as well as the introduction of new menus along with promotions to encourage more customers to order through these channels. The Group also places great emphasis on delivery innovation by improving the packaging design of popular dishes of each restaurant brand to be unique to that restaurant brand, which also facilitates delivery and convenience to create satisfaction for customers.

As for the delivery, the Group develops to be efficient and fast and use temperature-keeping tools, and maintain food quality in the same manner as eating at restaurants of the Group.

Catering business

With a long experience of operating a restaurant business and a wide variety of restaurant brands, the Group is consistently contacted by high-end customers to provide catering services. In 2019, the Company planned to invest in establishing a catering agency to expand the premium customer base.

(2) **Restaurant Management and Consultant**

The Group offers the restaurant management and consultancy services for restaurant operator or franchisee who needs the standardized restaurant management and operation system or the operator who encounters business problems. The Group relies on its experience and personnel expertise in management planning process and/or consultation. There are 2 types of service fees which are fixed fee and variable fee depending on the agreements with the users, scope and service

(3) **Retail food business**

The Group has 2 main types of retail food products which are ready-to-cook products such as Korat Instant Rice Noodles with Sauce and ready-to-eat products Jaew Dipping Sauce, Dipping Sauce for Chicken and Chili Paste with Pickled Fish Flavor of standardized quality and taste. At present, these products are sold at the restaurant branches of the Group as well as through third-party stores including Moderntrade. In this regard, the Company considers and operates the food retail business by producing and selling the popular food products of the Group's restaurants, in which the Group expects to increase the diversity of its food products as well as to increase the distribution channels to cover more customer groups in order to accommodate its future growth. The Company entered into a

business cooperation agreement with Thai Broadcasting Company Limited (“Thai Broadcasting”) to cooperate in organizing marketing events to promote products through Thai Broadcasting’s media channels and/or its affiliates.

Retail products



Research and Development

1. Research and development of menus

The Group is committed to the development of food products, food taste, cleanliness and hygiene, and restaurant service quality in order to create the highest satisfaction of the Group’s customers.

The Group’s Research and Development Department develops new food menus every 2-3 months to create special seasonal dishes at different times of the year for each brand, including a special promotion menu to boost sales. The Group also changes the menus every 1-2 years so that its restaurants have menus that are consistent with consumers’ and target customers’ changing behavior and needs.

Apart from dine-in menus, the Research and Development Department of each restaurant brand also places attention to the invention of delivery menu and packaging to meet the needs of the new generation ordering food to eat at home or at work. For example, AKA has AKA@Home products that customers can have their own BBQ at home.

The Research and Development Department of each restaurant brand is constantly developing their own recipes to provide food menus that meet consumers’ needs and remains the identity of each restaurant brand, as well as to invent new production and cooking processes that increase efficiency and reduce costs, resulting in an increase in the Group’s competitiveness.

In addition, the Company’s Research and Development Department is also involved in the selection process of the main raw materials and works with the Purchasing Department to taste and inspect the quality of raw materials from suppliers in order to ensure that the ingredients selected to cook

for consumers provide the tastes that meet consumers' needs, with good quality and an affordable price, resulting in customers' satisfaction.

To control quality standards and food tastes of every branch, the Group's Research and Development Department provides regular training to employees of the relevant departments, such as how to cook rice, how to grill meat, how to boil for cooking, and how to cook, to ensure that the food meets the specified taste and quality. When introducing new products or menus, the Group's Research and Development Department organizes training sessions on how to prepare and cook new dishes so that relevant employees can prepare food according to the recipes and able to cook with the specified taste and quality.

The Group's Research and Development Department has the Food Quality Assurance Department to conduct random inspections on the quality and tastes of all food brands in order to ensure that the dishes that are served to customers meet the quality and tastes set by the Group. In case of failure to meet the specified standards, the Research and Development Department shall notify a person responsible for quality inspection of such brand in order to take corrective actions and improve the storefront of each branch.

Personnel of the Research and Development Department is the heart of the restaurant business. The Group has a plan to consistently develop personnel in the Research and Development Department in order to strengthen the stability and competitiveness of the business in the long run, such as training from senior Japanese chefs and providing employees to train with external agencies.

2. Research and development of new restaurants' design

The Group develops new restaurant designs with the long-term use of experience and knowledge in business operations with the invention and development of the most efficient use of areas, resulting in a decrease in the investment in branch construction, including the lower construction cost per square meter and help reduce rental costs.

The Group develops a restaurant design approach for both the kitchen and part of the services. For the kitchen, the Group set standard layouts of various equipment within the kitchens of each brand that can be manufactured and used together (except for each brand's additional special equipment, such as AKA's grills). About 90.0 percent of the equipment used in the kitchen is of a standard that can be used by all brands. This makes it possible to make an order in bulk, such as refrigerators, freezers, and stoves, resulting in cost-effectiveness. In terms of service, the Group requires restaurants to offer the food that customers can access, such as setting up sushi bars, drink and dessert bars, including papaya salad bars near customers' seats. This affects the confidence in the preparation of food with meticulousness and care of the employees. In addition, the Group's restaurants use loose furniture, which is removable, replaceable, and changeable and can be ordered from manufacturers with lower costs per square meter than in the past.

3. Research and development for efficiency improvement

The Group has constantly been improving work efficiency and work procedures and providing new innovations in order to facilitate the branches' operations to be simple, quick, and efficient, such as working with raw material distributors to invent raw materials or semi-cook food or ingredients and seasonings that help to work/prepare food easily and for the same standard in terms of taste and quantity. It also reduces the investment in tools, appliances, and operating equipment and the investment per branch. For example, (1) On the Table's curry sauces and the original ZEN sauces are prepared at their restaurant, which quite takes a time, while the R&D Department works with raw material suppliers to improve the production process to be easier. When delivered to a branch, the sauces are ready to serve immediately, and (2) AKA's original salmon cuttings had to be done at their restaurant, making it complicated, while the R&D Department works with raw material suppliers to obtain ready-to-cook salmon fillets for convenience and standardization, resulting in the reduction of the loss rate and time-saving.

For the fiscal years ended December 31, 2018, 2019, and 2020, the Group's R&D Department had its expenses of 4.0 million baht, 5.5 million baht, and 3.4 million baht, respectively, because in such it is development, creativity, and learning during actual operations.

2. Marketing and Competition

(A) Marketing of essential products and services

Marketing and Sales of the Group

The Group focuses on target marketing with the objective to (1) increase market share in new customer groups by raising brand awareness, (2) maintain existing customer base by creating brand loyalty and (3) increase utilization rate of the Group's customers by developing new menus, creating brand engagement through advertisements on online media and social network and raising awareness through traditional marketing, including installing billboards in shopping centers, retail stores, community malls or the areas adjacent to the restaurants.

The Group has established different marketing strategies for each brand according to the target customers, brand positioning and restaurant models.

1. Pricing

The Group use cost-plus pricing strategy (Cost Plus Margin) to set the price at the level considered a good value for money from the customer's view and in line with the brand positioning, including consideration of price competitiveness compared to the competitors.

Since the Group has many brands and branches with different brand positioning, target customers, sales prices, raw material costs, operating expenses, rents and employee expenses, the product prices are therefore different. However, the Group believes that the pricing at present is suitable and reasonable compared to the quality of products and services while meeting customer needs.

2. Customer and Target Marker Characteristics

The Group has a variety of restaurant brands and branches all over the country which are accessible and meet different needs of customers. The details are as follows:

Brand	Customer			Income Level			Location		
	Family	Working age (> 20 years)	Students (> 15-24 years)	Low Middle High	Low Middle High	Low Middle High	Bangkok	Bangkok	Bangkok
1. Zen	✓	✓	-	-	✓	✓	✓	✓	-
2. ZEN BOX	-	✓	✓ -	- ✓	✓	-	✓	-	
3. AKA	✓	✓	✓	✓	✓	-	✓	✓	✓
4. On the Table	✓	✓	-	-	✓	✓	✓	✓	✓
5. Tetsu	✓	✓	-	-	-	✓	✓	-	-
6. Sushi Cyu	✓	✓	-	-	-	✓	✓	-	-
7. Din's	✓	✓	✓	✓	✓	-	✓	✓	-
8. Tummour	✓	✓	✓	✓	✓	-	✓	✓	✓
9. LaoYuan	✓	✓	-	-	✓		✓	✓	-
10. JaewHon	✓	✓	✓	✓	✓	-	✓	✓	-
11. De Tummour	✓	✓	-	-	✓	✓	✓	-	-
12. Khiang	✓	✓	✓	✓	✓	-	✓	✓	-
13. Pho	✓	✓	✓	✓	✓	-	✓	✓	-

3. Sales and Distribution Channels

The Group has 4 different distribution channels which are (1) restaurant branches, most of which are located in the shopping malls, retail shops and community malls, including gas stations and commercial buildings in the communities with relatively high customer traffic. The Group anticipates that most customers tend to have some food in these areas. (2) Catering services both on-site and off-site services such as weddings, conferences and festive parties. (3) Delivery services via Call Center at 1376 and www.1376delivery.com Which is the food ordering channel of the group of companies And food ordering channels of various Food Applicators such as Grab Food, Lineman, Food Panda และ Gojek, etc. (4) Selling Ready-to-Cook and Ready-to-Eat products at the Group's restaurant branches, department stores, retail shops and wholesale shops

(B) Competition

1. Overview of Industry and Competition

Overall, in 2020, the restaurant industry was adversely affected by the global economic slowdown and the COVID-19 pandemic, which also affected many industries. The restaurant business was greatly impacted by domestic lockdown measures to prevent the spread of the disease in the first half of 2020, and despite easing measures in the second half, the restaurant business as a whole was also indirectly affected by the slowdown in the purchasing power of people in the country. Due to the disrupted economic activities, especially the tourism sector, which caused a lack of income for both entrepreneurs and employees, the economic slowdown and the risk of layoffs have put pressure on the purchasing power of domestic consumers, and they are more careful with their spending. However, economic stimulus policies such as the "Half-Half" and "We Travel Together" policies have contributed to better recovery in the restaurant business during the end of the year.

Based on data from the Kasikorn Research Center, it is expected that the restaurant business industry in 2020 will shrink 6.0 percent or approximately 4.05 billion baht, and for 2021, it will expand only 1.4-2.6 percent from the base of the contraction in 2020 or with a total value of 4.10 - 4.15 billion baht due to a new outbreak in late December 2020, causing the environment and situation of the restaurant business in 2021 to be at the same high risk as in 2020, the COVID-19 pandemic still occurs both at home and abroad and full-service restaurants such as fine-dinning restaurants, buffet restaurants, as well as restaurants that target specific customers of foreign tourists or expatriates in Thailand will still be under pressure from both anxiety and purchasing power of consumers. This is expected to expand by only 0.7 percent, while limited-service restaurants and street food business will expand

better with an expansion of 2.4 and 2.0 percent, respectively, due to diversified income generation channels such as the delivery of the government spending stimulus policy in the first quarter of the year, as well as the expansion and change of medium to large operators' business model.

Due to the current circumstances, which resulted in a decrease in consumers dining out, they tend to dine out only for necessity or a party. Also, with the intense competition, consumers have more choices for eating, such as street food-delivery to eat at home, causing restaurant operators to modify their competitive strategies to attract customers and to increase sales channels through delivery to generate income in conjunction with on-premise sales.

The result of the changing consumer behaviors and online ordering trends reflected the value of the food delivery market, which continued to expand approximately 10% per year during 2013-2018. The main contributing factor is the growing widespread consumer access to technology and the use of smartphones, coupled with the fact that there are more food delivery service providers through delivery applications continuously entering the restaurant industry. At the same time, the competition to develop food delivery applications becomes more intense. At present, some platforms have more than 3 million active users, reflecting consumer behavior that prefers convenience. As a result, there are new players fiercely competing in the food delivery market, most of which compete with the number of restaurants on their platform to be diverse in order to get more consumers, including faster service and cheaper shipping rates to incentivize more people to use the services. As a result, ordering food delivery is more convenient, faster, and cheaper, making home delivery or takeaway restaurants tend to grow significantly, and the food delivery business tends to continuously expand.

2. Status and Competitiveness

The Group is adjusting itself to the economic uncertainty and the COVID-19 pandemic, which still cannot be predicted when it will resolve, with short-term and long-term plans in terms of cash flow management, cost reduction, and tight risk diversification. In addition, there are safety measures such as paying close attention to raw materials and the sources of raw materials, quality delivery, cleanliness of cooking, and staff both in the kitchen area and on-premise staff. The Group is in the process of adjusting the restaurant business portfolio by increasing the proportion of delivery to be close to the on-premise restaurant sales and to strengthen the franchises under the Khiang brand, which is not significantly affected by the pandemic, and also to create opportunities for those who want to invest in the restaurant business. There will also be more leverage from the storefront areas with ready-to-eat menus, retail products, finished products, which will greatly improve the restaurants' sales during this crisis.

For the restaurant business industry, there is still high competition as food is a basic need for living, causing new restaurant business operators to continuously entering the market. Major competitors to the Group's restaurant brands are chained full-service restaurant operators and a network of restaurants with a large number of branches serving in the modern trade, shopping centers, community malls, and communities.

Currently, there are approximately 12,000 full-service restaurants in Thailand and a market value of approximately 1.6 billion baht. The Group has approximately 3% of the number of restaurants and 3% of the market share.

Non-Financial Performance Indicator

Diversification: Revenue from non-restaurant dine-in businesses > 1/3 total revenue
(2019 Revenue from non-restaurant 10%)

2. Procurement of Products and Services

2.1 Procurement of raw materials

2.1.1 Product and raw material procurement and supply

For the procurement of raw materials, the Group's Central Purchasing Department and Research and Development Department jointly select suppliers, both food-related raw materials and non-food products, that meet the criteria and standards set by the Group. For all of the restaurant branches under the Group's brands, whether branches owned by the Group and franchise branches, raw materials must be ordered from the suppliers listed by the Central Purchasing and the Research and Development Department. However, the Group allows franchise branches to be a food-related supplier (some certain types of fresh food products such as fresh vegetables, chili, and garlic, for themselves without ordering through the Group's Central Purchasing Department because it is more cost-effective in terms of raw material cost management of franchise branches.

The Group has a strict supplier selection process by requiring suppliers to send raw material samples for the quality test. The Group arranges food experts from the Research and Development Department to test raw materials in a blind test manner in order to obtain raw materials of the same quality as specified by the Group before deciding to purchase raw materials from such suppliers. In addition, the Group has the policy to review the list of the suppliers at least once a year to ensure that the raw materials from them are of the quality and standards set by the Group.

For critical and/or high volume raw materials and/or raw materials with high price fluctuations and/or raw materials to be imported from abroad, the Group enters into raw material purchase

agreements with the suppliers. The raw material purchase agreements are made in various periods, both short term (3-6 months) and long term (over 6 months), depending on product type and market price trend in order to reduce fluctuations in product prices that will affect the Group's raw material costs and to ensure that the Group is able to supply sufficient quantities of quality standardized raw materials. Moreover, the Group has the policy to procure more than one supplier for each type of raw material as an alternative to the Group in case of an emergency.

2.1.2 Number of suppliers, raw materials, product procurement

In 2020, the Group procured 428 suppliers with food-related raw materials and non-food products, decreased from the purchases of 478 suppliers in 2019, or by 10.4%, and the Group had no purchases from any supplier more than 30% of the total purchase.

2.1.3 Proportion of local and overseas purchases of raw materials

In 2020, the Group procured both local and overseas raw materials. The local purchases accounted for 99%, and the overseas purchases accounted for 1% of the total purchase value.

2.2 Location of restaurant branches

The Group provides a location for restaurant branch expansion. The Business Development Department prepares a business feasibility assessment report for investment decisions, which covers from an area survey, demographic data, income levels, number of nearby competitors, consumer behaviors, logistics system, sizes and market positioning of shopping centers, as well as reputation and popularity of locations. If a location meets the criteria set by the Group and is expected to generate an appropriate return on investment, including a payback period according to the Group policy, the Business Development Department will coordinate with the target location and negotiate to enter into a short-term lease agreement (approximately 3 years) with preliminary rental, service and utility rates, either fixed or variable rates based on sales, as the case may be.

2.3 Contractor procurement

The Group provides efficient contractors for branch construction ("Contractor") to be able to complete the project on time. This will enable the Group to expand their branches more efficiently and quickly at the right cost and expense according to the plan set in each quarter

On average, the Group provides designers with the expertise of each brand to conduct interior design, kitchen design, and M&E systems based on CI, block plan, and layout of each brand. They are required to create a design within 1 - 2 months before the bidding of the contractors, which takes about 1 month. The Company will select 3 - 4 contractors in each work segment according to the construction plan, which has passed the qualification criteria to

participated in the auction of the Group through the bidding process. The bidding contractors shall provide the lowest construction quotation, including the quality of past projects, and the Group's Project Management Department will present to the Procurement Committee to consider the suitability, both in terms of working schedule, the appropriate work team, and the appropriate budget, then the Group will select qualified contractors with expertise and enter into an agreement with the contractors as for the branch construction period, about 1 - 2 months/branch, depending on whether it is a Thai restaurant or Japanese restaurant. The cost for hiring a decoration contractor account for approximately 40.0% to 45.0% of the cost of new store opening; the cost of M&E systems accounts for approximately 20.0%; the cost of kitchen utensils and refrigerators accounts for approximately 12.0%; the cost of system work in addition to the standard accounts for approximately 12.0% to 15.0%; and the cost of preparation for the SET UP equipment accounts for approximately 6% to 9%.

2.4 Quality Inspection and Control

As the Group attaches great importance to product quality, food quality, and service quality in the Group's restaurant branches, it establishes a continuous restaurant-quality management system, with details as follows:

(1) Selection of quality raw materials

The Group has a Research and Development Department with experienced personnel acting to select raw materials from new distributors to cook for testing and quality improvement all the time to ensure that the raw materials still meet the criteria and standards set by the Group

(2) Storage process and delivery of raw materials to branches

The Group has standardized warehouse management to control the quality of raw materials. All food products are outsourced by reputable outsourcing providers of warehouse management and logistics to operate and delivers raw materials to the restaurant branches on a daily basis by a transport vehicle that is suitable for each type of raw material, such as a refrigerator, to deliver only the food that needs temperature control to keep the freshness of the food until it reaches the branches.

(3) Food quality control

The Group has a food quality control team and services at its restaurant branches under the supervision of the Brand Management Department, which is divided into 2 teams as follows:

1. The Food Quality Assurance or "FQA Team" consists of food experts and chefs who are responsible for monitoring the management of

the kitchen at the restaurant branches, such as storing ingredients in a refrigerator, cleanliness, and conditions of accessories and containers, cooking time, process of preparing raw materials, mixing, cooking, the appearance of food, food quantity, and ingredients, as well as tastes.

The FQA team randomly inspect, on a weekly basis, the food quality and cooking process and how the food is stored according to the established standards.

2. The Area Manager or “AM Team” performs general management inspections in the restaurants, such as verifying the cash receipt and deposit system, the transaction recording system, cleanliness, brightness, temperature, dry and chemical storage, and appearance and quantity of beverages and desserts.

The AM Team randomly inspects, on a weekly basis, service processes and branch administration and provides on the job training,

(4) Service quality control and suggestion and complaint management

The Group provides several channels to receive suggestions and complaints from customers, such as through restaurant notifications, the Company’s website, or questionnaires given directly to customers. The AM Team inspects and follows up suggestions and complaints through such channels on a daily basis, and if a problem occurs, the AM Team will immediately inspect and coordinate with the relevant departments and the restaurant branches to find solutions.

Related laws and regulations

In the restaurant operation, the Group established the rules and regulations concerning the operations of the Group’s restaurants where all branches of the Group’s restaurants are required to comply with related laws and regulations, which can be divided into main parts as follows:

1. Place of business

Place of business: the Group enters into a retail space lease agreement with building owners, such as an area in a shopping center or retail store with a lease term of approximately 3 years or more than 3 years. The Group makes a written lease agreement and registration of the lease with a competent official as required by law (in the event that the lease agreement stipulates the lease term of more than 3 years)

2. Operating license

In operating a restaurant business, an operator shall apply for licenses with a public

agency, with details as follows:

- VAT registration document and additional branch registration with the Revenue Department and the Department of Business Development;
 - License to establish a place for selling and collecting food to a local health office
 - License to sell liquor with the Excise Department (if any); and
 - Submission of billboard tax payment and annual land and house tax payment to a local income division
3. Personnel management
- The Group has a labor agreement with its employees in accordance with the Labor Act, as well as establishing the Company's Regulations according to the law, along with providing its employees with benefits and welfare as required by law.
 - The Group applies for permission to hire foreign workers required by the Foreign Workers Act and the Ministry of Interior's Notification.
 - The Group requires employees who are responsible for cooking in the kitchen to be trained and obtain a "food handler card", which refers to a person involved in food, from the process of preparing, assembling, cooking, selling, and serving food, to cleaning and storing equipment containers, in accordance with the Public Health Act
4. Other laws related to business operation
- Marketing-related operations and advertising promotions shall comply with laws such as the Consumer Protection Act, Alcohol Control Act, and Gambling Act. The Group shall perform inspection or apply for permission to be legal before proceeding.
 - Intellectual property-related operations include Copyright Act, such as music copyright agreement and trademark/service mark registration associated with the Group's brands.

4. Assets for business operation

4.1 Fixed assets for business operation

As of December 31, 2020, fixed assets used in the Group business operations have net book value after deducting accumulated depreciation and provision for impairment as shown in the Company's consolidated financial statements, which are equal to 720.2 million baht. The details are as follows:

Items	Net book value (Million baht)	Right of ownership	Obligation
Land and land improvements	326.3	ownership	Mortgaged with bank
Leasehold improvements	285.2	ownership	None
Tools, utensils and operating equipment	51.9	ownership	None
Furnishings, fixtures and office supplies	38.7	ownership	None
Vehicles	0.3	ownership	None
Work during construction process and assets during installations	17.8	ownership	None
Total	720.2		

The Group's fixed assets list as shown above can be detailed by asset type and classified by a company as follows:

4.1.1 Land and land improvement

As of December 31, 2020, the net book value of land and land improvement according to the Company's and its subsidiaries' consolidated financial statements is as follows:

Company	Location	Area size (rai)	Net book value (million baht)	Purpose of use	Right of ownership	Obligation
ZCG	Bang Chalong Subdistrict, Bang Phli District, Samut Prakan Province	19-3-7	326.3	The Company plans to develop such land to be the Group's central kitchen and distribution center in the future.	ownership	Mortgaged with bank in the amount not exceeding 1,105 million baht. (the Group has a loan facility with a mortgagee bank of 200 million baht)

Total	326.3			
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4.1.2 Leasehold improvements

As of December 31, 2020, the net book value of leasehold adjustments according to the Company's and its subsidiaries' consolidated financial statements is as follows:

Company	Net book value (million baht)	Purpose of use	Right of ownership	Obligation
ZCG	32.1	Office building decoration and renovation work And demolition work	ownership	None
ZRH	37.0	Shop decoration work, electrical system work, kitchen work and demolition work	ownership	None
AKA	96.6	Shop decoration work, electrical system work, kitchen work and demolition work	ownership	None
GGG	19.9	Shop decoration work, electrical system work, kitchen work and demolition work	ownership	None
OTT	49.7	Shop decoration work, electrical system work, kitchen work and demolition work	ownership	None
ZPC	49.8	Shop decoration work, electrical system work, kitchen work and demolition work	ownership	None
ZSM	0.1	Office building decoration and renovation work	ownership	None
Total	285.2			

4.1.3 Other fixed assets

As at 31 December 2020, the net book value of other fixed assets comprises tools, appliances and operating equipment, decoration installations and office supplies, vehicles, and work during construction process and assets during installations according to the Company's and its subsidiaries' consolidated financial statements is as follows:

No.	Description / purpose of use	Net book value (Million baht)	Right of ownership	Obligation
1	Tools, utensils and operational equipment such as kitchen tools and equipment For cooking at the branch, etc.	51.9	ownership	None

No.	Description / purpose of use	Net book value (Million baht)	Right of ownership	Obligation
2	Furnishings, fixtures and office equipment	38.7	ownership	None
3	Vehicles	0.3	ownership	None
4	Work in progress and assets in progress such as office buildings And restaurant branches, etc.	17.8	ownership	None
Total		108.7		

4.2 Right-of-Use Assets

As of December 31, 2020, the net book value of leasehold rights in the Company's and its subsidiaries consolidated financial statements is as follows:

Company	Net book value (Million baht)	Purpose of use	Right of ownership
ZCG	161.9	Rent to operate a restaurant	Ownership of leasehold rights
ZRH	299.0	Rent to operate a restaurant	Ownership of leasehold rights
AKA	195.1	Rent to operate a restaurant	Ownership of leasehold rights
GGG	69.3	Rent to operate a restaurant	Ownership of leasehold rights
OTT	160.6	Rent to operate a restaurant	Ownership of leasehold rights
ZPC	71.0	Rent to operate a restaurant	Ownership of leasehold rights
Total	956.9		

4.3 Intangible assets

As of December 31, 2020, the net book value of intangible assets according to the Company's and its subsidiaries' consolidated financial statements is as follows:

Items	Detail	Net book value (Million baht)
Trademark	Buying a trademark from an acquisition	69.4
Franchise contract	Franchise agreement for Thai restaurant Tummour brands according to the acquisition of the business	2.8
Software license fee	Business software	10.9
Patent fee	Patent	2.6
Total		85.7

Investments in subsidiaries and associates

The company operates its business by holding shares in other companies. The Company invests in a subsidiary that operates a restaurant business and other related businesses which according to the separate financial statements of the company as of December 31, 2020, the Company has investments in 7 subsidiaries, with details as follows:

Subsidiaries	Nature of Business Operations	Shareholding (%)	Investment value at cost as December 31, 2020 (Million baht)
ZRH	Japanese restaurant business under brand "Zen" and "ZEN BOX" and related businesses	100.0	75.0 ⁽¹⁾
AKA	Japanese style grill restaurant under brand "AKA" Neo-Taiwanese restaurant business under brand "Din's" and related businesses	100.0	80.0
GGG	Premium Japanese restaurant under brand "Sushi Cyu" and Premium Japanese style grill restaurant "Tetsu" and related businesses	100.0	30.0

Subsidiaries	Nature of Business Operations	Shareholding (%)	Investment value at cost as December 31, 2020 (Million baht)
OTT	Lifestyle restaurant business with “Tokyo Café” concept under brand “On the Table”, Franchise business and related businesses	100.0	25.0
SYN	Owners of trademark for Thai restaurant brands “Tummour”, “Laos Yuan”, “Jaew Hon”, “Pho” and “de Tummour”	100.0	251.3
ZPC	Thai restaurant business under brand “Tummour”, “Kiang”, “Laos Yuan”, “Jaew Hon”, “Pho” and “de Tummour”, franchise business and related businesses	100.0	20.0
ZSM	Raw material procurement, purchase and delivery business for the Group restaurant outlets including sales and distribution of raw material for franchisee and retail food products	100.0	17.5
Total investment value			498.84

Note: ⁽¹⁾ In 2020, at the board of directors meeting of ZRH has a resolution to approve the reduction of the registered capital in the amount of 225,000,000 Baht remaining registered capital of 75,000,000 baht and called an extraordinary general meeting of shareholders to approve the said matter

5. Work not yet delivered

- None -

1.3 Shareholding Structure of the Company Group

1.3.1 Shareholding Structure of the Company Group

The company operates its business by holding shares in other companies. The Company invests in a subsidiary that operates a restaurant business and other related businesses which according to the separate financial statements of the company as of December 31, 2020, the Company has investments in 7 subsidiaries and 1 associated with details as follows:

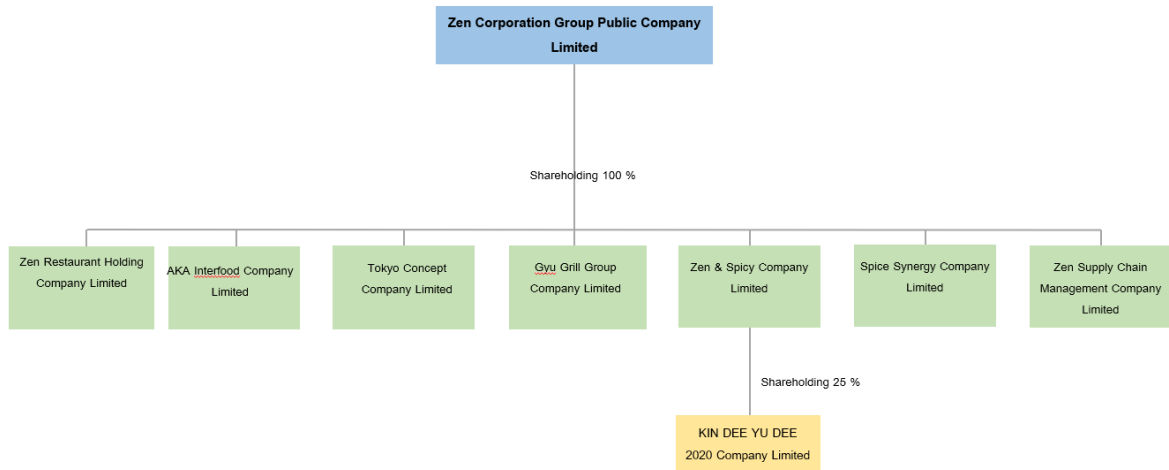
Subsidiaries / Associated	Ticker	Head Office	Nature of Business Operations	Shareholding (%)	Investment value at cost as December 31, 2020 (Million baht)
Zen Restaurant Holding Company Limited	ZRH	662 Soi Onnut 17 Suanluang, Suanluang, Bangkok 10250	Japanese restaurant business under brand “Zen” and “ZEN BOX” and related businesses	100.0	75.0
AKA Interfood Company Limited	AKA	662 Soi Onnut 17 Suanluang, Suanluang, Bangkok 10250	Japanese style grill restaurant under brand “AKA”Neo-Taiwanese restaurant business under brand “Din’s” and related businesses	100.0	80.0
Gyu Grill Group Company Limited	GGG	662 Soi Onnut 17 Suanluang, Suanluang, Bangkok 10250	Premium Japanese restaurant under brand “Sushi Cyu” and Premium Japanese style grill restaurant “Tetsu” and related businesses	100.0	30.0
Tokyo Concept Company Limited	OTT	662 Soi Onnut 17 Suanluang, Suanluang, Bangkok 10250	Lifestyle restaurant business with “Tokyo Café” concept under brand “On the Table”, Franchise business and related businesses	100.0	25.0

Subsidiaries / Associated	Ticker	Head Office	Nature of Business Operations	Shareholding (%)	Investment value at cost as December 31, 2020 (Million baht)
Spice Synergy Company Limited	SYN	662 Soi Onnut 17 Suanluang, Suanluang, Bangkok 10250	Thai restaurant business under brand “Tummour”, “Laos Yuan”, “Jaew Hon”, “Pho”, and “de Tummour”, franchise business and related businesses	100.0	20.0
Zen & Spicy Company Limited	ZPC	662 Soi Onnut 17 Suanluang, Suanluang, Bangkok 10250	Owners of trademark for Thai restaurant brands “Tummour”, “Laos Yuan”, “Jaew Hon”, “Pho” and “de Tummour”	100.0	251.3
Zen Supply Chain Management Company Limited	ZSM	662 Soi Onnut 17 Suanluang, Suanluang, Bangkok 10250	Raw material procurement, purchase and delivery business for the Group restaurant outlets including sales and distribution of raw material for franchisee and retail food products	100.0	17.5
KIN DEE YU DEE 2020 Company Limited ⁽¹⁾	-	87/1 Karnjanavanit Road, Ban Phru Subdistrict, Hat Yai District, Songkhla Province	Restaurant business By purchasing a franchise brand “Chiang”	25.0	4.1
Total investment value				502.9	

Note ⁽¹⁾ Associated

- Business division policy of companies in the group

The shareholding structure diagram of the group of companies



- Shareholding proportion Not different from the proportion of voting rights
- The size of the main business companies And the size of other companies compared with the size of the company Meet the criteria
- Name, address, office of the juristic person, type of business, telephone, fax, number and type of all outstanding shares of the juristic person that the company Holding shares of 10% or more It is in the topic of shareholding structure of the company

1.3.2. Persons who may have conflicts hold shares in subsidiaries or associated companies altogether more than 10 percent of the voting shares of the Company shall specify the reason(s)

- None –

1.3.3. Relationship with the major shareholder's business group

1. No structure or status of the Company/Group in the case of being part of the major shareholder's business group
2. No need for interdependence or mutual support and no strategic positioning of the Company/Group to the major shareholder's business group
3. No business structure of the Company/Group having significant competition

1.3.4 Shareholder

1. Major shareholders

(A) List of the top 10 shareholders listed in the shareholder registration book as of December 30, 2020 are as

List of Shareholders	No. of Shares (shares)	Percentage of Paid up Capital (Percent)
1. Mr. Sakkanon and Ms.Jomkwan Group	200,750,400	66.92
1.1 AGB Siblings Holdings Company Limited ⁽¹⁾	75,000,000	25.00
1.2 Ms. Jomkwan Chirathivat	21,535,200	7.18
1.3 Mr. Sakkanon Chirathivat	21,535,200	7.18
1.4 Morgan Stanley & Co. International PLC ⁽²⁾	82,680,000	27.56
2. Mrs. Kesara Manasilp	8,315,600	2.77
3. Mr. Siruwat Chatchawan	6,750,000	2.25
4. Central Pattana Public Company Limited	5,625,000	1.88
5. Mrs. Supajed Vivaddhanakasem	4,319,990	1.44
6. Mr. Prin Chirathivat	4,045,700	1.34
7. Bualuang Basic Dividend LTF	3,913,700	1.30
8. Ms. Suchanpa Balankura	3,780,000	1.26
9. Mr. Steven David Halliday	3,780,000	1.26
10. Mr. Kornpong Akara Puttsakul	3,393,500	1.13

Note :

⁽¹⁾ AGB Siblings Holdings Company Limited, a company incorporated in Thailand, is held by AGB Family Holding Company Limited 100.0%. AGB Family Holding Company Limited, a company incorporated in Thailand, is held by Ms. Jomkwan Chirathivat and Mr. Sakkanon Chirathivat, in the portion of 50.0% and 50.0%, respectively

⁽²⁾ Morgan Stanley & Co. International PLC is the total number of shares of 1) Dragon Sign Global Limited a company incorporated in British Virgin Islands, is held by Mr. Sakkanon Chirathivat 100.0% 2) Great Classic Limited, a company incorporated in British Virgin Islands, is held Ms. Jomkwan Chirathivat 100.0% and 3) AGB Holding Limited, a company incorporated in British Virgin Islands, is held by Ms. Jomkwan Chirathivat and Mr. Sakkanon Chirathivat, in the portion of 50.0% and 50.0%,

Foreign Shareholders

As at December 30, 2019 appears as follows:

The Company has 4 foreign shareholders with a total of 82,683,000 shares or equal to 27.56% of paid-up capital

Restriction in the company's share transfer

The company shares could transfer without any restriction except the transfer was resulted in foreign shareholders holding ratio more than 49% of total paid up shares of the company

(B) The major shareholders who, by their behavior, have significant influence over the formulation of policies, management, or operations of the Company

- None –

2. List of shareholders of Subsidiary operating main business

Shareholder Structure of the company's subsidiaries as of December 30, 2020 had details as follow

Name of Subsidiaries	Shareholder List							
	The company or ZCG		Mr. Sakkanon Chirathivat		Ms. Jomkwan Chirathivat		Mr. Steven David Halliday	
	No.of Shares (shares)	Holding ratio (%)	No.of Shares (shares)	Holding Ratio (%)	No.of Shares (shares)	Holding ratio (%)	No.of Shares (shares)	Holding rati (%)
ZRH	749,998	100.0	1	0.0	1	0.0	-	-
AKA	799,998	100.0	1	0.0	1	0.0	-	-
GGG	299,998	100.0	1	0.0	1	0.0	-	-
OTT	249,998	100.0	1	0.0	1	0.0	-	-
SYN	499,997	100.0	1	0.0	1	0.0	1	0.0
ZPC	1,999,997	100.0	1	0.0	1	0.0	1	0.0
ZSM	699,997	100.0	1	0.0	1	0.0	1	0.0

3. Shareholders' agreements in matters affecting the Company's issuance and offering

- None –

1.4 Paid up capital of the Company

1.4.1 Paid up capital of the Company

As of December 31, 2020, the Company had registered capital in the amount of 300,000,000 Baht consisting of common stock 300,000,000 shares at the par value of 1.0 Baht per share and had paid up capital in the amount of 300,000,000 Baht consisting of common stock 300,000,000 shares at the par value of 1.0 Baht per share

Listed stock exchange

The Stock Exchange of Thailand

93 Ratchadaphisek Road, Din Daeng, Din Daeng, Bangkok 10400

1.5 Other issued security

- None –

1.6 Dividend Policy

1. Dividend payment policy of the Company

The board of directors of the Company may consider payment of an annual dividend of the Company and which must be approved by the shareholders' meeting except for an interim dividend payment which the board of directors of the Company has authority to approve from time to time when deemed that the Company has appropriate net profits. The interim dividend will then be reported at the next shareholder meeting after payment of the interim dividend.

The Company has a policy to pay dividend to shareholders in the amount of not less than 50% of the net profit after deduction of corporate income tax, allocation of legal reserve and general reserve based on the Company's separate financial statement. In this regard, the board of directors of the Company may consider to pay a dividend different from the policy, considering factors for the benefit of shareholders such as the economic situation, business performance, financial status, financial liquidity, conditions of loan agreements etc., and the board of directors will consider a dividend that will not significantly affect the normal business operations of the Company.

Regarding the Company's business which receives revenues from its holdings in other companies without itself operating the core business and its main assets are investments in subsidiaries therefore the ability to pay dividend mainly depends on the performance and dividend payment of its subsidiaries.

2. Dividend payment policy of subsidiaries

Annual dividend payment and interim dividend (if any) of the subsidiaries must be approved by the Board of Directors unless the subsidiaries pay dividends for the whole year at not less than that specified in the annual budget of each subsidiary as approved by the Board of Directors

Dividend payment policy of the Company's subsidiaries is under the approval of the Board of Directors of the subsidiary and proposed to the shareholders' meeting of each subsidiary for approval each year. The subsidiary has a policy to pay a dividend of not less than 50% of net profit according to its separate financial statements of the subsidiary after corporate income tax and after deducting various reserves of all types as specified by law and subsidiaries each year, and the obligations under the terms of the loan agreement (if any). In this regard, the Board of Directors of the subsidiary considers paying dividends by considering various factors such as economic conditions, operating results and financial status of the subsidiary, cash flow, reserves for future investments, reserves for repayment of loans or as working capital within the subsidiary. The conditions and restrictions as specified in the loan agreement and the payment of dividends will not significantly affect the normal operations of the subsidiaries as the Board of Directors of the subsidiary deems appropriate.

2. Risk Management

2.1 Risk management policy and plan

The Group is aware of the existing risks that may affect its business operations and performance. Risks may arise from internal or external factors. Therefore, the Board of Directors has established a risk management policy, a risk management committee charter, which is disclosed on the Company's website, as well as appointing the Risk Management Committee to supervise and oversee the risk management, risk management planning, which include a risk assessment, both qualitatively and quantitatively. The risk factors that will be discussed below, if they occur, will adversely affect the Company's business operations, operating results, and financial position.

2.2 Risk factors to the Company's business operation

In 2020, all countries around the world had faced the virus COVID-19 pandemic, and most countries took measures to stop and prevent the pandemic such as domestic lockdown and other measures which affect people's normal life as they had to adapt and go through "New Normal". All the countries also faced economic disruption, lower-income, and purchasing power which affect the economy as a whole, including the restaurant business. This resulted in the development of e-commerce marketing transactions to meet the needs of more consumers, such as online shopping, food delivery applications, all of which have been continuously expanded. These businesses have developed and place importance on quality and hygiene to build the confidence of consumers. In terms of risk management, the Group is always aware of the risk factors that may affect its business operations, performance, and impact on the stakeholders. The risk may arise from internal or external factors. The risk assessment was, therefore, conducted in terms of quality and quantity as follows.

1. Risk of being a holding company

The Company operates as a holding company, mainly earning from holding shares in other companies, and does not operate its own business with significant revenue. The Company's performance, therefore, depends on performance and the ability of its subsidiaries to pay dividends. For the fiscal year ended December 31, 2020, the Company holds shares in 7 subsidiaries, namely ZRH, AKA, GGG, OTT, SYN, ZPC, and ZSM. In cases where any of the subsidiaries are unable to pay

dividends or pay lower dividends, it may affect revenue, performance, and dividend payment of the Company.

The Company and its subsidiaries established a policy to pay dividends of not less than 50.0% of net profit after income tax of the separate financial statements of the Company and its subsidiaries minus legal reserve allocation and obligations under the terms of the Loan Agreement (if any). However, in 2020, the COVID 19 pandemic had a significant impact on the Group's performance, and as the situation of the COVID 19 pandemic resolves, it may take some time to recover its operating results until it can pay dividends.

2. Business risks

2.1 Risk of COVID-19 pandemic

The COVID-19 that began outbreaks in Thailand in early January 2020 led to a number of measures, including curfews, restrictions on traveling across provinces, closures or restrictions on certain types of establishments, department stores, shopping centers, and restaurants, no restaurant dining, social distancing, and other measures, which affected people's lifestyle behaviors, resulting in "New Normal", a new way of life that is different from the past. New Normal behaviors and the measures had a significant impact on the restaurant business as they had to use digital technology in various forms to create convenience, access, and meeting consumer needs. Under such circumstances, the Group has implemented the Business Continuity Plan (BCP) and the "Emergency Operations Center" team with the Chief Executive Officer as a chairman. Progress status shall be reported to the Board of Directors. Online meetings are held via the Microsoft Team system, optimizing the management to be able to reach consumers more easily and comfortably in all dimensions through the technologies and services such as managing services, takeaway, improving and expanding food delivery, as well as improving and developing products and services, taking into account safety and hygiene of consumers, building consumer confidence in food's quality, taste, cleanliness, and hygiene.

2.2 Risk of raw material shortage and raw material price fluctuation

In the restaurant business, most of the raw materials are raw food such as seafood, meat, rice, eggs, vegetables, and fruits. Such raw materials have a short lifespan, and their prices fluctuate according to the season, weather changes, outbreaks of infectious diseases in plants and animals, quantity of outputs to the market at a particular time, and demand of both domestic and international

markets. Therefore, each period is subject to uncertainty, and a shortage may occur at certain times. Such factors, therefore, directly and indirectly, affect raw material prices and may adversely affect the Company's operating results and financial position. For the fiscal year ended December 31, 2020, raw material costs accounted for 68.3% of the total cost of sales.

To reduce such risk, the Group places importance on effective cost control and management in order to reduce effects of shortages and fluctuations in raw material prices with the measures to be taken to reduce the risk that may arise as follows:

1. To plan for purchasing and estimating demand for raw materials, and an efficient purchasing system is in place to ensure that the Group is able to purchase at the best prices and conditions by determining appropriate purchasing methods depending on each type of object.

2. To build a good relationship with distributors and closely monitors factors and events that directly and indirectly affect the raw material quantity and prices, as well as conducting a risk assessment of shortage or fluctuation of raw material prices in order to prepare, prevent and promptly resolve any possible risk situations.

3. In case of the raw material price increases, the Group will not immediately raise food prices. But will consider raising food prices. It will consider comparing with market prices or competitors' prices so as not to affect the Group's sales or customer base.

4. For certain raw materials, the Group entered into both short-term and long-term futures contracts with reliable manufacturers or distributors.

5. The Group has a policy of organizing a list of multiple distributors in order to reduce the risk of purchasing raw materials from a sole supplier, as well as considering changing menus to suit market conditions in each season.

However, during the COVID-19 pandemic, it is important to estimate the demand for raw materials, as well as to negotiate with manufacturers to reduce contractual purchase volumes and relax conditions to be consistent with actual sales and purchase orders. In the past, the Group has never encountered a shortage of raw materials or has been affected by an increase in raw material prices which results in a significant impact on its operating results and financial status.

2.3 Risk of the Group's business concentration

Currently, most of the Group's revenues come from the restaurant business, which includes both Japanese and Thai restaurants. The Group is aware of the necessity of operating the business and endeavored to open more restaurants throughout the country, both owned by the Group and in the form of franchises. However, operating a restaurant business is still subject to the risk if there being an incident that directly affects the restaurant business, such as the case of COVID 19, which significantly affected the Group's operating results. Therefore, to increase business potential and to diversify business risks, the Group tried to find more channels to expand its business in other types such as retail business through modern trade and distributors.

2.4 Risk of inability to acquire leased space to expand new branches and/or unable to renew a lease agreement of existing branch(es) and/or operation of the restaurant business is on a leased space pending a lease agreement to be signed by a lessor.

The restaurant business is quite competitive as there are a large number of restaurant operators. A restaurant branch location is a factor of success. It is more difficult to find potential leased space to open a new branch, and there is also a risk of not being able to acquire leased space to open a new branch as planned. In addition, as most of the Group's current lease agreements are short-term, approximately three years, the Group may take the risk of being unable to renew a lease agreement and/or unable to negotiate for terms and conditions and reasonable prices, as well as preparing a lease agreement and/or a lease agreement renewal with rental operators is a time-consuming internal procedure. In some cases, the Group operates the restaurant business while pending a lease agreement to be signed by the rental operators. As a result, the Company may be exposed to risks in a lease and/or use of leased space, which may significantly adversely affect its operating results and financial position.

However, the Group is a business partner with lessors of leased spaces, such as shopping centers/department stores, community malls, and retail malls both in Bangkok and other provinces. The Group also has a long relationship with lessors and on-time lease payments, as well as strictly abide by a lease agreement all along. In addition, the Group is a leading chain restaurant operator in Thailand with strong brand recognition and brand variety with quality products and good services

which meet consumer needs. It also has a business development team to contact and follow up information and news about lease spaces, analyze opportunities, possibilities, potentiality in order to support branch expansion according to the future branch expansion plan.

The Group has developed a smaller restaurant model in order to open restaurant branches in a wider variety of areas, such as gas stations, commercial buildings, or in other potential areas, which allows more opportunities for branch expansion. The Group is able to find lease spaces to open restaurants and has renewed lease agreements for a long time and never encountered any problems using the leased spaces, including leased space agreements pending to be signed or renewed by a lessor.

Nevertheless, during the COVID-19 pandemic, the demand for leased space to open new branches decreased while renewal of lease agreements under the conditions that meet the volume of business remains significant.

2.5 Risk of unsuccessful of new branches

The Group aims to continually expand branches and improve the same branches with a plan to open more branches each year in line with the market, industry, competition, consumer demand, and purchasing power. For the fiscal years ended December 31, 2018, 2019, 2020, the Group has expanded, 13 branches, 71 branches, and 11 branches, which are owned by itself, respectively. In 2020, the number of new branches drastically decreased from 2019. The target for branch expansion was adjusted along with the spread of COVID 2019. It is necessary to be more careful when opening new branches. The average amount of new investment of the Group Japanese restaurants is 3.0-12.5 million baht per branch and, for Thai restaurants, an average amount is 2.0 - 5.0 million baht per branch, in order to invest in design, construction, system work, decoration, furniture, kitchen equipment, and office supplies.

In addition to increasingly intense competition in the food business, in the previous year, the COVID-19 pandemic had a direct impact on the revenue and operating results of both old and new branches as a result of the measures and changing consumer behaviors. However, to open and expand new branches, the Group carefully conducted a feasibility study in all aspects, including branch model, target market, project model of lessors, market conditions, competition, competitors,

consumer needs, investment in development, payback period, and return on investment, as well as to closely monitor the results and solve the problems of operations of all branches, both old branches, and new branches.

2.6 Risk of franchise business expansion

The Group started to expand branches with the franchise system in 2016 in order to expand franchise branches both domestically and internationally. For the fiscal years ended December 31, 2018, 2019, 2020, the Group has had 145 branches under the Group's brands, 171 branches, and 204 branches, respectively.

For the years ended December 31, 2018, 2019, 2020, the Group had revenues from franchising, representing 2.4 percent, 2.4 percent, 3.0 percent of the Group's total revenue, or equal to 5.1%, 5.0%, and 6.6% of the Group's gross profit, respectively.

Over the past year, the Group expanded its franchises to 58 branches, but due to the COVID-19 pandemic, the total number of the franchise branches that were affected in the franchise expansion to meet the goal and had to liquidate their business is 25. Nevertheless, with the Khiang brand, which is a business design that can meet the needs of consumers, including delivery orders, takeaway, prices, and quality, it was able to expand its franchise to 44 branches even in the face of the COVID 19 pandemic.

2.7 Risk of franchisees noncompliance with the franchise agreement

Entering into the franchise system to expand branches both at home and abroad, the Group is exposed to the franchisees noncompliance with the franchise agreement and the risk of being imitated, as well as rumors about restaurants under the Group, which may have a negative impact on the Group's business, financial position, operating results, and business opportunities.

However, the Group has a department responsible for operations of the franchisees to conduct performance appraisal and quality check according to the specified requirements. In addition, the Group has legal and relevant departments responsible for inspecting franchise branches to ensure that all franchisees comply with the terms and conditions of the agreement. The Group will also support the full range of franchisees, from preparation for opening a branch, ongoing training of

courses for the franchisees, including marketing to support and prepare franchisees. In the past, the Group has never had significant franchise management problems where the agreement has to be terminated.

2.8 Risk of outsourcing

The Group manages and controls costs of operating the business by outsourcing to provide essential services such as warehousing and logistics services, production of ingredients for cooking according to the Company's recipes. In this regard, if a service provider fails to comply with the terms or conditions in a service agreement, it may significantly cause a negative impact on the Group's business, operating results, and financial position. The Group hires potential outsourcing companies with experience and expertise to provide warehouse management and logistics services, including storage and delivery of food ingredients to all branches of the Group's restaurants and franchise branches. Some raw materials and products are provided and delivered by manufacturers directly to the Group's business partners instead of delivering to the Company or outsource hired by the Group, such as delivering products to modern trade outlets. The Group also contracted more outsourcing companies to produce ingredients and seasonings according to recipes for use in the Group's restaurant branches and franchise branches.

The Group carefully considered the qualifications and experience of specialized service providers before entering into a service contract by selecting service providers who are reputable, experienced, and have a strong financial position in order to ensure that they are able to provide the services required by the Group. For production, the Group checks the quality of ingredients to meet the standards specified by the Group by stipulating important requirements in the contract and supervising service providers to comply with the contract. A list of business partners that are ready to replace each other, including the performance appraisal schedule, has also been prepared.

The Group performs its operations to inspect the service providers, such as inspecting their warehouses at least once a year, participating in the inventory counting according to the specified conditions, auditing delivery reports and inventory from warehouse operators at the end of the day, as well as regular meetings to summarize the results and solve problems that arise. In the past, no

errors or mistakes of the outsourcing companies were found in providing services that significantly affect the Group's operating results.

2.9 Risks related to the protection of service marks and trademarks

The Group has the policy to register and maintain service marks and trademarks of its restaurant brands and products. The Group registered to receive protection in service marks and trademarks in accordance with the laws governing service marks and trademarks both at home and abroad.

The procedure for applying for registration and renewing a service mark and trademark registration takes quite a long time, and the registration is under the approval of relevant authorities. Therefore, the Group is not able to guarantee that the registration will be approved or an application for renewal of service marks and trademarks registered by the Group will be implemented in the future, and an application for registration or renewal of registration, service marks, and registered trademarks may be disapproved and invalid or fall under certain restrictions, which may result in other operators being able to use the Group's service marks and trademarks for their business. Such risk may adversely affect the Group's reputation, loss of business opportunity, and may have a significantly negative impact on the Group's business, operating results, and financial status.

The Group has well-known restaurant brands recognized by consumers with a wide variety of food and particular recipes, as well as consistent standard of service in all branches. The Group believes that an opportunity for other operators to imitate the restaurant business to meet the same quality and standard as the Group is low. However, until December 31, 2020, the Group did not find any problems related to the use of its service marks and trademarks.

2.10 Risk of high competition

In the past, Thai people did not usually cook themselves for their family but to dine out or order food to eat at home. As a result, the restaurant business is highly competitive, and the competition is becoming more intense. There are new operators entering the industry with new products and menus, as well as modern restaurant designs. These restaurants are direct competitors to the Group.

However, with the COVID-19 pandemic in 2020 and public measures, consumers reduced or stopped dining out and turned to cooking or buying ready-to-eat meals through delivery and take-away outlets. The revenue from sales across the industry will be significantly reduced, causing the competition to be even more intense, and during the easing of measures or the situation going normal, consumers are still cautious about safety and hygiene, resulting in sales revenue still not recovering. This is a problem and affects revenue and operating results. Therefore, the Group adjusted its marketing strategies and guidelines to be in line with the situations arising at each period in order to reduce the risks.

2.11 Risk of failure to manage raw materials and control food quality to meet the specified standards

The Group pays attention to the quality, freshness, taste, cleanliness of raw materials and all food items to ensure that customers will be confident in the health and safety of the service. Most of the raw materials of the Group include raw food and frozen food delivered by reliable outsourcing warehouse management and logistics providers or from suppliers directly to each branch. The Group determined the management and control of the quality and standard of raw materials and food in every procedure, from ordering raw materials, R&D, quality check, food preparation and cooking, storage, and distribution to individual branches. The Purchasing Department and the Research and Development Department jointly select suppliers of raw materials, which is mainly based on the quality and taste of raw materials. In this regard, before every delivery of products from a supplier, the Group will check the product quality, freshness, and cleanliness that meet the specified standards. Outsourcing service providers have a management process for all temperature for products, both frozen products and chilled products.

In addition, the Group has a food quality assurance unit or "FQA Team," which randomly inspects the operating procedures of the branches, including the quality of raw materials, products, and prepared food on a regular basis. Therefore, the Group ensures that the raw material management process and food quality control from all relevant departments will be able to mitigate such risk in order for all of the Group's restaurants to be able to provide customers with quality products, hygienic, safe, and compliant with the required standards and if any defects in food quality

or hygiene or flaws are found, improvement and correction will be undertaken immediately. As of December 31, 2020, the Group does not have any significant legal dispute regarding food quality.

2.12 Risk of noncompliance with license required for conducting the business of the Group and/or outsourcing service providers hired by the Group

The Group's business requires valid licenses and shall strictly adhere to the terms and conditions set out thereof, such as food establishment license, license for the food bank for branches and warehouses, liquor license (only in certain branches), license for hazardous business for cold storage for frozen raw materials, license for food warehouses and food handler card according to the Public Health Act. In case that the Group and the outsourcing service providers fail to comply with the applicable laws, it may cause the Company's business operation to be interrupted or ceased and significantly affect the Group's business operation and operating results.

However, the Group has the policy to monitor on applying for a license and to request/renew a license for its operations within the due date. It also provides employees with a training course concerning relevant rules/requirements and coordinates with supervisory officers for advice so that the operation is in accordance with the specified criteria. The Group and the outsourcing service providers have never experienced significant problems in obtaining a license or complying with license terms.

2.13 Risk of compliance with relevant laws

The Group's business operation is subject to all types of laws and regulations as required, provides protection for the safety and health of consumers, including the safety and work health of employees, protection of personal information, and others. The Group is required to comply with standards, including recruitment of employees with the aforementioned expertise in order to oversee legal and regulatory compliance, quality control system, and other operations, and which may be modified to comply with the changing legal provisions.

Despite the supervision of compliance with the business regulations, the Group is unable to guarantee that a regulatory unit will not impose additional regulations or increase fees or fines as a result of noncompliance with the provisions, which may cause the Group to bear additional expenses

and may adversely affect the Group's business operations, business opportunities, financial position, and operating results

The Group organizes a training course concerning the regulations to its employees on a regular basis in order for relevant persons to comply with. The Group has a unit responsible for monitoring relevant regulatory changes in order to be able to practice in a timely manner. As of December 31, 2020, the Group ensures that the Group has fully complied with the regulations of rules.

2.14 Risk of technology

In current business operations, efficient technology system and management potential, customer service, partners and franchisees, storage, speed in processing and analyzing accurate and complete data, a data security system, cyber security, and others under the prescribed law are important factors for business operation. If the technology system fails or the technology system cannot meet the requirements of use, it may significantly affect the Group's business operations.

As the Group is aware of the importance of developing information technology systems, the information technology system is continuously developed to support the operations of all departments, including the Financial and Accounting Department, the Supply Chain Management Department, including processes in procurement, warehousing, logistics system, retail lending, head office system connection with branches and franchisees, service system for customer and business partners, a security system and a system to prevent potential computer security threats, assigning access to information, and establishing policies, manuals, and procedures to support operations in both normal cases and in the event of technological failure, regardless of the cause, to ensure continuous operation. In addition, a backup data center has been established to support and replace primary data centers in the event of a disruption in order not to interrupt the business operation and proceed according to the law.

3. Risk of management

3.1 Risk arising from the major shareholders having control over the Group's management

According to the current shareholder structure, the Chirathivat family (consisting 2.Mr.Sakkanon Chirathivat and Miss Jomkwan Chirathivat) is holding shares in the Company, both directly and indirectly not less than 66.9%. In addition, the Chirathivat family members also serve as the Group's executive, director, and authorized director. As a result, such major shareholders have the power to control the Group's management and be able to manipulate a majority vote of the shareholders' meeting, such as an appointment of a director or a request for approval in any matter that requires a majority vote of the shareholders' meeting, except matters in which the law or the Company's Regulations require at least a three-fourths majority from the present shareholders who have the right to vote. Therefore, the minority shareholders may not be able to collect their votes in order to inspect and balance the rights of the major shareholders.

In this regard, the Group manages and operates its business with transparency according to a good corporate governance policy with a management structure organized by knowledgeable and competent personnel and also defines the scope of work, duties, and responsibilities, a delegation of powers to directors and executives transparently, measures for conducting connected transactions with the directors, major shareholders, control persons, including those with conflicts. These persons shall not have voting rights in approving such transactions.

Furthermore, the structure of the Board of Directors consists of five independent directors who have no conflict of interest out of eleven directors or 45.4 percent of which three independent directors hold positions as the Company's audit committee member to perform an audit, balance a decision, including joint consideration of a meeting agenda with the Chairman of the Board of Directors before presenting to the shareholders' meeting in order to ensure the minority shareholders and other stakeholders that the Group's management has a balance of power, which is appropriate, transparent, and effective. It conducts or enters into any transaction for the Group's best interest, which is auditable.

3.2 Risk of dependence on personnel, especially key senior management personnel

The restaurant business and related businesses require senior management with knowledge, capabilities, expertise, and years of experience in order to be able to manage and drive the Group to be recognized with a stable financial position and growing profits. Failure to retain personnel or to recruit qualified candidates to replace such personnel may affect the continuity of the Group's management and operating results.

Nevertheless, the Group's current management structure is appropriate with decentralized authority, the scope of duties and responsibilities to executives in various departments according to their knowledge, competence, and experience. The Group also has a policy to continually promote and develop knowledge, competence, leadership skills for executives and personnel, as well as developing career advancement and a successor plan. It also has a policy to recruit personnel with knowledge and competence to join the Group to be in line with the business plan and business expansion plan to prevent such risks.

3. Driving Business towards the Sustainable Development Goals

3.1 Sustainability Management Policy and Goals

In 2020, the Company has established guidelines for driving business towards the sustainable development goals by establishing a working group responsible for planning and defining significant issues and together with the Stock Exchange of Thailand's "SD Journey 2020 Project" with the objective to create an understanding of such issues. Procedural analysis was conducted and 8 groups of stakeholders were identified as follows:

- Employees
- Shareholders / Joint Ventures / Creditors
- Partners
- Business Partners
- Customers (Service Users)
- Franchise / Retail / Wholesale Customers
- Communities / Society
- Supervisory Authorities

3.2 Management of Effects on Stakeholders in Value Chain

- Actions with stakeholders

The Company has studied and analyzed the effects of the Company on the stakeholders and the effects of the stakeholders on the Company by considering and analyzing each group of stakeholders in order to recognize the expectations of the stakeholders which can be summarized as follows:

Stakeholders	Communication	Expectation
Employees	<ul style="list-style-type: none"> - Email, Facebook, and internal websites - Activities such as team meetings, town hall, internal roadshows - Training, seminar, satisfaction survey 	<ul style="list-style-type: none"> - Proper welfare, capability-based rewards, activities that build morale and create a positive work environment - Personnel development by enhancing skills, knowledge and competence for operational expertise and leadership - Adoption of new technology in workplace
Shareholders / Joint Ventures / Creditors	<ul style="list-style-type: none"> - Annual general shareholders' meeting - Annual report - Sustainability report - Site visit - Communication channels: website, e-mail, telephone, mail, etc. 	<ul style="list-style-type: none"> - Provide company information, business direction and strategies to investors, analysts or securities companies for making investment decisions/advice - Quarterly turnover announcement, including annual turnover

Stakeholders	Communication	Expectation
	<ul style="list-style-type: none"> - Meeting of representatives of shareholders and investors 	<ul style="list-style-type: none"> - Accurate, transparent and timely disclosure of company information
Partners	<ul style="list-style-type: none"> - Email, Company website, telephone and online communication channels - Meetings for idea exchange and hearings - Supplier / Vendor Audit 	<ul style="list-style-type: none"> - Use quality products and clean, safe and biodegradable packaging - Confident in the product - A channel for promotion, publication of products and supporting the Company's business
Business Partners	<ul style="list-style-type: none"> - Site visit - Contract negotiation / execution - Meeting for problem-solving discussion - Performance review 	<ul style="list-style-type: none"> - Quality of operations - Performance of a contract - Being a good lessee (both in terms of contract and premises use)
Customers	<ul style="list-style-type: none"> - Communication signs in the stores - Online channels of the Company and affiliated restaurants such as Facebook, Email, Website, Line Official, Applications - Public relations via the mass media - Contact via phone and SMS - Satisfaction survey 	<ul style="list-style-type: none"> - Increase confidence and organize promotional activities - Listen to opinions and solve problems encountered by customers in order to create satisfaction as well as applying suggestions in quality improvement - Publicize news and information and promotions of each brand to create brand image and awareness
Franchise / Retail / Wholesale customers	<ul style="list-style-type: none"> - Monthly and quarterly meetings - Site visit - Consultation by consultant team - Client support team - Franchise conference 	<ul style="list-style-type: none"> - Selection of suitable products / good packaging / packing that is suitable for customer use - Confident that the products are safe and hygienic - A channel for promotion, publication of products and supporting the Company's business
Communities and Society	<ul style="list-style-type: none"> - Connecting businesses by supporting various aspects of work - Doing activities together - Annual report 	<ul style="list-style-type: none"> - To coexist with the community and society without any conflict and support each other in finding markets by bringing products from the community to be sold in restaurants.

Stakeholders	Communication	Expectation
Supervisory Authorities	<ul style="list-style-type: none"> - Annual report - Performance announcement - Audit and revisit by the supervisory authorities - Site visit - Meeting and discussions 	<ul style="list-style-type: none"> - To clarify and comply with the law stipulated by the government. - Timely disclosure of information

The Company has identified different issues and performed materiality assessment such as Product and Service Development, Company Performance, Customer Relationship Management, Food Safety, Raw Material Sourcing and Legal Compliance. These important issues were then presented to the Board of Directors. The business goals and plans consist of 8 issues as follows:

1. Food Safety

- A process for selecting manufacturers and suppliers which must meet safety and sanitation standards, including a system for periodic monitoring, traceability at every step of production, and co-development of sustainable safety standards with suppliers and customers
- An audit process for regular monitoring of the operations of branches/ relevant departments to ensure that the relevant departments efficiently comply with safety standards
- A policy that requires all departments to share resources for the most benefit

2. Product and Service Development

- Continuous product development to meet the changing consumer behavior such as healthy food, buffet, ready to eat, ready to cook, or delivery service
- Employee potential development to provide employees with knowledge and understanding in the work they are responsible for
- Space management to increase the potential of sales area by using improvement process and generating more income for better turnover
- Optimization through the use of technology to improve the work processes and reduce wastage in various aspects

3. Raw Material Sourcing

- Establishing standards for the procurement of main raw materials in accordance with safety standards to ensure best selection of raw materials through a socially responsible procurement

- Traceable selection of the main raw material sources from potential partners and standardized sources in accordance with applicable laws and regulations
- Supporting and promoting careers in the communities by purchasing their products to provide communities and co-operatives with income and to promote the national economy

4. Human Resource Management

- Empowering employees with knowledge and ability / equal treatment / flexible welfare / creating a healthy, safe and hygienic work environment
- Empowering people at all levels with knowledge and understanding, operational expertise, multi skills, and adaptation to the situation arises using the necessary skills is a key factor in effective and efficient business operation
 - Create a personal development plan
- Sufficient recruitment for business operation in various situations through various recruitment channels
 - Internship, cooperative, bilateral programs
 - Employment of people with disabilities
 - Hiring the graduates who used to participate in the cooperative and bilateral programs to work for the Company. (Target: 50% of the students participating in the programs by 2023)
 - Equitable treatment of employees in accordance with laws and human rights

5. Environmental Management

- **Waste management**
 - **Recyclable waste:** Sorting waste at the Headquarters and branches for proper disposal and recyclability in accordance with circular economy approach
 - **Food waste:** Reducing food waste by planning from upstream of food production to downstream
- **Reducing and avoiding plastic usage and changing packaging types:** Using environmentally friendly materials with the goal of minimizing the amount of waste entering the landfill
- **Greenhouse gas emissions reduction:** Efficient socially responsible energy management and GHG emission activities risk management through carbon offsetting
- **Efficient use of resources**

6. Corporate Governance and Legal Compliance

- Establishing corporate policies and practices to assure stakeholders that the Company's business operations is in accordance with corporate governance and code of conduct with transparency according to the anti-corruption policy, good corporate governance. The Company has an effective

risk management to reduce the risks arising from the Company's business operations, as well as having clear monitoring processes and indicators.

- Ensure that all departments strictly comply with relevant laws/announcements such as the Public Law, laws on the Securities and Exchange Commission, the Stock Exchange of Thailand, the Revenue Department, Excise Department, District Office, Labor Law and Human Rights, Trademark, Patent, Copyright, Intellectual Property, Consumer Protection Act, Personal Data Protection Act and other applicable laws.
- Providing knowledge and understanding to all departments and stakeholders to operate under equitable treatment and employees treatment according to human rights principles, fair competition or under fair treatment for competitors and business partners. Ensure that all sectors operate with honesty and in accordance with the anti-corruption policy in all forms.

7. Technology & Innovation

- Promoting sales, create a good experience for customers and service users via various channels.
- Increasing efficiency and speed and reducing errors at the branches and the support division at the central office.
- Developing efficient technologies to reduce related costs and losses.

8. Customer Relationship Management

- Customer Life Cycle Management for maintaining customer base, planning the communication with customers to make them use the Group's products or services by listening to opinions of customers and employees in the organization that reflect their satisfaction towards products and services, including offering new products and services that meet the needs based on existing data in order to reduce the cost of lost customers.
- Collecting the consumer behavior data for the development and enhancement of satisfaction by using information to improve products, marketing activities, services, identifying communication channels with customers, as well as solving customer problems to meet the needs of consumer.
- Decision Making Support for the department responsible for customer care to be able collect enough information for decision making and give the best to customers and to comply with the policy and marketing guidelines set by the Company, which requires the use of a database connection system.

3.3 Social Sustainability management, social and environmental policy and practices

The Company has a social responsibility policy to conduct business by taking into account stakeholders, economy, society and environment. In addition, the Company has also established good corporate governance as a guideline for the Company and its subsidiaries to operate their businesses with

honesty, transparency, fairness based on ethics and good governance principles, and recognize the negative impact on the economy, society, natural resources and environment. This is in order to build confidence among shareholders, employees, employees, customers, stakeholders And all parties involved. The details of the policy are as follows:

1. Fair Business Operation

The Company and its subsidiaries are aware of honest and fair business operations in accordance with the competition rules under the relevant laws and regulations, taking into account the benefits and impacts of the operations of the Company and its subsidiaries on the stakeholders such as shareholder, employees, workers, customers, trade partners, investors, creditors and the surrounding communities the Company and its subsidiaries, etc. The Company has established the following guidelines:

- (a) Operate the business in a manner that strictly complies with applicable laws, regulations and rules, as well as cooperate with government officials;
- (b) The Company and its subsidiaries have a policy not to cooperate or support any person or organization that conducts illegal business or threatens the society and national security;
- (c) Encourage employees and workers to realize the importance of legal compliance and fair competition.

2. Anti-corruption

The Company and its subsidiaries have an anti-corruption policy focusing on promoting morality, ethics, transparency in business operation in accordance with the code of conduct of the Company and its subsidiaries, as well as operating the business with efficient, transparent, auditable management system. The Company promotes and provide training courses and raises awareness among employees and workers to be aware of possible corruption and supervise the anti-corruption practices with specific anti-corruption policy and and guidelines. The Company has been certified as a member of the Coalition Against Corruption (CAC) in October 2018.

3. Respect for Human Rights

The Company and its subsidiaries operate their businesses taking into account human rights by promoting and protecting rights and freedoms as well as equal treatment within and outside the organization, which is the foundation of human resource management and development. The Company and its subsidiaries do not have a policy to discriminate against individuals of different races, women and children.

4. Fair treatment of employees

The Company and its subsidiaries believe that people are the key to sustainable development. We therefore pay attention to the quality of life of employees and workers by providing a good work environment and a human resource management system based on fairness. In addition, the Company promotes the development and progress of personnel by providing training and action learning according to the needs and suitability of each person. This is in order to increase performance and create opportunities for career advancement.

5. Responsibility towards consumers and customers

The Company and its subsidiaries attach great attention to the production and development of quality products to meet the needs and satisfaction of consumers, starting from selecting quality raw materials through production processes with modern, standardized, clean and safe technology.

6. Environmental Maintenance

The Company and its subsidiaries strictly comply with the laws and regulations on environmental management and have established preventive and corrective measures in the event of environmental impacts resulting from the operations of the Company and its subsidiaries, including efficient and effective use of resources. The Company has a waste treatment system through a quality and standardized manufacturing process and evaluation of an environmental management system.

7. Development and building of good interactions with the community, society and environment

The Company and its subsidiaries recognize the importance of participation in corporate social responsibility and therefore have established continuous assistance and social development projects, as well as supporting and promoting education and training for employees and workers to raise awareness of responsibility towards the community, environment and society among employees and workers at all levels. The Company also encourages employees and workers to participate in activities organized by the Company and its subsidiaries.

The Company and its subsidiaries have a corporate social & responsibility policy for public interest, preservation of the environment and community development, as well as creative projects to promote and support the well-being in the communities where the Company is located.

The Company and its subsidiaries have organized campaigns and raise awareness of conservation and smart and efficient use of resources and energy among employees and workers.

8. Selection of Partners

The Company and its subsidiaries have established criteria for the selection of trade partners. The Company provides detailed information to all traders without discouraging one of them from participating in business competitions, and has established a management and monitoring system to

ensure complete performance of contract and on-time payment process to partners according to the agreed payment terms. In addition, there are an annual assessment for partners and report of assessment results with suggestions for the partners to continuously improve the quality of products and services, while providing trade partners the opportunities to raise complaints.

The Company and its subsidiaries prohibit the executives, employees and workers from accepting items or other benefits from other persons whose duties or businesses are related to the Group, except in traditional occasions or festivals when people commonly should treat each other.

9. Treatment for Business Partners and Creditors

The Company and its subsidiaries strictly comply with the agreements or conditions that they have agreed upon. In the event that the Company and its subsidiaries cannot comply with any of the conditions or causes of default of debt repayment, the creditors must be promptly notified without hiding the facts. This is to consider and find the solutions based on reasonableness. The Company and its subsidiaries are committed to maintaining a lasting relationship with creditors and to trust each other.

The Company and its subsidiaries are committed to managing capital in an optimal structure to support the Company's business operations and to maintain confidence in creditors.

3.4 Social Sustainability Management

Social Responsibility

In 2020, Zen Corporation Group Public Company Limited is committed to conducting business along with good corporate governance with responsibility towards society, community and environment. The Group aims at creating a good impact for social change in a way that promotes, supports and empowers the potential for the development towards quality and sustainable growth by paying attention to various aspects.

Society

The “ZEN Spirit” project was started in 2017 to provide support to people with disabilities in their careers as farmers and creates job opportunities and income in order to sustainably improve quality of life for themselves and their families. The Group has supported the “Empowerment Plus” project for developing modern farming skills by applying appropriate technologies in the cultivation of pesticide residue free Yubari King melon, a melon cultivar from Japan, in the closed system farming at Hankha District, Chai Nat Province as the first pilot farm. This melon farming focuses on standardized production. Every step is inspected, from seed selection, pollination, sweetness measurement, to melon fruit screening to select only one fruit with the best quality per one melon tree in order to meet the prescribed standard.



Pesticide residue free Yubari King melon has been developed for commercial purpose and the “**Jaidee Farm**” brand was established to be better known in the market. From the success of the first farm in Hankha District, Chai Nat Province, ZEN Group recognizes the potential of the disabled and therefore continuously provides financial support to “Jaidee Farm” for network expansion into other areas. This is in order to develop “Jaidee Farm” as a tool to improve the quality of life of the disabled and to create income and job opportunities for these people. This project also promotes and improves the quality of life of the disabled to be recognized by people in the community and contributes to self-esteem of the disabled. Currently, “Jaidee Farm” expanded into Phrai Nok Yung District, Chai Nat Province and Takhli District, Nakhon Sawan Province with the support by ZEN Group in order to further support and increase income of the disabled people sustainably.



In the past year, in order to increase the opportunities for people with disabilities in other provinces, Zen Group has also sponsored **Kobfakwang Group, Khon Khaen**. It is an occupational group of parents of children with intellectual disabilities, autism and ADHD with the objective to produce fabric products such as cloth bags, aprons or other products according to customer needs in order to generate income while taking care of their disabled children. In June, the Group hired Kobfakwang Group to make aprons for the waitresses and waiters in all of the Group's chain restaurants in Thailand.



During the COVID-19 pandemic in the past year, the Company has provided support to the healthcare professionals and staff, who have devoted their efforts to patient care and have become a vital force in treating patients suffering from COVID-19. As a leader in the restaurant business, we delivered boxed meals from Zen Japanese Restaurant, Aka, On he Table, Khiang and other restaurants in “Zen Group” to the hospitals, nursing homes, public health authorities, foundations and communities such as Rajavithi Hospital, Ramathibodi Hospital, Yellow Star Clinic, Bamrasnaradura Infectious Diseases Institute, Thammasat Chaloe Phra Kiat Hospital (Rangsit), Thammasat Field Hospital Rangsit, Kasemrad International Hospital Rattana Thibet, Kasemrad Hospital Bang Khae, Taksin Hospital, Paolo Hospital Rangsit, Pranangkla Hospital, Sirindhorn Hospital, SOS Children's Villages Thailand, Phrapradaeng Home for Persons with Disabilities Protection, Makkasan Railway Community, etc.



AKA Restaurant (AKA) also organized activities to celebrate its 13th anniversary. In this event, AKA MASK 2020 face masks were sold and the proceedings of 100,000 Baht after deduction of expenses was donated to Siriraj Hospital to support the treatment of COVID-19 patients and fight against the pandemic.



Due to the flooding in Nakhon Si Thammarat, Tummour and LaoYuan restaurants provided support and showed concern to the flood victims in Nakhon Si Thammarat by donating the boxed meals to provincial representatives and 1,150 shirts to Nakhon Si Thammarat Red Cross.



At the end of 2020, Zen Group also donated 2,000 plates to Channel 7 HD to be further donated to temples and schools for the public interest.

Education



The Group has established “ZEN Scholarships for Employees’ Children” project providing scholarships to employees’ children of Zen Group and its affiliates for those who have good academic performance and strong study intention. The Group also aims to provide continuing scholarships to employees’ children until they complete their bachelor degree. This project was established to promote the education of employees’ children as well as to help alleviate the employee’s expenses. ZEN Group and its affiliates are pleased to accept employees’ children for internships during the semester break and are pleased to accept the graduated employees’ children to work for ZEN Group and its affiliates. This is in order to further their education and provide them the job opportunities after graduation, which is one of the projects for sustainable improvement of quality of life of all employees of ZEN Group.

Environment and efficient use of resources

The Group has an environment preservation policy, whereby the Group strictly comply with the laws and regulations on environmental management and have established preventive and corrective measures in the event of environmental impacts resulting from the operations of the Group, including efficient and effective use of resources. The Group has a waste treatment system through quality and standardized manufacturing process and evaluation of the environmental management system.

In addition, the Group has established guidelines and practices and has the measures for environmental protection and efficient use of resources and effective energy water and chemicals consumption, by taking into account the proper operations and resource management. The Group has improved its resource utilization and considers the environmental conservation and the efficient use of resources as the responsibilities and duties of all employees of the Group.

In 2020, the Group has implemented environmental conservation and efficient use of resources with concrete plans and activities. Although some activities are in the process and may not yet show significant quantitative and numerical results, it is the organizational culture of the Group aiming at raising awareness among employees to realize their duties and responsibilities in environmental maintenance and efficient use of resources.

Environmental maintenance

Waste Management such as sorting recyclable waste at the Headquarters and the branches for proper disposal and recyclability in accordance with circular economy approach. For food waste, the Group reduce this type of waste through effective planning from upstream of food production to downstream. In September 2020, the Group also implemented the pilot waste sorting at the Headquarters and affiliated restaurants (Zen Japanese Restaurant, On the Table Tokyo Café, AKA, DIN’S, Sushi Cyu & Carnival Yakiniku, Tummour and LaoYuan, in a total of 54 branches. The Group jointed the WON Project and Send Plastic Home

Project to sort hard plastic waste and stretch plastic film and sent them to the project for proper recycling.
From the start of the project until December 31, 2020, a total of 31,438 kilograms of waste were sorted.

ตารางสรุปบันทึกปริมาณการแยกขยะ สำนักงาน และ 54 ร้าน							
สาขา	พลาสติกยืด อาทิ ถุงใส่ผักผลไม้ ถุง ซีป ล็อค ถุงใส่ผัก	พลาสติกแข็ง อาทิ กล่องพลาสติกใส อาหาร ถ้วยพลาสติก	ขวดแก้ว (กรัม)	กระป๋องน้ำอัดลม / กระป๋องนม (กรัม)	กระดาษต่างๆ (กรัม)	เศษอาหาร (กรัม)	จำนวนรวม (กรัม)
ZCG	69,140.00	81,500.00	38,200.00	5,400.00	798,330.00	0	992,570.00
AKA	292,848.86	85,323.28	67,675.92	14,653.70	181,560.13	1,684,146.90	2,326,208.79
DIN	9,000.00	9,100.00	126,650.00	1,450.00	37,450.00	127,560.00	311,210.00
ZEN	798,613.23	415,931.00	174,301.19	56,985.67	346,653.00	14,180,247.01	15,972,731.10
On the table	255,675.00	360,090.00	132,595.00	23,654.00	433,178.00	6,968,658.00	8,173,850.00
ลาวญวน	191,218.00	119,931.00	42,712.00	1,244.00	115,506.00	1,488,270.00	1,958,881.00
แจ๊วฮ้อน	69,557.00	474	0	0	22,219.00	502385	594,635.00
CYU	4,052.00	8,668.10	0	6,144.00	106,390.39	983,179.65	1,108,434.14
จำนวนรวม (กรัม)	1,690,104.09	1,081,017.38	582,134.11	109,531.37	2,041,286.52	25,934,446.56	31,438,520.03

From the start of the project until December 31, 2020, a total of 31,438 kilograms of waste were sorted.



Waste sorting at branches

การบันทึกปริมาณการแยกขยะ							
ZEN LAO-CPS-CWN							
วันที่	สาขา	พลาสติกยืด อาทิ ถุงใส่ผักผลไม้ ถุงซีป ล็อค ถุงใส่ผัก	พลาสติกแข็ง อาทิ กล่องพลาสติกใส อาหาร ถ้วยพลาสติก	ขวดแก้ว	กระป๋องน้ำอัดลม / กระป๋องนม	กระดาษต่างๆ	เศษอาหาร
1 ธ.ค. 63
2 ธ.ค. 63
3 ธ.ค. 63
4 ธ.ค. 63
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6 ธ.ค. 63
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Waste sorting at offices



WON Project



SCG Paper X Project

In addition, the headquarters joined in the SCG Paper X Project to sort paper waste in order to be recycled and used in the production processes as much as possible. In 2020, 749.73 kilograms of paper were sorted and sent to the Project by the Group.

Reducing and avoiding plastic usage and changing packaging types: The Group uses environmentally friendly materials with the goal of minimizing the amount of waste entering landfills. In 2020, the Group has changed the packagings to more environmentally friendly one. For example, Tummour restaurant has changed from serving sticky rice in plastic bags to banana leaf wrap at 6 branches. In 2021, Tummour and LaoYuan restaurants have plans to organize a campaign to encourage customers to refrain from using straws and also have plans to change other packaging to more environmentally friendly one.

Greenhouse gas emissions reduction for efficient socially responsible energy management and GHG emission activities risk management through carbon offsetting. The Group has participated in “8th expansion of carbon offset activities to support the domestic voluntary carbon market”. The Group is supported by VGreen, Faculty of Environment, Kasetsart University with the support of Thailand Greenhouse Gas

Management Organization (Public Organization) which acts as a consultant and organize training courses to provide the Group's working group with knowledge and understanding in the management of greenhouse gas emissions. This is in order to create a carbon neutral organization and sustainable growth. The pilot branches are Headquarters On Nut, ZEN at CentralPlaza Lardprao and Tummour at Samyan Mitrtown in the actual business operation under the guidance of a consultant team for complete numerical data collection, calculations and other operations and to meet the required standards.

Efficient use of resources

1. Energy saving in the Headquarters building

- The elevator service opens at 6:00 AM and closes at 6:30 PM, and only one service elevator is used. Some employees must walk up the stairs instead of using an elevator.
- Air-conditioners and electricity are to be turned on at the start of work at 8:00 AM and turned off at 6:30 PM or when there are no employees working in that area for a long time.
- Turn off electricity in the parking lot as needed.
- Disable all elevators during COVID-19 pandemic and adopt Work from Home (WFH) approach.
- Refrain from using an elevator between floors.

Electricity expenses of the Headquarters On Nut during June - December 2019 was 1,372,268 Baht and during June – December 2020 was 986,615 Baht, which decreased by 385,653 Baht or 28.10%.

2. Efficient and efficient use of office supplies such as paper, stationary, other supplies; use paper sparingly; refrain from distributing documents at the meeting unless necessary; a campaign for copying/printing on both side of paper or using damaged paper in printing or copying. Some supplies does not used by the departments such as files can be returned for subsequent used by other departments.

Office supplies expenses in 2019: 1,047,344 Baht

2020: 421,454 Baht

decreased by 625,890 Baht or 59.75%

A4 paper expenses in 2019: 5,221 reams amount: 454,227 Baht

2020: 2,413 reams amount: 209,931 Baht

decreased by 2,808 reams (53.78%) amount: 244,296 Baht

3. Economical use of water and chemicals, especially in restaurants and branches of the brands. The Group has several measures for this matter.

4. The overall cost savings is a part of the KPIs in measuring the performance of the responsible organization.

5. Savings in the transportation system: joint transportation by the same third-party carrier for both the Group's and other companies' goods as well as the return of goods or other raw materials to reduce transportation costs and use of resources. This includes allowing some manufacturers to deliver certain types of products directly to the recipients, who are the business partners or restaurants or franchisee of the Group.

Employee Education and Training on Environmental Issues:

1. Training courses were organized for the Group's working group in the management of greenhouse gas emissions. The Group has participated in "8th expansion of carbon offset activities to support the domestic voluntary carbon market" organized by VGreen, Faculty of Environment, Kasetsart University with the support of Thailand Greenhouse Gas Management Organization (Public Organization).

2. Providing housekeepers at the Headquarters On Nut with knowledge and understanding on sorting waste into 8 categories for the ease and convenience of waste sorting.

3. In restaurants and branches of the brands, employees will be provided with knowledge and understanding effective and efficient use of chemicals. For example, mixing chemicals at the right ratio, using the machines to control the amount of chemicals, washing or cleaning several pieces of items at a time, chemical consumption quotas in relation to actual sales and immediate identification of the cause in case of abnormal use is observed.

Practices related to Safety, Occupational Health and Work Environment

Policies related to Safety, Occupational Health and Work Environment

The Company attaches great attention to safety, occupational health and work environment for its employees, thus establishing policies and practices as guidelines for performing tasks. The Company has planned and established an effective and adequate security and alarm system in offices and establishments to prevent and control the risks that may cause losses due to occupational accidents, injuries or illnesses, losses or damages of property, improper operations, and other potential errors.

- Encourage employees to work in a safe work environment. Safety is the responsibility of every employee. This includes the safety of life, property of the Group's employees and those involved.
- All employees of the Group are required to strictly comply with the laws, regulations, acts or announcements of government agencies, regulations of the Group on safety, occupational health, and work environment.
- The Group will promote and support improvements of work environment, development for work security, including providing adequate safety-related equipment. The Group is

also committed to creating knowledge and understanding among employees to be aware of importance and potential dangers including causes, preventive measures and training.

- The Group will develop a clean and hygienic environment in the workplace and the area around the office for the good quality of life.
- Promote and support activities for safety and activities for improvement of working conditions for the benefit of all employees.
- The Group will regularly review and assess the safety and work environment for further improvement.
- Supervisors must be a good role model for employees. Assessment should be conducted in accordance with the policy for maximum efficiency and effectiveness. Employees must pay attention to accidents and incidents affecting health and safety of life and property, as well as providing timely assistance with full effort to the affected people, identifying causes and preventing recurrence.
- The Company may punish employees who violate the relevant regulations and measures according to the Group's regulations.

The Group aims at creating a culture and raising awareness of safety in the organization to make the personnel at all levels pay attention and be aware of their responsibilities in operating with caution and comply with safety regulations. The Company has organized the safety activities as follows:

1. Providing employees with knowledge and advice on safety;
2. Training;
3. Public relations of occupational safety news via E-mail.

In 2020, the Group has organized the training courses on safety, such as basic fire fighting and fire drills courses by notifying communities around the Company. In addition, the persons in charge have regularly inspected all equipment to ensure they are available and ready for use at all times. In 2020, there were 48 accidents and injuries occurred to employees and third parties due to the operations in restaurants/branches, accounting for 1.67% of the total workforce, and there were no cases of serious injuries or deaths.

4. Management Discussion and Analysis : MD&A

4.1 Management Discussion and Analysis and Financial Performance

Business Overview

The Thai economy in 2020 has plunged into a severe economic recession as the world grappled with the impact of the COVID-19 pandemic forcing authorities in many countries around the world to announce lockdown measures to control the epidemic that has brought much of global economic activity to a halt. Although Thailand was successful in controlling the spread of COVID-19, leading to a gradual easing of the lockdown at the end of the second quarter 2020, the domestic economy was unable to fully recover, contracting by 6.1% in the full year 2020. The main factors were the weak export sector which accounts for about 70% of the gross domestic product, affected by declining demand from trading-partner countries and also tourism in particular which accounts for 12% of the gross domestic product which was hit hardest due to the continued international travel restrictions and lack of foreign tourists. Subsequently, the Thai economy had to face the emergence of a second outbreak wave, experienced in late December 2020, leading to further uncertainty in the overall economic recovery situation. The domestic consumption and investment are still in a severe contraction, and the economy is general remains lower than during the pre-pandemic period.

The overall Group's business operations in 2020 were directly impacted by domestic lockdown measures to prevent the outbreak in the first half of the year. As a result, the Group's total revenue in the first half of 2020 contracted by 34% compared to the same period of the last year and this led to a net profit loss of Baht 125 Mn in the first half of 2020. From this situation, The Group placed importance on increasing service through take-home and delivery services as much as possible in order to compensate the loss of dine-in revenue. Meanwhile, during this period with reduced revenue, the Group has taken immediate and significant measures to control costs such as negotiating with landlords to reduce rental in branches that were not able to provide full services, and implementing a voluntary leave without pay scheme for management and all employees.

For the overall Group's business operations, in the second half of 2020, the Group's sales improved by 38% compared to the first half of the year after a gradual easing of the lockdown and the government had good control of the COVID-19 situation leading people to have more confidence in everyday life. However, due to the continued weak economic situation and low consumer confidence, the Group's sales remained lower compared to pre-COVID. The Group's total revenue in the second half of the year contracted by 18% compared to the same period of the previous year and therefore, the Group has continually focused on enhancing efficiency through careful management of all costs, in particular rental and staff expenses including internal

restructuring. By controlling these expenses whilst also continuing to drive sales as much as possible via all channels including restaurant, delivery and retail, the Group was able to generate profits in the second half of 2020 surpassing the previous year with a total net profit of Baht 61.6 Mn in the second half of 2020. And a net loss of 63.7 million baht for the whole year 2020

For the year 2021, amid the circumstances of various uncertainties arising from the second outbreak and the fragile recovery of the Thai economy which remains susceptible to several unpredictable factors, the Group will continue to operate the business on a prudent basis by focusing on improving performance of existing branches in terms of sales and operational efficiency. Network expansion will be predominantly via new franchise branches, particularly the small-size concepts such as brand Khiang. In this was the group can reach more customers but with a lower cost of expansion and thereby lower risk. At the branch support and back-office, the Group will put efforts and resources into improving operational efficiency by investing in IT systems which reduce the reliance on manual work.

Impact from Changes in Accounting Policy

From 1 January 2020, the Group has adopted Thai Financial Reporting Standard - Financial instruments group and Thai Financial Reporting Standard No.16 - Leases which impacted to the financial statement as follows:

1. Thai Financial Reporting Standard - Financial instruments group

Credit Risk

Allowance for impairment loss for trade receivables are measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the historical credit loss experience, adjusted for factors that are specific to the debtors and assessment of both the current and forecast general economic conditions.

(in Million Baht)

Allowance for impairment losses	31 December 2019	31 December 2020	Change
Consolidated financial statements	1.0	5.6	4.6

2. Thai Financial Reporting Standard No. 16 - Leases (TFRS 16)

- Impact of adoption in TFRS 16 on Consolidated financial statements

Movement of rights assets for the year period ended 31 December 2020		(in Million Baht)
At 1 January 2020		1,089.1
Increase		187.4
Decrease		(99.1)
Deduct Depreciation		(220.4)
At 31 December 2020		956.9

Performance

Revenues

Revenues	4th Quarter				% Change
	2019		2020		
	THB Mn	% ⁽¹⁾	THB Mn	% ⁽¹⁾	
Revenue from Sales of Food & Beverages	817.7	95.6%	638.6	95.1%	-21.9%
Franchise Fee Income	22.5	2.6%	20.5	3.1%	-8.7%
Revenue from Sales and Service	840.2	98.2%	659.1	98.1%	-21.5%
Other Income	15.1	1.8%	12.6	1.9%	-16.7%
Total Revenue	855.3	100.0%	671.7	100.0%	-21.5%

Revenues	For the Year Ending 31 December				% Change
	2019		2020		
	THB Mn	% ⁽¹⁾	THB Mn	% ⁽¹⁾	
Revenue from Sales of Food & Beverages	3,026.6	96.3%	2,213.9	94.9%	-26.9%
Franchise Fee Income	75.9	2.4%	70.1	3.0%	-7.6%
Revenue from Sales and Service	3,102.5	98.7%	2,284.0	97.9%	-26.4%
Other Income	41.7	1.3%	49.4	2.1%	18.5%
Total Revenue	3,144.2	100.0%	2,333.4	100.0%	-25.8%

Remark: ⁽¹⁾ Percentage of Total Revenue

In the 4th quarter of 2019 and 2020, the Group's total revenue decreased from THB 855.3 Mn to THB 671.7 Mn respectively, a decrease of THB 183.5 Mn or 21.5%. This was due to a decrease in revenue from sales of food and beverages, which was the major contributor to the Group's revenue and was a direct consequence of the outbreak of COVID-19. Although most restaurants in the group resumed dine-in service and sales recovered somewhat since the 3rd quarter, the number of customers has not yet returned to pre-pandemic levels and was again affected by the second outbreak wave in December 2020. During the 4th quarter of 2019 and 2020 revenue from sales of food and beverages made up 95.6% and 95.1% of total revenue, respectively.

For the years 2019 and 2020 the Group's total revenue decreased from THB 3,144.2 Mn to THB 2,333.4 Mn respectively, a decrease of THB 810.8 Mn or 25.8%. This was again directly related to the outbreak of COVID-19, the nationwide lockdown and temporary closure of shopping centers during March to May 2020 followed by the economic slowdown and low consumer confidence. During 2019 and 2020 revenue from sales of food and beverages made up 96.3% and 94.9% of total revenue, respectively.

Revenue from Sales of Food and Beverages

Revenues	4th Quarter				% Change
	2019		2020		
	THB Mn	% ⁽¹⁾	THB Mn	% ⁽¹⁾	
Revenue from Restaurant Business	715.3	87.5%	535.5	83.9%	-25.1%
Revenue from Sales of Raw Material	49.6	6.1%	37.7	5.9%	-24.0%
Revenue from Food Delivery & Catering	43.0	5.2%	51.5	8.0%	19.7%
Revenue from Retail Merchandise	9.8	1.2%	13.9	2.2%	42.3%
Total Revenue from Sales of Food and Beverages	817.7	100.0%	638.6	100.0%	-21.9%

Revenues	For the Year Ending 31 December				% Change
	2019		2020		
	THB Mn	% ⁽¹⁾	THB Mn	% ⁽¹⁾	
Revenue from Restaurant Business	2,704.3	89.3%	1,823.4	82.4%	-32.6%
Revenue from Sales of Raw Material	192.4	6.4%	128.7	5.8%	-33.0%
Revenue from Food Delivery & Catering	101.6	3.4%	211.9	9.6%	107.5%
Revenue from Retail Merchandise	28.3	0.9%	49.9	2.2%	76.4%
Total Revenue from Sales of Food and Beverages	3,026.6	100.0%	2,213.9	100.0%	-26.9%

In the 4th quarter of 2019 and 2020, revenue from sales of food and beverages was THB 817.7 Mn and THB 638.6 Mn respectively, a decrease of THB 179.1 Mn or 21.9%. And for the whole year 2019 and 2020, revenue from sales of food and beverages was THB 3,026.6 Mn and THB 2,213.9 Mn respectively, a decrease of THB 812.7 Mn or 26.9%. This drop was mainly due to the decreased sales of the restaurant business and raw material to franchisees, although sales of delivery and retail merchandise increased by ongoing initiatives to boost sales through these channels in response to the changing consumer behavior and later on in response to COVID-19 crisis. Sales of food delivery services, in the 4th quarter of 2020, increased by 19.7% from the same period in 2019, and the percent of food delivery to total revenue from sales of food and beverages increased from 5.2% in the 4th quarter of 2019 to 8.0% in 2020. Meanwhile, sales of retail merchandise in the 4th quarter of 2020 grew 42.3% from the previous year. And for the years 2019 and 2020, sales of food delivery services was THB 101.6 Mn and THB 211.9 Mn respectively, an increase of THB 110.3 Mn or 107.5%. Sales of retail merchandise was THB 28.3 Mn and THB 49.9 Mn respectively, an increase of THB 21.6 Mn or 76.4%.

However, due to COVID-19 epidemic which negatively affected the economy and consumer confidence, the Group's SSSG for the 4th quarter of 2020 was -21.5% and the full year of 2020 was -30.4 %

Item	4th Quarter		Full Year	
	2019	2020	2019	2020
Number of New Equity Branches Opened (Branch)	22	1	71	6
Number of Equity Branches at Period End (Branch)	174	148	174	148
Number of New Franchise Branches Opened (Branch)	17	15	29	50
Number of Franchise Branches at Period End (Branch)	171	198	171	198
Same Store Sales Growth: SSSG (%) ⁽¹⁾	-3.0%	-21.5%	-4.7%	-30.4%

Remark: ⁽¹⁾ Calculated based on total revenue from sales of food and beverages per total operating days of the same branch

In the 4th quarter of 2019 and 2020, franchise fee income decreased from THB 22.5 Mn to THB 20.5 Mn respectively, a decrease of THB 2.0 Mn or 8.8%. This decrease was mainly due to a decrease in royalty and marketing fee income collected from franchise branches which themselves had lower revenue from epidemic situation of COVID-19.

And for the years 2019 and 2020, franchise fee income decreased from THB 75.9 Mn to THB 70.1 Mn respectively, a decrease of THB 5.8 Mn or 7.6%. This decrease was mainly due to the decrease in royalty and marketing fee income collected from franchise branches which had lower revenue from epidemic situation of COVID-19 and temporary restaurant closure especially during the 2nd quarter of 2020. In addition, the group lowered the royalty fees to help some franchisees during the COVID-19 situation. This was partially offset by an increase in the initial membership fee income due to increased number of new franchise branches. In 2020, the Group opened total 50 new franchise branches, mostly Kiang and Tummour brand.

In the 4th quarter of 2019 and 2020, the Group's other income decreased from THB 15.1 Mn to THB 12.6 Mn respectively, a decrease of THB 2.5 Mn or 16.6%. This decrease was mainly due to a decrease in net income from construction and set up of franchise branch.

And for the years 2019 and 2020, the Group's other income increased from THB 41.7 Mn to THB 49.4 Mn respectively, an increase of THB 7.7 Mn or 18.5%. This increase was mainly due to (1) profit from asset write-off of permanent branches closure and (2) property tax reversal of 2019 from reduction of the land and building tax measures.

Costs of Sales and Service

Item	4th Quarter				% Change
	2019		2020		
	THB Mn	% ⁽¹⁾	THB Mn	% ⁽¹⁾	
Revenue from Sales of Food & Beverages	817.7	95.6%	638.6	95.1%	-21.9%
Franchise Fee Income	22.5	2.6%	20.5	3.1%	-8.7%
Revenue from Sales and Service	840.2	98.2%	659.1	98.1%	-21.5%
Costs of Sales and Service ⁽²⁾	438.5	52.2%	333.3	50.6%	-24.0%
Gross Profit	401.7	47.8%	325.8	49.4%	-18.9%

Item	For the Year Ending 31 December				% Change
	2019		2020		
	THB Mn	% ⁽¹⁾	THB Mn	% ⁽¹⁾	
Revenue from Sales of Food & Beverages	3,026.6	96.3%	2,213.9	94.9%	-26.9%
Franchise Fee Income	75.9	2.4%	70.1	3.0%	-7.6%
Revenue from Sales and Service	3,102.5	98.7%	2,284.0	97.9%	-26.4%
Costs of Sales and Service ⁽²⁾	1,621.3	52.3%	1,229.2	53.8%	-24.2%
Gross Profit	1,481.2	47.7%	1,054.8	46.2%	-28.8%

Remark: ⁽¹⁾ Percentage of Revenue from main businesses.

⁽²⁾ In 2019 the Group adjusted the accounting classifications of Costs of Sales and Service and Selling Expenses to be more suitable and in line with other companies in the same industry.

In the 4th quarter of 2019 and 2020, the total costs of sales and services decreased from THB 438.5 Mn to THB 333.3 Mn respectively, a decrease of THB 105.2 Mn or 24.0% which was mainly due to (1) the decrease of cost of food materials from the decrease in revenue from restaurant business (2) a decrease in staff cost (kitchen area) from cost-control measures during the COVID-19 crisis and (3) a decrease in rental, service fees and utilities negotiated with shopping malls.

In the 4th quarter of 2019 and 2020, the gross profit decreased from THB 401.7 Mn to THB 325.8 Mn respectively, a decrease of THB 75.9 Mn or 18.9% which was mainly due to a decrease in sales from restaurant business. However, the gross profit margin increased from 47.8% in the 4th quarter of 2019 to 49.4% in the same period of 2020 from efficient cost management to generate more profit in which this measure was intensively implemented in the 1st half of the year and showed evident results since the 3rd quarter.

And for the years 2019 and 2020, the total costs of sales and services decreased from THB 1,621.3 Mn to THB 1,229.2 Mn respectively, a decrease of THB 392.1 Mn or 24.2%. The gross profit decreased from THB 1,481.2 Mn in 2019 to THB 1,054.8 in 2020, a decrease of THB 426.4 Mn or 28.8% The gross profit margin decreased from 47.7% in 2019 to 46.2% in 2020 which was mainly due to loss of restaurant's revenue during lockdown in the 1st half of 2020

Selling Expenses ⁽¹⁾

In the 4th quarter of 2019 and 2020, selling expenses decreased from THB 258.6 Mn to THB 192.4 Mn respectively, a decrease of THB 66.2 Mn or 25.6%. This decrease was mainly due to (1) a decrease in staff cost (dine-in area) from the cost-controlling measures and the temporary branch closure during the enforced shutdown of shopping malls (2) a decrease in rental, service fees and utilities negotiated with shopping malls and (3) reduced marketing spend compared to the previous year. However, the group had higher commission

expenses paid to delivery operators (Grab, Lineman, Food Panda and Gojek) which were related to the increased delivery sales. As a percent of total revenue, selling expenses decreased from 30.2% in the 4th quarter of 2019 to 28.6% in the same period of 2020.

And for the years 2019 and 2020, selling expenses decreased from THB 901.9 Mn to THB 733.2 Mn respectively, a decrease of THB 168.7 Mn or 18.7%. As a percent of total revenue, selling expenses increased from 28.7% in 2019 to 31.4% in 2020.

Remark: ⁽¹⁾ In 2019 the Group adjusted the accounting classifications of Costs of Sales of Food and Beverages and Selling Expenses to be more suitable and in line with other companies in the same industry.

Administrative Expenses

In the 4th quarter of 2019 and 2020, administration costs decreased from THB 130.3 Mn to THB 116.4 Mn respectively, a decrease of THB 13.9 Mn or 10.7%. This decrease was mainly due to (1) a decrease in staff expenses from the restructuring of the organization in the second quarter. (2) a decrease in bank fees and (3) a decrease of various expenses from cost control measure such as work from home policy to savings of utilities expense, traveling expense and overtime expense. However, as a percent of total revenue, administrative expenses increased from 15.2% in the 4th quarter of 2019 to 17.3% in the same period of 2020 due to loss of restaurant's revenue which was a direct consequence of the outbreak of COVID-19.

And for the years 2019 and 2020, administration costs decreased from THB 489.7 Mn to THB 420.8 Mn respectively, a decrease of THB 68.9 Mn or 14.1% from cost saving measures. As a percent of total revenue, administrative expenses increased from 15.6% in 2019 to 18.0% in 2020 which was mainly due to loss of restaurant's revenue from lockdown measure the prevent the epidemic of COVID-19 during the 1st half of 2020.

Finance Expenses

In the 4th quarter of 2019 and 2020, finance expenses increased from THB 39,313 to THB 6.7 Mn respectively. This was due to the company recognized interest expenses on the lease liabilities following the implementation of the Thai Financial Reporting Standard No. 16 "Leases" (TFRS 16)

And for the years 2019 and 2020, finance expenses increased from THB 3.7 Mn to THB 33.6 Mn respectively, an increase of THB 29.9 Mn or 808.1%. This was due to (1) the company recognized interest expenses on the lease liabilities following the implementation of the Thai Financial Reporting Standard No. 16 "Leases" (TFRS 16) and (2) interest expense from the drawdown of working capital loan to preserve liquidity during the COVID-19 crisis. However, all working capital borrowing was repaid before the end of the 2nd quarter 2020.

Tax Expenses

In the 4th quarter of 2019, the Group's tax expense was THB 9.0 Mn. Meanwhile, in the 4th quarter of 2020, income tax expense was THB 6.3 Mn, resulted to a decrease of THB 2.7 Mn or 29.9%.

And for the year ending of 2019, the Group's tax expense was THB 21.4 Mn. Meanwhile, for the year ending of 2020, income tax expense was THB -20.8 Mn due to the Group's operating loss during the 1st half year of 2020 and utilization of tax shield.

Net Profit (Loss) and Net Profit (Loss) Margin

In the 4th quarter of 2019 and 2020, the net profit decreased from THB 18.8 Mn to THB 16.0 Mn respectively, a decrease of THB 2.8 Mn or 14.9% due to loss of restaurant's revenue which was a direct consequence of the outbreak of COVID-19. However, the net profit margin increased from 2.2% to 2.4%. The main reasons were effective cost and expenses management with improved efficiency.

And for the year ending of 2019 and 2020, the net profit decreased from THB 106.2 Mn to net loss THB 63.7 Mn respectively, a decrease of THB 169.9 Mn or 159.9% which was mainly due to loss of restaurant's revenue from lockdown measure to prevent the epidemic of COVID-19 during the 1st half of 2020. Net profit margin decreased from 3.4% to -2.7%.

However, in the 4th quarter of 2020, the Group recorded the 1-time item as the provision for impairment of assets of non-performing branch and brand of THB 14.3 which if excluding such item, in the 4th quarter of 2020, the Group's net profit would be THB 30.3 Mn and the net profit margin of 4.5%. And for the year 2020, net loss would be THB 49.4 Mn and the net profit margin of -2.1%.

Financial Position Analysis

Assets

As of 31 December 2019, and 31 December 2020, the Group had total assets of THB 2,044.1 Mn and THB 2,689.0 Mn respectively, an increase of THB 644.8 Mn or 31.5%. The assets increased mainly from the implementation of the Thai Financial Reporting Standard No. 16 (TFRS 16)

Liabilities

As of 31 December 2019, and 31 December 2020, the Group had total liabilities of THB 610.0 Mn and THB 1,477.8 Mn respectively, an increase of THB 867.8 Mn or 142.2%. The main factor in the increase was liabilities under leases (2019: liabilities under finance leases).

Shareholder Equity

As of 31 December 2019, and 31 December 2020, the Group had shareholders' equity of THB 1,434.1 Mn and THB 1,211.1 Mn respectively, a decrease of THB 223.0 Mn or 15.5%. This decrease in shareholders' equity was mainly derived from (1) Net loss during the period THB -57.9 Mn and (2) Dividend payment to shareholder THB 135.0 Mn (3) impact from changes in accounting policies (TFRS16) to retained earnings THB 30.6 Mn.

Cash Flow Analysis

Type of Cash Flow	For the Year Ending 31 December	
	2019	2020
	THB Mn	THB Mn
Net Cash from Operating Activities	302.1	316.2
Net Cash used in Investing Activities	(296.9)	(45.7)
Net Cash from (used in) Financing Activities	215.5	(365.3)
Increase (Decrease) in Net Cash and Cash Equivalents	220.7	(94.8)

Overall, the company had a decrease in net cash and cash equivalents during the Year Ending 31 December 2020 of THB -94.8 Mn.

Net Cash from Operating Activities

The cash flow from operating activities was THB 316.2 Mn in 2020, an increase of THB 14.2 Mn compared to 2019. Although there was a decrease in net profit which decreased THB -169.9 Mn year-on-year, this was adjusted with following items (1) Depreciation and Amortisation which increased by THB 210.4 Mn (this was mostly a result of new TFRS accounting standard) (2) Financial Cost which increased by THB 29.9 Mn (also mostly related to new TFRS accounting standard) and (3) Loss from sale of property, plant and equipment increased by THB 17.0 Mn. Other notable cash flow changes were (1) Trade and other Current Payables which decreased by THB -70.9 Mn (2) Trade and other Current Receivables which increased by THB 93.3 Mn (3) Accrued Expenses which decreased by THB -96.6 Mn and (4) Deferred Incomes which increased by THB 65.5 Mn.

Net Cash used in Investing Activities

The cash flows from investments decreased from THB -296.9 Mn in 2019 compared to THB -45.7 Mn in 2020, an increase of THB 251.2 Mn. This was mainly due to decreased purchase of fixed assets in 2020 compared to 2019 by the amount of THB 244.8 Mn relating to fewer new branch opening and increased disposal of assets in 2020 compared to 2019 by the amount of THB 13.6 Mn relating to sales of branches and assets to franchisees.

Net Cash from (used in) Financing Activities

The cash flows from financing activities decreased from THB 215.5 Mn in 2019 to THB -365.3 Mn in 2020, a decrease of THB -580.8 Mn. In 2019, the Group recorded the net cash inflow from the IPO of THB 952.1 Mn which was partially offset by (1) net repayment of short-term borrowings from financial institutions of THB 630.0 Mn and (2) dividend payment to shareholders THB 101.3 Mn whereas, in 2020, the Group recorded (1) the repayment of liabilities under lease agreement of THB 196.7 Mn (2) dividend payments to shareholder of THB 135.0 Mn and (3) interest paid of THB 33.6 Mn.

Liquidity and Capital Structure

As of 31 December 2020, the Group had a current ratio of 0.82, decreased from 1.24 at end of 2019. This was mainly due to (1) an increase in liabilities under lease agreements and (2) a decrease in cash and cash equivalents.

The debt-to-equity ratio increased to 1.22 as at 31 December 2020 compared to 0.43 at the end of 2019. This increase was mainly due to (1) an increase in liabilities under lease agreements and (2) a decrease in shareholders' equity resulted from the negative net profit and changes in accounting policies.

4.2 Financial Highlights

Investors should consider the financial statements and notes to the statements for the fiscal year ended December 31, 2019, and 2020, attached to this document. In addition, the total values shown in the table may not correspond to the sum calculated from the numbers in the table attributable to rounding.

Important financial ratios, if not otherwise specified, are calculated according to the formula for calculating the financial ratio of companies in the industrial and service sectors as specified in annual information forms 56-1 and 69-1 prepared by the SEC.

Financial Highlights

	Consolidated Financial Statements		
Balance Sheet and Financial Performance (Million Baht)	2018	2019	2020
Total assets	1,564.0	2,044.1	2,044.1
Total liabilities	1,095.4	610.0	610.0
Total shareholders' equity	468.6	1,434.1	1,434.1
Revenues from sales and services	2,852.6	3,026.6	3,026.6
Total revenues	2,964.6	3,144.1	3,144.1
Gross profit	1,402.4	1,481.2	1,481.2
Profit before finance cost and tax expense	197.2	131.3	131.3
Net profit	140.2	106.2	106.2

	Consolidated Financial Statements		
Financial Ratio	2018	2019	2020
Net profit margin (%)	4.7	3.4	(2.7)
Return on assets (%)	8.9	5.2	(2.7)
Current ratio (Times)	0.3	1.2	0.8
Debt to equity ratio (Times)	2.3	0.4	1.2

4.2.1 Summary of Audit Report

4.2.1.1 Auditors for separate financial statements and consolidated financial statements of the Company

Auditors for the Company's financial statements are as follows:

Financial Statements	Name of Certified Public Accountant	Registration Number	Audit Company
The Company's and its subsidiaries' consolidated financial statements and the Company's separate financial statements for the fiscal years ended December 31, 2018, 2019	Mr. Apichat Sayasit	4229	Baker Tilly Audit and Advisory Services (Thailand) Co., Ltd.
The Company's and its subsidiaries' consolidated financial statements and the Company's separate financial statements for the fiscal year ended December 31, 2020.	Mr. Thanit Osathalert	5155	KPMG Phoomchai Audit Co., Ltd.

4.2.1.2 Summary of Audit Report

Financial Statements	Auditor's Opinion
The Company's and its subsidiaries' consolidated financial statements and the Company's separate financial statements for the fiscal years ended December 31, 2018, 2019, 2020	The auditors opine that the Company's and its subsidiaries' consolidated financial statements show consolidated financial position as of December 31, 2018, 2019 and 2020, consolidated operating results and total cash flows for the fiscal year ended as of the same date of the Company and its subsidiaries, and only of the Company, containing correct material statements according to the Financial Reporting Standards.

4.2.2 Summary of the consolidated financial statements for the year ended December 31, 2018, 2019 and 2020

4.2.2.1 Statement of Financial Position

Statement of Financial Position	The Group Consolidated Financial Statements					
	For the Year Ended As at December 31					
	2561		2562		2563	
	THB Mn	% ⁽¹⁾	THB Mn	% ⁽¹⁾	THB Mn	% ⁽¹⁾
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	142.6	9.1	363.3	17.8	268.5	10.0
Trade and other current receivables	44.3	2.8	106.5	5.2	71.9	2.7
Inventories - net	107.7	6.9	94.9	4.6	87.1	3.2
Current tax asset	9.3	0.6	13.5	0.6	8.0	0.3
Other current assets	15.4	1.0	19.6	1.0	26.1	1.0
Total Current Assets	319.3	20.4	597.8	29.2	461.6	17.2
NON-CURRENT ASSETS						
Investments in Associated	-	-	-	-	2.5	0.1
Property, plant and equipment - net	722.8	46.2	884.3	43.3	720.2	26.8
Goodwill	182.0	11.6	182.0	8.9	180.0	6.7
Other intangible assets - net	90.7	5.8	89.7	4.4	85.7	3.2
Right-of-use assets (2019: Leasehold rights)	48.4	3.1	40.1	2.0	957.0	35.6
Deferred tax assets- net	64.4	1.7	33.3	1.6	65.9	2.5
Other non-current assets	174.4	11.2	216.9	10.6	216.1	8.0

Statement of Financial Position	The Group Consolidated Financial Statements					
	For the Year Ended As at December 31					
	2561		2562		2563	
	THB Mn	% ⁽¹⁾	THB Mn	% ⁽¹⁾	THB Mn	% ⁽¹⁾
Total Non-Current Assets	1,244.7	79.6	1,446.3	70.8	2,227.4	82.8
TOTAL ASSETS	1,564.0	100.0	2,044.1	100.0	2,689.0	100.00

Note: ⁽¹⁾ Percent of total assets

Statement of Financial Position	The Group Consolidated Financial Statements					
	For the Year Ended As at December 31					
	2561		2562		2563	
	THB Mn	% ⁽¹⁾	THB Mn	% ⁽¹⁾	THB Mn	% ⁽¹⁾
LIABILITIES						
CURRENT LIABILITIES						
Short-term borrowings from financial institutions - net	629.8	40.3	-	-	-	-
Trade and other current payables	236.8	15.1	295.1	14.4	251.9	9.4
Current portion of liabilities under finance lease contracts	1.3	0.1	0.6	0.1	202.6	7.5
Current income tax payable	12.7	0.8	7.1	0.3	0.8	0.0
Accrued expenses	67.6	4.3	106.8	5.2	42.0	1.6

Statement of Financial Position	The Group Consolidated Financial Statements					
	For the Year Ended As at December 31					
	2561		2562		2563	
	THB Mn	% ⁽¹⁾	THB Mn	% ⁽¹⁾	THB Mn	% ⁽¹⁾
Deferred income due within 1 year	15.1	1.0	22.1	1.1	17.2	0.6
Current provision for liabilities from loyalty programmes	3.8	0.2	4.5	0.2	4.6	0.2
Retention payables	18.0	1.1	18.7	0.9	14.5	0.5
Other current liabilities	23.0	1.5	26.5	1.3	32.8	1.2
<u>Total Current Liabilities</u>	1,008.2	64.4	481.4	23.5	566.4	21.1
<u>NON-CURRENT LIABILITIES</u>						
Liabilities under finance lease contracts - net	1.3	0.1	0.2	0.0	778.0	28.9
Non-current provision for employee retirement benefit	12.2	0.8	16.7	0.8	17.7	0.7
Non-current provision for decommissioning costs	51.1	3.3	67.6	3.3	62.2	2.3
Deferred income	12.9	0.8	18.7	0.9	29.0	1.1
Other non-current liabilities	9.7	0.6	25.4	1.3	24.4	0.9
<u>Total Non-Current Liabilities</u>	87.2	5.6	128.6	6.3	911.5	33.9
Total Liabilities	1,095.4	70.0	610.0	29.8	1,477.9	55.0

Note: ⁽¹⁾ Percent of total assets

Statement of Financial Position	The Group Consolidated Financial Statements					
	For the Year Ended As at December 31					
	2561		2562		2563	
	THB Mn	% ⁽¹⁾	THB Mn	% ⁽¹⁾	THB Mn	% ⁽¹⁾
SHAREHOLDERS' EQUITY						
Share capital						
Authorized share capital	300.0	19.2	300.0	14.7	300.0	11.1
Issued and paid share capital	225.0	14.4	300.0	14.7	300.0	11.1
Share premium on ordinary shares	78.3	5.0	960.0	47.0	960.0	35.7
Surplus on business combination under common control	145.0	9.3	147.8	7.2	148.3	5.5
Earnings (Deficit)retained						
Appropriated for legal reserve	30.0	1.9	30.0	1.5	30.0	1.1
Unappropriated (Deficit)	(9.7)	(0.6)	(3.7)	(0.2)	(227.2)	(8.4)
Equity Attributable to Owners of the Parent	468.6	30.0	1,434.1	70.2	1,211.1	45.0
Non-controlling interests	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0
Total Shareholders' Equity	468.6	30.0	1,434.1	70.2	1,211.1	45.0
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,564.0	100.0	2,044.1	100.0	2,689.0	100.0

Note: ⁽¹⁾ Percent of total assets

4.2.2.2 Statement of Comprehensive Income

Statement of Comprehensive Income	The Group Consolidated Financial Statements					
	For the Year Ended As at December 31					
	2561		2562		2563	
	THB Mn	% ⁽¹⁾	THB Mn	% ⁽¹⁾	THB Mn	% ⁽¹⁾
REVENUES						
Revenue from Sales and Service	2,922.1	98.6	3,102.4	98.7	2,284.0	97.9
Other income	42.5	1.4	41.7	1.3	49.4	2.1
<u>Total Revenues</u>	2,964.6	100.0	3,144.1	100.0	2,333.4	100.0
EXPENSES						
Costs of Sales and Service	1,519.8	51.3	1,621.3	51.6	1,229.2	52.6
Selling expenses	799.1	26.9	901.9	28.7	733.2	31.4
Administrative expenses	448.7	15.1	489.7	15.5	420.8	18.0
Finance costs	24.6	0.8	3.7	0.1	33.5	1.4
<u>Total Expenses</u>	2,792.1	94.1	3,016.6	95.9	2,416.7	103.5
Profit (loss) from operating activities	172.5	5.9	127.5	4.1	(83.3)	(3.6)
Share of loss of associate accounted for using equity method (net of tax)	(0.0)	0.0	(0.0)	0.0	(1.2)	(0.0)
Profit (loss) before Tax	172.5	5.9	127.5	4.1	(84.5)	(3.6)
Tax income (expense)	(32.3)	(1.1)	(21.3)	(0.7)	20.8	0.9
PROFIT (LOSS) FOR THE YEAR	140.2	4.8	106.2	3.4	(63.7)	(2.7)

Note: ⁽¹⁾Percent of total Revenues

Statement of Comprehensive Income	The Group Consolidated Financial Statements					
	For the Year Ended As at December 31					
	2561		2562		2563	
	THB Mn	% ⁽¹⁾	THB Mn	% ⁽¹⁾	THB Mn	% ⁽¹⁾
PROFIT (LOSS) FOR THE YEAR	140.2	4.8	106.2	3.4	(63.7)	(2.7)
Other comprehensive income (expense) :						
Item that will not be reclassified subsequently to profit or loss						
Actuarial gains(loss)	2.6	0.1	1.3	0.0	7.2	0.3
Income tax relating to other comprehensive income(loss)	(0.5)	(0.0)	(0.3)	(0.0)	(1.4)	(0.1)
Other comprehensive income (expense) for the year, net of tax	2.1	0.1	1.0	0.0	5.8	0.2
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	142.4	5.0	107.2	3.4	(57.9)	(2.5)
Owners of the parent	140.2	4.7	106.2	3.4	(63.7)	(2.7)
Non-controlling interests	(0.0)	0.0	(0.0)	0.0	(0.0)	0.0
Profit (loss) for the year	140.2	4.7	106.2	3.4	(63.7)	(2.7)
Owners of the parent	142.4	4.8	107.2	3.4	(57.9)	(2.5)
Non-controlling interests	(0.0)	0.0	(0.0)	0.0	(0.00)	0.0
Total comprehensive income (expense) for the year	142.4	4.8	107.2	3.4	(57.9)	(2.5)

Note: ⁽¹⁾Percent of total Revenues

4.2.2.3 Statement of Cash Flows

Statement of Cash Flows	The Group Consolidated Financial Statements		
	For the Year Ended As at December 31		
	2561	2562	2563
	THB Mn	THB Mn	THB Mn
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit (loss) for the year	140.2	106.2	(63.7)
<u>Adjustments to reconcile profit for the year to net cash provided by (used in) operating activities:</u>			
Tax expense (income)	32.3	21.3	(20.8)
Finance costs	24.6	3.7	33.6
Depreciation and amortization	170.2	188.8	399.2
Reversal of provision for decommissioning costs	(17.3)	(2.6)	(4.0)
Provisions for employee benefits	4.1	7.1	8.4
Provision for liabilities from loyalty programmes	0.9	0.7	0.0
Share of loss of associate accounted for using equity method (net of tax)	-	-	1.7
Impairment losses of assets	-	8.7	9.3
impairment loss on receivables	-	1.0	4.6
(Reversal of)loss on inventories devaluation and deteriorate	2.8	2.2	(1.2)
Loss on disposal of property, plant and equipment and intangible assets	3.9	4.5	21.3
Gain on disposal of right-of-use assets	-	-	(7.3)
Differences on a granted concession	-	-	1.0
Recognition of deferred income	(11.7)	(14.4)	(87.3)
Interest income	(1.3)	(2.5)	(1.2)
Decrease (Increase) in Operating Assets			
Trade and other current receivables	(18.2)	(63.2)	30.0
Inventories	(13.3)	10.5	8.9
Other current assets	6.7	(5.9)	(6.4)

Statement of Cash Flows	The Group Consolidated Financial Statements		
	For the Year Ended As at December 31		
	2561	2562	2563
	THB Mn	THB Mn	THB Mn
Other non-current assets	(15.3)	(34.5)	0.9
<u>Increase (Decrease) in Operating Liabilities:</u>			
Trade and other current payables	(18.9)	27.7	(43.2)
Retention payables	5.6	0.7	(4.2)
Accrued expenses	(4.8)	39.3	(57.3)
Other current liabilities	(9.4)	0.1	6.3
Deferred income	19.7	27.2	92.7
Other non-current liabilities	1.4	19.1	0.4
Provisions for employee benefit paid	-	(1.3)	(0.1)
Cash refund from withholding income tax deducted at sources	2.2	0.7	-
Tax paid	(39.7)	(43.0)	(5.4)
Net Cash Provided by Operating Activities	264.7	302.1	316.2
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of interest in associate	-	-	(4.1)
Proceeds from sale of property, plant and equipment	2.0	14.4	28.0
Acquisition of property, plant and equipment and intangible assets	(121.9)	(313.0)	(68.2)
Decommissioning costs paid	(2.6)	(0.8)	(2.7)
Interest received	1.3	2.5	1.2
Cash flows from investing activities	(121.2)	(296.9)	(45.7)
<u>Cash flows from financing activities</u>			
Proceeds from short-term borrowings from financial institutions	2,955.0	490.0	90.0
Repayment of short-term borrowings from financial institutions	(3,025.0)	(1,120.0)	(90.0)

Statement of Cash Flows	The Group Consolidated Financial Statements		
	For the Year Ended As at December 31		
	2561	2562	2563
	THB Mn	THB Mn	THB Mn
Payment of lease liabilities (2019: Payment by a lessee for reduction of the outstanding liability relating to a finance lease)	(1.0)	(1.7)	(196.7)
Proceeds from issue of shares	84.4	952.0	-
Dividends paid	(124.3)	(101.3)	(135.0)
Interest paid	(23.6)	(3.6)	(33.6)
Net cash from (used in) financing activities	(134.5)	215.5	(365.3)
Net increase (decrease) in cash and cash equivalents	8.9	220.7	(94.8)
Cash and cash equivalents at 1 January	133.7	142.6	363.3
Cash and cash equivalents at 31 December	142.6	363.3	268.5

4.2.3 Important financial ratios

Financial ratios	The Group's Consolidated financial statements		
	For the fiscal year ended Dec 31,		
	2018	2019	2020
<u>Liquidity ratio</u>			
Liquidity ratio (times)	0.3	1.2	0.8
Quick ratio (times)	0.2	1.0	0.6
Cash flow ratio (times)	0.3	0.4	0.6
Accounts receivable turnover ratio (times)	81.1	40.1	24.8
Average collection period (days)	4.4	9.0	14.5
Inventory turnover ratio (2) (times)	14.8	16.0	13.5
Average sales period (days)	24.3	22.5	26.7
Payable turnover ratio (times)	6.2	6.1	4.5
Payment period (days)	57.6	59.1	80.1
Cash cycle (days)	(28.9)	(27.6)	(38.9)

<u>Profitability ratio</u>			
Gross profit margin ratio (percent) (3)	48.0	47.7	46.2
Operating profit margin ratio (percentage)	5.4	3.0	(4.5)
Other profit margin ratio (percent)	1.4	1.3	2.1
Cash to income ratio (percentage)	171.2	337.1	(318.9)
Net profit margin (percentage)	4.7	3.4	(2.7)
Return on equity ratio (%)	33.6	11.2	(4.8)
<u>Operating efficiency ratio</u>			
Return on assets ratio (%)	8.9	5.9	(2.7)
Return on fixed assets ratio (%)	23.4	21.2	17.7
Asset turnover ratio (times)	1.9	1.7	1.0
<u>Financial Policy Ratio</u>			
Debt to equity ratio (times)	2.3	0.4	1.2
Interest bearing debt to equity ratio (times)	1.3	0.0	0.8
Interest coverage ratio (times)	13.01	88.3	9.8
Cash basis (times)	0.1	0.2	0.7
Dividend payout ratio (percent)	88.7	95.3	(212.)

Note: ⁽¹⁾ Calculated by the annualization

⁽²⁾ Calculated from total inventories (raw materials, beverages, and consumables)

⁽³⁾ Calculated from revenue from sales and services, plus revenue from franchisees less cost of sales and services

4.3 The policy to determine credit term for each type of business partners or customers and the financial ratios associated with the actual average credit term (Circular Letter KorLorTor. JorTor-1 (Wor) 68/2563 on Request for Disclosure of Information Regarding the Credit Term Policy, dated 11 November 2020)

The Risk Management Committee established a credit policy to analyze the creditworthiness of each new customer before the Group offers the term and standard terms of payment and delivery. The Group annually reviews financial statements, sales limit for each customer, and the sales that exceed that limit shall be approved by the Risk Management Committee.

5. General Information and other significant information**5.1 General Information**

The Company name (Thai)	: บริษัท เซ็น คอร์ปอเรชั่น กรุ๊ป จำกัด (มหาชน)
The Company name (English)	: Zen Corporation Group Public Company Limited
Type of Business	: holding company which invested in companies operating restaurant business and other related businesses
Main Business	: restaurant business and other related businesses
Core Company	: Zen Restaurant Holding Company Limited (“ZRH”)
Registered Capital	: 300,000,000 Baht (Three Hundred Million Baht Only)
Paid up Capital	: 300,000,000 Baht (Three Hundred Million Baht Only) Consisting of 300,000,000 ordinary shares with a par value of 1 baht per share
Head Office	: 662 Soi Onnut 17 Suanluang, Suanluang, Bangkok 10250
Company’s registration number	: 0107561000439
Home Page	: www.zengroup.co.th
Telephone	: 0-2019-5000
Facsimile	: 0-2030-5322

Details of subsidiaries and associated companies in which the company holds 10 percent or more of the total issued shares, please see details in the topic of “Company Group Structure

Other Party's Reference Information

Reference Party	Details
Auditor	<ul style="list-style-type: none"> - KPMG Phoomchai Audit Limited. Head Office: Building Empire Tower 1 Floor 50 Road South Sathorn Yan Nawa Sathon Bangkok 10120 - Telephone: 0-2677-2000 - Facsimile : 0-2677-2222
IT Internal Control Auditor	<ul style="list-style-type: none"> - Internal Audit Department P&L IT Audit Company Limited Head Office: 281/160 The Fifth Avenue Building B, 2nd Floor, Bangkok-Nonthaburi Road, T. Bangkhen, A. Muang, Nonthaburi 1100 - Telephone: 0-2526-6100 - Facsimile : 0-2526-0300
Registrar	<ul style="list-style-type: none"> - Thailand Securities Depository Company Limited Head Office: The Stock Exchange of Thailand's building 93 Ratchadaphisek Rd, Khwaeng Din Daeng, Khet Din Daeng, กรุงเทพมหานคร 10400, Thailand - Telephone: 0-2009-9000 - Facsimile: 0-2009-9991

5.2 Legal Dispute

As of 31 December 2020, the Company and its subsidiaries are not prosecuted as a defendant in any litigation or disputes, including any arbitration proceedings (1) that may have a negative impact on the assets of the Company or its subsidiaries that have higher than 5.0% of shareholders' equity (2) that affects the Company's business operations or its subsidiaries but unable to assess the impact in numbers and (3) that is not caused by the normal business operation of the Company or its subsidiaries. From time to time, however, the Company may be involved in legal or administrative proceedings in the ordinary course of business.

5.3 Secondary market

No secondary market and no debt instrument

Zen Corporation Group Public Company Limited

Section 2

Corporate Governance

6. Good Corporate Governance Policy

6.1 Corporate Governance Policy Overview

The Board of Directors established a corporate governance policy and the Code of Conduct for Zen Corporation Group Public Company Limited as a guideline in business conduct for the Company's directors, executives and employees. The Board of Directors regularly reviews and improves corporate governance principles. The Corporate Governance Committee is appointed to support performance of the Board of Directors corporate governance. The Corporate Governance Committee reviews and revises the good corporate governance policy to be suitable for any changes that may arise from business operations, environment, situations, including changing rules and regulations, as well as to monitor compliance with the Code of Conduct and good corporate governance. The Group discloses the corporate governance policy and the Code of Conduct on the Company's website under Investor Relations, sub-topic of Corporate Governance. It shall be the policy applied to the directors, executives and employees of the Company to acknowledge, understood and comply with on a regular basis, both in written practice and intention of integrity.

6.1.1 Policies and guidelines for the Board of Directors, shareholders and stakeholders

Corporate Governance Policy

The Company realizes the importance of good corporate governance as a key factor to promote the Company's operations for efficiency and sustainable growth, which will lead to the benefits to all related parties, from employees, investors, shareholders and other stakeholders. Therefore, the Board of Directors develops a better corporate governance policy which covers the core principles ranging from the structure, roles, duties and responsibilities of the Board of Directors to management principles of the executives with clearness, transparency, and accountability to be a corporate management approach in order to ensure that all operation of the Company will be conducted with fairness, taking into account the best interests of shareholders and all stakeholders. The Company's board of directors and management adheres to the principle of conducting business with determination and integrity with visions, policies and practices in performing their duties in accordance with their responsibilities in order to continuously promote a culture of governance and as a foundation for sustainable growth, to create value for all stakeholders to achieve the objectives of the Board of Directors that has established an organizational structure to be transparent and accountable, which cover the good corporate governance principles under the regulations of Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.

The Board of Directors realizes the importance of good corporate governance practices and the roles and responsibilities of the Board of Directors and the management team to foster good corporate governance in order to increase competitiveness of the business and to give confidence to shareholders, investors and all related parties with efficient and transparent management. The policy has established to support corporate governance covering the main principles in accordance with good corporate governance in five categories as follows:

1. Section 1 Rights of Shareholders
2. Section 2 Equitable Treatment of Shareholders
3. Section 3 Roles of Stakeholders
4. Section 4 Disclosure of Information and Transparency
5. Section 5 Responsibilities of the Board of Directors

Section 1

Rights of Shareholders

1. Shareholder meetings

1. Zen Corporation Group Public Company Limited ("the Company") shall support all shareholders and the institutional shareholders to attend the shareholders' meetings.

2. The Company shall send documents stating the date, time, location, and agenda of a meeting, as well as explanations and reasons for each agenda, all information related to matters that need to be decided at a meeting, in an invitation letter of the shareholders' meeting or in an attachment of meeting agenda. All shareholders shall be notified at least 28 days in advance, and the details shall be available on the Company website <http://www.zengroup.co.th>.

3. The Company shall give shareholders an opportunity to submit questions regarding the meeting agenda to the Board of Directors in advance, from the date of the Company providing the details about the invitation letter of the shareholders' meeting and related documents on the Company website up to 7 days before the date of the shareholders' meeting. The shareholders may submit questions via the Company website or via fax or email of the Company Secretary. The Company shall notify the rules of the submission in advance through the news system of the Stock Exchange of Thailand ("SET") in the invitation letter of the shareholders' meeting and on the Company website <http://www.zengroup.co.th>.

4. The Company shall facilitate shareholders to fully exercise their rights to attend the meeting and vote. A meeting shall be held on working days, and its location shall be in Bangkok or its perimeter with

convenient transportation for shareholders. It shall also provide sufficient personnel and technology for document verification and provide duty stamps for the proxies.

5. The Company shall nominate at least one independent director as a proxy from shareholders who are unable to attend the meeting with a power of attorney in the form where shareholders can specify the voting direction.

2. Actions on the day of the shareholders' meeting

1. The Company shall arrange to use ballots and/or technology for the shareholders' meeting, shareholder registration voting on important agenda such as connected transactions, acquisition or disposition of assets, and vote counts and voting display for transparency and accountability and enable the meeting to be conducted quickly, accurately, and precisely.

2. The Company shall require the directors and the senior management of the Company to attend the shareholders' meeting and answering questions at the shareholders' meeting.

3. The Company shall allow the shareholders to vote separately in accordance with the sub-transactions in each proposed agenda, such as the voting agenda for the election of individual directors.

4. The Company shall arrange an independent person(s) to count or check the votes in the shareholders' meeting, and the voting results shall be disclosed to the meeting and recorded in the minutes of the meeting.

5. The Chairman of the meeting shall manage the time appropriately and encourage the shareholders with an opportunity to express their opinions and ask questions related to the meeting according to the agenda.

3. Preparation of meeting minutes and the disclosure of the resolutions of the shareholders' meeting

1. The Company shall prepare the minutes of the shareholders' meeting within 14 days from the meeting date with the clarification of voting procedures, a method of displaying the scores to the meeting before conducting the meeting, an opportunity for shareholders to raise issues or raise questions, answering important issues, inquiries, clarifications, opinions, and voting methods, including the number of votes in approval or disapproval, or abstention of all agendas, as well as the names of the directors who attend the meeting and the directors who take leave. The minutes of the meeting shall be sent to the Stock

Exchange of Thailand in accordance with the regulations and published on the Company website to be available to check and reference.

2. The Company shall disclose to the public the voting results of each agenda in the next shareholders' meeting on the Company website.

Section 2

Equitable Treatment of Shareholders

1. Provision of Information before the Shareholders' Meeting

1. The Company shall inform the schedule of the shareholders' meeting along with the agenda and opinions of the Board of Directors to the SET and publish it on the Company website at least 28 days before the date of the shareholders' meeting.

2. The Company shall inform shareholders of various rules for the meeting, voting process, voting rights for each type of share in the invitation letter.

3. The Company shall make the invitation letter to the shareholders' meeting in both Thai and English.

2. Protection of Rights of Minority Shareholders

1. The shareholders have the right to propose the Company matters to be included in the agenda of the shareholders' meeting in accordance with the rules stipulated by the Company, which are disclosed on the Company website at [http:// www.zengroup.co.th](http://www.zengroup.co.th), by December 31 of every year.

2. The shareholders may nominate persons to be elected as directors in accordance with the rules stipulated by the Company, which are disclosed on the Company website at <http://www.zengroup.co.th>, by December 31 of every year.

3. The executive shareholders shall not add an agenda item to the meeting or change important information without notifying the shareholders at least 21 days before the meeting date.

3. Prevention of Internal Information

1. The Company shall provide knowledge to the directors and executives of the Company, including those with management positions in the accounting or finance department who are department managers or

higher or equivalent (according to the definition of the Capital Market Supervisory Board and the Stock Exchange of Thailand) regarding the obligation to report the Company's securities holdings under Section 59 and the penalty under Section 275 of the Securities and Exchange Act B.E. 2535 (the "Securities Act"), including reporting of acquisition or disposal of the Company's securities under Section 246 and the penalty under Section 298 of the Securities Act.

2. (a) Directors and executives, including those with management positions in the accounting or finance department who are department managers or higher or equivalent are obliged to prepare and disclose their stock holding reports issued by the Company, including spouses or people who live together as husband and wife and children who are not legal age and (b) a juristic person in which the persons under (a) hold more than 30% of the total voting rights of the juristic person and the combined shareholding is the largest proportion of that juristic person under the Notification of the Office of the Securities and Exchange Commission and Section 59 of the Securities and Exchange Act within seven working days from the reporting obligation and within three working days every time there is a change with buying, selling, transferring or accepting the transfer of securities, through the Company's Secretary in order to be submitted to the Office of the Securities and Exchange Commission at all times. The Company's Secretary shall summarize the report of securities holding and changes in securities holding to the Board of Directors meeting for acknowledgment on a regular basis every six months, and the directors and senior management shall notify the Board or the person assigned by the Board and trading the shares of the Company at least one day in advance before trading.

3. The directors and executives, including those with management positions in the accounting or finance department who are department managers or higher or equivalent, and relevant workers who have received internal information regarding the financial statements, financial status or results of operations of the Company, including other important internal information, shall not buy, sell, offer to buy or sell, or solicit other people to buy, sell, offer to buy or sell shares or other securities (if any) of the Company, either directly or indirectly within the period prior to the disclosure of the financial statements or the financial status and operating results of the Company until the Company has disclosed the information to the public. The Company shall notify the directors and executives in writing to refrain from the above actions for at least 30 days in advance of public disclosure, and they should wait for at least 24 hours after the information has been made public before performing the above actions.

4. The directors, executives, officers and employees of the Company and its subsidiaries, including those who are assumed to acknowledge or possess information within the Securities Act shall not use the

Company's and its subsidiaries' internal information that has or may have an effect on the price change of the Company's securities, and that has not been made public, which they have known due to their position or status for the purpose of buying, selling, offering to buy or sell, or solicit other people to buy, sell, offer to buy or sell shares or other securities (if any) of the Company, either directly or indirectly, and whether such actions are done for the benefit of themselves or others, or shall not reveal such facts for others to do so as to whether they gain benefits or not.

5. The Company's and its subsidiaries' directors, executives, officers and employees, including those who are assumed to acknowledge or possess information within the Securities Act shall not disclose internal or confidential information of the Company and its subsidiaries, including confidential information of business partners of the Company and its subsidiaries, which they have known due to their performance of duties to third parties even though the disclosure of the said information does not cause damage to the Company, its subsidiaries or partners.

6. The directors, executives, officers and employees of the Company and its subsidiaries, including those who are assumed to acknowledge or possess information within the Securities Act shall keep confidential and/or internal information of the Company and its subsidiaries and the directors, executives, officers and employees of the Company and its subsidiaries, including those who are assumed to acknowledge or possess information within the Securities Act shall not use confidential information and/or internal information of the Company and its subsidiaries to benefit other companies.

7. The directors, executives, officers and employees of the Company and its subsidiaries, including those who are assumed to acknowledge or possess information within the Securities Act shall be responsible for complying with the guidelines for using the internal information of the Securities Act and the Public Limited Companies Act, and other relevant rules.

4. Stake in directors

Company Code of Ethics stipulates that the directors, executives, and employees of the Company and its subsidiaries to cope with conflicts of interest by adhering to the benefits of the Company as a key point. The Company has set up a system to oversee connected transactions in accordance with the Notification of the Capital Market Supervisory Board and required that directors and executives to disclose information regarding to their own interests and those involved in consideration of any agenda in which their directors or executives have a stake, and they shall inform the interests before considering that agenda and record it in the minutes of

the meeting. The directors or executives with interests in any agenda shall not participate in the decision of the agenda and shall leave the meeting room in that agenda.

Section 3

The Role of Stakeholders

The Company and its subsidiaries place importance on the treatment of all groups of stakeholders and take into account legal rights or agreements. It shall not violate the rights of stakeholders such as customers, employees, shareholders or investors, business partners, creditors, society, communities in which the Company is located, including government sectors, auditors, and competitors for financial stability and sustainability of the business. Therefore, the Company and its subsidiaries also take into consideration the participation of interested parties and shall disclose important, relevant information to those interested parties sufficiently, including carrying out the process and channels for receiving and managing the complaints of the interested parties by disclosing processes and channels on the Company website and the annual report. All stakeholders of the Company are as follows:

1. Customers

The Company and its subsidiaries are committed to providing customers with maximum satisfaction with development of quality products and services to meet the needs of customers as much as possible at a fair price, providing accurate information about the operations and products of the Company and its subsidiaries, as well as maintaining communication channels with customers by regularly listening to customer feedback.

2. Employees

The Company and its subsidiaries shall focus on the development of employees' knowledge and capabilities with provision of opportunities for employees thoroughly and consistently and consider employees as valuable resources for the organization and important for growth and profitability of the Company and its subsidiaries along with provision of care and quality work environments for employees, focusing on health and safety, and shall treat all employees with fairness in order to gain fair returns when compared to similar businesses.

3. Shareholders

The Company and its subsidiaries are committed to the operation and shall perform their duties with honesty, transparency, and fairness, and use knowledge, expertise, and experience in management by taking into account the best interests of the shareholders with good returns and ongoing growth, as well as to report the situation of the Company and its subsidiaries continuously, completely, transparently, reliably, and give every shareholder equal rights.

4. Business Partners and Creditors

The Company and its subsidiaries deem that it is important to encourage business partners and creditors of the Company fully to understand the Company's business. In addition, in order to maintain a clear, lasting, and trustworthy relationship, the Company and its subsidiaries shall strictly comply with the terms and conditions of the agreements, as well as providing complete and accurate financial information to business partners and creditors of the Company. It also sets a policy not to demand, accept, or pay any dishonest benefits to business partners and creditors of the Company.

5. Society, Community, and Environment

The Company and its subsidiaries pay attention to and place importance to safety to society, environment, and quality of life of people involved in all operations of the Company and also provides supervision for compliance with laws and regulations in accordance with the spirit of the law and regulations of responsible departments. In addition, the Company seeks to raise awareness of responsibility to the community, society, and environment among employees at all levels, including ongoing evaluation and monitoring.

6. Competitors

The Company and its subsidiaries shall treat competitors in a fair and ethical manner and operate the business with the purpose of development and market progress, which is beneficial to the industry as a whole without seeking the confidential information of dishonest or inappropriate competitors.

7. Business Partners

The Company and its subsidiaries shall comply with trade conditions and agreements, aiming to treat trade partners based on fairness and consider mutual benefits. It also sets the rules to select partners by providing detailed information to all partners and shall not discourage anyone partner from competing in a business competition and provide a management and monitoring system to ensure that all agreements and contracts are fulfilled, including a process for on-time payment to partners in accordance with the agreed payment terms.

In addition, the Company and its subsidiaries shall conduct a partner evaluation annually and inform the evaluation results and recommendations to enable partners to continuously improve their quality of products and services. At the same time, it allows the partners to submit complaints.

Section 4

Section 4 Disclosure of Information and Transparency

The Board of Directors are committed to ensuring the disclosure of important information relating to the Company and its subsidiaries, including financial and non-financial information is accurate, complete, timely, transparent, through easy access channels, fair and reliable, and also strictly complies with relevant laws, regulations, and regulations. The main principles of information disclosure are as follows:

1. The disclosed information shall be accurate, sufficient, clear, timely, and not to cause any misunderstanding in the material contents.
2. It shall comply with regulations regarding disclosure of information correctly and completely.
3. The Company shall authorize an assigned person(s) to disclose important information that has not been disclosed to the public only.
4. In the case of information that affects the trading prices and the investment decision, the Company shall disclose to the public without delay through the SET.
5. Disclosures are made through various channels, such as reporting to the SET and/or the Office of the Securities and Exchange Commission or on the Company website.

Section 5

Board responsibilities

1. Board of Directors Structure

1. The Company has set up its Board of Directors to consist of at least five directors as specified by the shareholders' meeting, but no more than 12 and at least 1 in 3 independent directors but not less than 3, and the remaining members are executive directors and non-executive directors. It has also set the structure of the Board to consist of various qualifications in terms of skills, experience, gender and specific talents that are beneficial to the Company with dissemination of policies on the diverse qualifications of the directors, including the number of years holding the position of each director in the annual report and on the Company website.

2. The directors shall be qualified and shall not be under any prohibition under the Public Company Limited Act and shall not have characteristics that indicate lack of appropriateness to be entrusted to the management of a public-owned business under the law and the Notification of the Securities and Exchange Commission and in the selection of new directors, it shall also consider from the Director Pool database.

3. To strengthen the Board of Directors and enable the directors to devote their time to perform duties in the Company, the Company requires that the directors be able to hold their position of no more than five registered companies.

4. To enable management in the Company's business to achieve effective results, the Company has guidelines in the case of the Chief Executive Officer, and the senior management of the Company will take a position of not more than five companies in which the Company invests and the company in which the directors hold their position shall not have a conflict of interest and shall not be a competitor of the Company. Directorship in other companies shall be proposed for approval by the Board of Directors, and they shall be prohibited from working in any other company other than companies that the Company invests in.

5. The Company requires qualifications of independent directors in accordance with the Notification of the Capital Market Supervisory Board, except for the matters of shares that the Company has stipulated to be stricter. The shares shall not be more than 0.5 percent of the Company's paid-up capital, and the shares held by related persons shall also be counted. The term of office for the independent directors shall be no more than nine years

6. The Company requires the Chairman of the Board and the Chief Executive Officer to be different persons in order to be able to independently carry out the audit for balance the work of the management by dividing duties and responsibilities for each as follows:

(1) The Chairman is responsible for overseeing the meetings of the Board of Directors to be efficient and shall ensure provision of an important and necessary meeting agenda for the Company's business operations, especially in the strategic plan, allocate time for the management to present clear information, record the minutes of the meeting correctly, including overseeing the corporate governance of the Company to be in line with the stipulated policies. It also serves as the Chairman of the shareholders' meeting.

(2) The Chief Executive Officer is responsible for overseeing the management as assigned by the Board of Directors, preparing the policy, business strategy guidelines, goals, work plans, and annual budgets of the Company and its subsidiaries to propose to the Board of Directors for approval as well as carry

out operations in accordance with the policy, business strategy guidelines, goals, work plans, and annual budgets of the Company and its subsidiaries as approved by the Board of Directors.

7. The Company has established its Secretary to provide legal advice, rules, and regulations that the Board of Directors should acknowledge and to perform in overseeing the activities of the Directors, as well as coordinating the implementation of the resolutions of the Board of Directors. The Company Secretary shall hold a bachelor's degree in law or accounting or have passed training courses related to the performance of duties of the Company Secretary. The Company has specified the appropriate qualifications of the Company Secretary and disclose the qualifications and experience of the Company Secretary in the annual report and on the Company website and allow the Company Secretary to participate in training and knowledge development.

2. Establishment of Sub-Committees

The Board of Directors has appointed five sub-committees as follows

1. Audit Committee
2. Risk Management Committee
3. Sustainable Marketing and Marketing Committee
4. Nomination and Remuneration Committee
5. Board of Executive Directors

Each sub-committee shall perform its duties as assigned by the Board of Directors, which has the power to notify the management to attend the meeting to clarify or prepare the report to present as deemed appropriate.

Each sub-committee consists of the component, term of office, and duties in accordance with the charter, which can be summarized as follows:

1) Audit Committee: consists of at least three independent directors appointed by the Board of Directors, of which at least one shall have knowledge in accounting, finance, and shall have qualifications regarding independence under the Notification of the Capital Market Supervisory Board. The Audit Committee is responsible for overseeing the Company to prepare sufficient and accurate financial reports, reviewing the internal control system and effective internal audit, as well as supervising compliance with relevant laws, selecting and appointing an auditor(s), and considering connected transactions or transactions that may have conflicts of interest to ensure compliance with the criteria.

2) Risk Management Committee: consists of at least three directors and executives of the Company, who shall be appointed by the Board of Directors.

3) Sustainable Marketing and Marketing Committee: consists of at least three directors of the Company and independent directors appointed by the Board of Directors, and an independent director shall be the Chairman of the Marketing and Sustainable Development Committee.

4) Nomination and Remuneration Committee: consists of at least three directors appointed by the Board of Directors, and an independent director shall be the Chairman of the Nomination and Remuneration Committee. The Nomination and Remuneration Committee shall be consist of more than half of independent directors.

5) Board of Executive Directors: consists of some of the Company's directors and may consist of one or more other persons, as deemed and appointed by the Board of Directors.

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

1. Duties and responsibilities of the Board of Directors shall be as stipulated by law, memorandum of association, articles of association, and resolutions of the shareholders' meeting, which include the following actions:

(1) To stipulate the vision, mission, policy, strategy and financial goals for the Company and its subsidiaries, as well as to consider and approve the policy and operation direction that the management proposes, and to supervise the management to proceed in accordance with the vision, mission, policy, strategy and financial goals, with the purpose to increase economic value for shareholders by taking into account all interested parties involved.

(2) To review the Board of Directors Charter at least once per year

(3) To set the structure and define the Company's and its subsidiaries' processes to ensure that operations are in accordance with the rules, regulations, board resolutions, resolutions of the shareholders' meeting, with honesty and carefulness.

(4) To set the structure and define the Company's and its subsidiaries' processes for a sound risk management system, supervision and inspection, and internal control.

(5) To monitor and evaluate the management of the Company and its subsidiaries to achieve the strategic plan under the budget approved by the Board of Directors.

(6) To oversee the preparation of accounts and keep accounts and related documents, including the disclosure of appropriate information to shareholders and the general public.

(7) To inspect and ensure that the Company and its subsidiaries have complied with the Code of Ethics and anti-corruption policy set by the Board of Directors and determine the Company's and its subsidiaries' policies in corporate governance and social responsibility.

(8) To appoint a person to be a director or executive of a subsidiary company in proportion to his/her shareholding in the subsidiary company and provide a clear scope of duties and responsibilities of the appointed directors and executives, which include setting a clear framework for exercise discretion and allowing the voting in the Board of Directors' meeting on important matters to be approved by the Board of Directors, and also conduct management control in accordance with the Company policy and transactions to be legal, which includes the disclosure of financial status, information, performance, connected transactions and the acquisition or disposal of significant assets.

However, the delegation of authority and responsibility of the Board of Directors shall not be made in a power of attorney or sub-authorization which allows the Board of Directors or a delegate from the Board of Directors to approve transactions in which they or persons with potential conflicts of interest (as defined in the Notification of the Securities and Exchange Commission or Notification of the Capital Market Supervisory Board) may have a conflict of interest or may receive benefits in any manner or may have a conflict of interest with the Company or its subsidiaries, except for approval of items in accordance with the policies and criteria approved by the shareholders' meeting or the Board of Directors of the Company.

2. In the principles of the good corporate governance of the Company, apart from conducting business in accordance with the law, objectives, and regulations, as well as the resolutions of the shareholders' meeting, the Board of Directors also has the authority, duties, and responsibilities of the Board of Directors as shown in the Board of Directors Charter.

4. Board Meeting and Receipt of Documents

The Board of Directors operates through a meeting of the Board of Directors as follows:

1. The Company shall schedule a meeting of the Board of Directors in advance for the whole year, and the Company Secretary shall inform each director of the schedule.

2. The Board of Directors shall schedule a meeting at least six times a year and at least once within three months.

3. The Chairman of the Board of Directors and the Chief Executive Officer jointly consider and select matters for the agenda of the Board of Directors' meeting and allow each director to propose matters that are beneficial to the Company.

4. Each meeting of the Board of Directors shall have a clear meeting agenda and sufficient and complete meeting documents that shall be submitted to the Board of Directors at least seven days in advance of the meeting date.

5. All directors shall attend every meeting of the Board of Directors and the shareholders, except in the case of necessity.

6. The Chairman of the Board shall allocate sufficient time for the management to propose the matters and to allow the directors to thoroughly discuss the important issues. The Chairman of the Board shall promote careful discretion, and every director shall pay attention to every matter and issue brought to the meetings, including corporate governance issues.

7. The minimum quorum at the time that the Board of Directors is passing a resolution shall not be less than 2 in 3 of the total number of directors.

8. In the case that the Chairman is not an independent director, the Board of Directors shall appoint one of the independent directors to consider the agenda of the meeting in order to be in accordance with the principles of good corporate governance for registered companies.

9. The Company has a policy for non-executive directors to have a meeting among themselves as necessary in order to discuss various issues regarding management that is of interest to the management without the management team and to inform the Chief Executive Officer of the meeting results.

10. The Company has the policy to encourage senior executives to attend the meeting of the Board of Directors.

11. All directors have access to additional necessary information from the Chief Executive Officer, the Company Secretary, or other assigned executives within the specified policy scope and, if necessary, they may provide independent opinions from consultants.

12. Board of Directors shall assign the Company Secretary to make the minutes completely and accurate, and the minutes shall be clear with the meeting results and the opinions of the Board for reference.

5. Board Self Assessment

The Board of Directors requires the evaluation of the Board of Directors' performance annually to consider the work and issues for further improvement.

The Company has the evaluation process of the Board of Directors as follows

1. The Board of Directors arranges for annual self-performance evaluation for the directors to jointly consider their work and issues for further improvement. The evaluation of the Board of Directors shall rely on the guidelines of evaluation suggested by the Stock Exchange of Thailand, and it shall carry out additional improvements to suit the company's business operations.

2. The Board of Directors arranges for the evaluation of the Chief Executive Officer to compare with the operating results. The Board of Directors shall evaluate in the evaluation form, and the Board of Directors shall assign the Chairman of the Board to inform the evaluation results to the Chief Executive Officer and the Board of Directors.

6. Directors' Remuneration

To prevent the conflict of interests of the Company, the Nomination and Remuneration Committee is responsible for determining and proposing to the Board for approval. Then, the shareholders may give approval to the work of the Board of Directors with the following rules and regulations:

1. The Committee shall consider the remuneration of the directors by comparing it with the companies in the same industry, company performance, and responsibilities of the directors. The consideration of the remuneration of directors is under the approval of the shareholders' meeting, and the shareholders have the right to consider the criteria and policies for determining remuneration for the directors every year. The Board of Directors has to propose the directors' remuneration for the shareholders to consider as the agenda of the annual general meeting of shareholders.

2. Executive remuneration shall be in accordance with the principles and policies determined by the Board of Directors, which are connected to the Company's operation and the performance of each executive.

3. Board of Directors and the senior management shall report on the directors' remuneration and rationale in the annual report and financial statements of the Company.

7. Development of Directors and Executives

1. The Company and its subsidiaries shall promote and facilitate the training and education of relevant parties in the corporate governance system of the Company and its subsidiaries, such as directors, audit committee, executives, and the Company Secretary, in order to continuously improve operations.

2. The Company and its subsidiaries shall arrange an orientation and arrange documents and information useful for the performance of the duties of the new directors.

3. The Board shall set a plan to develop the potential of executives from the level of Chief Executive Officer to the director level by assigning the management to create a succession plan and a report to the Board of Directors

The Company established an anti-corruption policy and developed operational guidelines, which have been approved by the Board of Directors disclosed on the Company's website. The Company also joins the Thai Private Sector Collective Action Against Corruption (CAC).

6.2 Code of Conduct (if any)

The details appear in Attachment 5.

Employees' cooperation in ethics and corporate governance

Zen Corporation Group Public Company Limited has a policy and encourages all employees to fully acknowledge, understand and adhere to the Company's Code of Conduct for all individuals, both inside and outside the organization, including the corporate governance policy of the Company. The Group includes the Code of Conduct as part of the orientation course for new employees. On the first day of work, employees will receive notifications to understand and to abide by the practice. In addition, the Group continuously communicates to employees about the Company's corporate governance policy and the Code of Conduct in all internal communication channels of the Company, such as public relations boards and electronic communication channels, in order to promote and encourage all employees to strictly comply with the Code of Conduct and corporate governance policy. In addition, all employees are encouraged to adhere to the principles and policies continually. In the past year, there were no instances of employees failing to comply with or violating the Company's Code of Conduct and corporate governance policy.

6.3 Significantly Changes and Developments of Policy, Practice and Corporate Governance System in the Past Year

6.3.1 Significant changes and developments in policy review, practice and corporate governance or the Board of Directors Charter in the past year:

In order to increase efficiency and demonstrate that corporate governance standards are raised and appropriate and consistent with business operations in accordance with the good corporate governance principles and the policies, practices and corporate governance systems or the Board of Directors Charter have been reviewed once in the past year, such as good corporate governance policy.

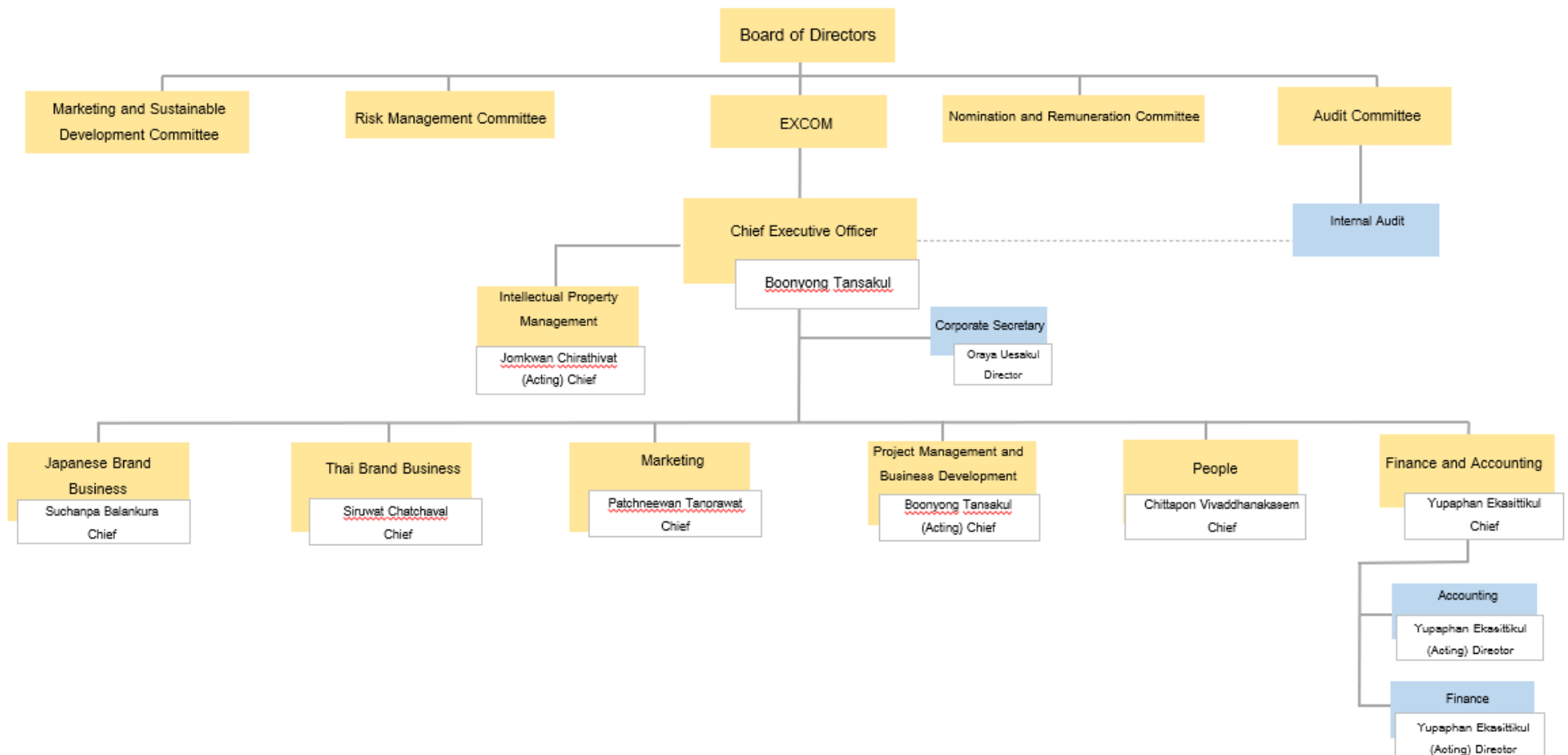
6.3.2 Other matters in accordance with good corporate governance principles

The Company complies with the good corporate governance principles to support the assessment of the Corporate Governance Report (CGR) and the shareholder meeting management quality assessment projects. In 2020, the Company had the following assessment results:

1. Corporate Governance Report (CGR) 2020 from the Thai Institute of Directors with an overall rating of 88 % or of a very-good level (4 stars), which is higher than last year at 84%.
2. Annual General Meeting Checklist (AGM Checklist) 2020 from the Thai Investors Association with an assessment result of 99%, which is higher than last year at 85%.

7. Corporate governance structure and important information concerning the Board of Directors, Sub-committees, management, employees, and others

7.1 Corporate governance structure as of 31 December 2020



7.2 Information about Board of Directors

(1) Board of Directors

Board of Directors consist of 11 Directors shown below;

รายชื่อ	ตำแหน่ง
1. Mr. Paitoon Taveebhol	Chairman of the Board of Directors / Independent Director
2. Mr. Sakkanon Chirathivat	Vice Chairman of the Board of Directors/ Nomination and Remuneration Committee/ Risk Management Committee
3. Mr. Prawit Kijpaisalrattana	Independent Director/ Chairman of the Audit Committee / Chairman of the Nomination and Remuneration Committee
4. Assoc.Prof.Dr. Wilert Puriwat	Independent Director/ Chairman of the Marketing and Sustainable Development Committee/ Nomination and Remuneration Committee
5. Mrs. Jotika Savanananda	Independent Director/ Audit Committee/ Marketing and Sustainable Development Committee
6. Mr. Chavalit Chindavanig	Independent Director/ Audit Committee/ Chairman of the Risk Management Committee
7. Mr. Boonyong Tansakul	Director / Chairman of the Executive Committee/ Risk Management Committee/ Marketing and Sustainable Development Committee / Chief Executive Officer / (Acting) Chief of Project Management and Business Development Officer
8. Miss Jomkwan Chirathivat	Director / Executive Director / Marketing and Sustainable Development Committee / Executive Vice President, Intellectual Property Management Business Group (Acting)
9. Mr. Chittapon Vivaddhanakasem	Director / Risk Management / Executive Director / Chief People Officer
10. Mr. Steven David Halliday	Director
11. Mr. Siruwat Chatchaval	Director / Executive Director / Marketing and Sustainable Development Committee / Chief Commercial Officer_Thai Brand

Miss Oraya Uesakul is Corporate Secretary who passed Corporate Secretary training from Thai Institute of Directors, class 36/2010

The authorized directors: (1) Mr. Sakkanon Chirathivat or Miss. Jomkwan Chirathivat signs together with Mr. . Chittapon Vivaddhanakasem or Mr. Steven David Halliday or Mr. Boonyong Tansakul, or Mr. Siruwat Chatchawan totaling two persons, with the Company's seal affixed; or (2) filing tax returns or filing financial statements with the Ministry of Commerce, in addition to the authorized directors (1) acting on behalf of the Company, Mr.Sakkanon Chirathivat or Miss. Jomkwan Chirathivat or Mr. Chittapon Vivaddhanakasem or Mr. Steven David Halliday or Mr. Boonyong Tansakul or Mr. Siruwat Chatchawan , two of the six persons, sign with the Company's seal affixed.

Authority, Duties, and Responsibilities of the Board of Directors

The Board of Directors Meeting No. 6/2018 on August 14, 2018, approved the scope of authority, duties and responsibilities of the Board of Directors as follows:

- 1) To define visions, missions, policies, strategies and financial goals for the Company and its subsidiaries, as well as to consider and approve policies and operating directions proposed by the management and supervise the management to comply with the visions, missions, policies, strategies and financial goals in order to increase economic value to shareholders by taking into account all stakeholders involved;
- 2) To review the Board of Directors charter at least once a year;
- 3) To establish the structure and process of the Company and its subsidiaries to ensure compliance with rules and regulations of the Board of Directors' and shareholders meetings' resolutions with integrity and caution;
- 4) To establish the structure and process of the Company and its subsidiaries to have a risk management system, supervision and inspection, and appropriate internal control;
- 5) To follow up and assess the performance of the Company's management duties and its subsidiaries to achieve strategic plans under a budget approved by the Board of Directors;
- 6) To ensure accounting and maintenance of accounts and related documents, including disclosure of appropriate information to shareholders and the general public;
- 7) To inspect and act to ensure that the Company and its subsidiaries follow the Code of Conduct and anti-corruption policy set by the Board of Directors, as well as to determine the Company's and its subsidiaries' corporate governance (CG) and corporate social responsibility;
- 8) To appoint the Board of Directors and set remuneration for the sub-committees (not more than the total number approved by the shareholders)

- 9) To consider and approve operations of the Company and its subsidiaries in accordance with the regulations of each company, which cover the following matters:
- Visions, Missions, Policies and Strategic Plans (to be reviewed annually)
 - Annual business plans
 - Annual budgets
 - Financial statements for the quarters and annual financial statements
 - Interim dividend
 - Organizational structure changes at the group level and other significant changes in the organization
 - Acquisition, establishment, disposal, or freeze of any important assets or any business of the Company
 - Any change in power which the Board of Directors has assigned other persons to perform
- 10) To consider delegating certain powers from time to time to the sub-committees;
- 11) To supervise administration and performance of the Executive Committee, Chief Executive Officer, or any person assigned to perform the said duties in order to meet the visions, missions, goals, business objectives, business strategies, business plans, and annual budgets set by the Board of Directors;
- 12) To follow up on performance of the Company and its subsidiaries continuously in order to comply with business plans and the budgets of the Company, as well as to monitor sufficiency of financial liquidity and solvency of the Company;
- 13) To proceed for the Company and its subsidiary to apply an appropriate and efficient accounting system and an internal control system, and an adequate and effective internal audit system, as well as to regularly provide a process for assessing appropriateness of the Company's and its subsidiaries' internal control system;
- 14) To consider and appoint the Chief Executive Officer as specified by the Nomination Committee and to determine remuneration for consideration by the Board of Directors, as well as to assess performance and determine compensation of the Chief Executive Officer.
- 15) To consider and approve connected transactions between the Company, its subsidiaries, and the connected persons as stipulated in the Securities and Exchange

Act B.E.2535 (1992) (including amendments) as well as related regulations of the Stock Exchange of Thailand and the Capital Market Supervisory Board, and to consider approving principles of trade agreements with general trade terms in entering into transactions between the Company and its subsidiaries with directors, executives or related persons in order to establish a framework for the management to have the power to conduct such transactions within the framework and relevant laws and regulations;

- 16) To provide appropriate communication channels with each group of shareholders and supervise disclosure of information to ensure accuracy, clarity, transparency, reliability, and of the highest standards;
- 17) To appoint persons to hold positions as directors or executives of the subsidiaries and associates at least in proportion to their shareholding in such subsidiaries and associates, as well as to determine authority, duties, and responsibilities of the appointed directors and executives. This includes determination of power for exercising discretion in voting at the Board of Directors' meetings of the subsidiaries and associates on important matters that require a prior opinion from the Board of Directors. To ensure the management comply with the Company's policies and conduct transactions to be legal and disclosure of financial positions, performance, connected transactions, and acquisition or disposition of significant assets to be complete and accurate;
- 18) To ensure the business continuity of the Company and its subsidiaries in the long run, as well as to prepare an employee development plan and succession plan;
- 19) To supervise business operations of the Company and its subsidiaries to be effective and protect any interests concerning all stakeholders;
- 20) To assess performance of the Board of Directors with a self-assessment method by assessing the overall results of each group and individual in order to consider and review performance, problems, and obstacles each year to be able to apply the results of the assessment to develop and improve performance in various areas;
- 21) To supervise management and operations of the Company and its subsidiaries to comply with the Company's policies, securities laws, and relevant notifications, regulations, and rules of the Capital Market Supervisory Board, Office of the Securities and Exchange Commission, and the Stock Exchange of Thailand, such as connected transactions and acquisition or disposition of important assets as they are not contrary

to or inconsistent with other laws, as well as to provide an adequate and appropriate internal control and internal audit system.

- 22) The Board of Directors may authorize and/or assign other persons to perform specific actions on their behalf with authorization or delegation within the scope of the authorization under power of attorney given and/or in accordance with the regulations, requirements, or orders set by the Board of Directors and/or the Company. However, delegation of authority, duties and responsibilities of the Board of Directors shall not constitute a delegation or sub-delegation of powers that enable the Board of Directors or the Board of Directors' attorney to approve a transaction that may or may not have a conflict of interest (according to the definition of the Securities and Exchange Commission and/or the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or relevant agencies), or benefit in any way, or that may be a conflict of interest with the Company and its subsidiaries, except for approval of transactions in accordance with a policy and criteria approved by the shareholders' meeting or the Board of Directors and for approval of transactions in accordance with ordinary course of business and normal trade conditions in accordance with Notification of the Securities and Exchange Commission and/or Notification of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or relevant agencies.

7.3 Sub-committee

The Company's management structure consists of the Board of Directors and five sub-committees:

(1) Audit Committee (2) Marketing and Sustainable Development Committee (3) Executive Committee (4) Nomination and Remuneration Committee and (5) Risk Management Committee.

The details are as follows:

1. Audit Committee

Currently, the Audit Committee consists of 3 independent directors whose qualifications are met in accordance with Notification of the Capital Market Supervisory Board and related notifications of the SET. The details are as follows:

Name	Position
1. Mr. Prawit Kijpaisalrattana	Chairman of the Audit Committee
2. Mrs. Jotika Savanananda	Audit Committee

3. Mr. Chavalit Chindavanig	Audit Committee
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Mr. Suphong Limthong is a Secretary of Audit Committee

Mr. Prawit Kitpaisarnrattana is a director with sufficient knowledge and experience to be able to perform the duties of reviewing the Company's financial statements.

Authority, Duties and Responsibilities of the Audit Committee

The Board of Directors Meeting No. 10/2020 on December 14, 2020 approved the scope of authority, duties and responsibilities of the Audit Committee as follows:

1. Internal control and risk management

- 1) To review to ensure that the Company and its subsidiaries have appropriate and effective internal control and internal audit systems in accordance with the Company's risk management policies and activities;
- 2) To review the internal processes for whistleblowing and receiving complaints;
- 3) To acknowledge internal audit reports relating to preventive, audit and corrective measures and in case of damage or may cause damage to the Company and its subsidiaries;
- 4) To take into consideration with an internal auditor and an auditor that it is planned to review methods and controls of electronic data processing and inquire about specific security programs to prevent fraud or computer misuse by company employees, subsidiary employees, or third parties;
- 5) To serve as an investigation committee in the event that the Company's directors violate or fail to comply with the Anti-Corruption Policy. When considering and investigating facts at any time where there is a director who violates or fails to comply with the policy as an independent director, such independent director shall be prohibited from being a member of the investigation at such time

2. Compliance with laws and regulations

- 1) To review performance of the Company to comply with the law on securities and exchange, requirements of the Stock Exchange of Thailand and laws relating to the Company's business, as well as to review the Company's subsidiaries to comply with the criteria stipulated in the control policy and mechanisms for governance in which the Company has invested;
- 2) To review connected transactions, acquisition, or disposition of assets or items that may have conflicts of interest in accordance with the law Related regulations and regulations of the Stock Exchange of Thailand, Office of the Securities and Exchange Commission. And the Capital

Market Supervisory Board in order to ensure that such transactions are reasonable and are in the best interest of the Company;

- 3) To review to ensure that the Company and its subsidiaries have an anti-corruption process in accordance with the guidelines of regulators, including self-assessment of anti-corruption measures as an audit agency has audited and assessed.

3. Financial report

- 1) To review to ensure that the Company and its subsidiaries have accurate and adequate financial reports in accordance with financial reporting standards;
- 2) To assess appropriateness of accounting principles used in financial reports;
- 3) To consider quarterly / annual financial statements, relevant financial reports, accounting principles and accounting practices, compliance with accounting standards, going concerns, significant changes in accounting policies, reasons for the management regarding the setting of accounting policy before presenting to the Board of Directors for dissemination to shareholders and general investors;

4. Supervision of auditors and internal auditors' performance

1) Auditors

- To have meetings with auditors to acknowledge an annual audit plan of the Company and its subsidiaries, coordination process of various relevant audit plans, audit evaluation, report on a review of quarterly financial statements, and audit results of annual financial statements, and to have discussions about problems and obstacles that may be encountered in an auditor's performance. The meeting should be attended by the auditors without the management at least once a year;
- To consider, nominate, appoint and terminate the Company and/or person who is independent to act as an auditor and to consider the remuneration of such person.

2) Internal auditors

- To consider with internal auditors with problems or limitations that arise during an audit and to review performance of internal auditors;
- To consider independence of the Internal Audit Department, as well as to approve appointments, transfers and terminations of the head of the Internal Audit Department, with the Internal Audit Department having a chain of command directly to the Audit Committee;
- To have meetings with the Chief Internal Audit Executive without the management at least once a year to discuss important issues;
- To review and approve charter of the Internal Audit Department at least once a year;

- To consider and approve the annual budget, manpower and resources necessary for performance of the Internal Audit Department;
- To approve annual audit plans, consider review approvals, and modify audit programs in significant area;
- To supervise the Internal Audit Department to comply with approved annual audit plans and with international standards for the practice of internal auditing;
- To assess the quality of internal audit activities annually and conduct an internal audit from independent persons from outside the organization at least every five years.

5. Reports

- 1) To prepare the Audit Committee's reports for disclosure in the Company's annual reports. The said reports shall be signed by the Chairman of the Audit Committee and contain at least the following:
 - Opinion(s) on accuracy, completeness and reliability of the Company's financial reports;
 - Opinion(s) on adequacy of the Company's internal control system;
 - Opinion(s) on compliance with the law on securities and exchange Stock Exchange's Requirements or laws relating to the Company's business
 - Opinion(s) on suitability of auditors Opinion(s) transactions that may lead to conflicts of interest
 - The number of Audit Committee meetings and attendance of each audit committee member; Comments or collective remarks received by the Audit Committee in performing their duties under the charter
 - Other items that the shareholders and general investors should know within the scope of duties and responsibilities assigned by the Board of Directors
- 2) In performance of duties of the Audit Committee if found or in doubt that any item or action may have a material impact on the Company's and its subsidiaries' financial position and performance, the Audit Committee shall report to the Board of Directors in order to improve within the time the Audit Committee deems appropriate. The above items or actions include:
 - Transactions that cause conflicts of interest
 - Fraud or unusual or material defect in the internal control system
 - Violation of the law on securities and exchange of Thailand, requirements of the Stock Exchange of Thailand, Office of the Securities and Exchange Commission or the Capital Market Supervisory Board, or any laws relating to the business of the Company and its subsidiaries

If the Board of Directors or the management fails to take corrective action within the period above, any audit committee member may report any of such transaction or action to the Securities and Exchange Commission or the Stock Exchange of Thailand

- 3) The Chairman of the Audit Committee shall report performance of the Audit Committee to the Board of Directors' meeting for acknowledgment or for consideration regularly and periodically.

6. Others

- 1) To perform any other work as required by law or to be established in the future;
- 2) To perform any other actions assigned by the Board of Directors with approval of the Audit Committee and that order shall be made in writing;
- 3) To review the Audit Committee Charter at least once a year to submit for approval from the Board of Directors;
- 4) To conduct self-assessment for performance of the Audit Committee for the year and propose the assessment results to the Board of Directors.

2. Marketing and Sustainability Committee

Currently, the Company's Marketing and Sustainable Development Committee consists of 6 Marketing and Sustainable Development Directors. The details are as follows:

Name	Position
1. Assoc.Prof.Dr. Wilert Puriwat	Chairman of the Marketing and Sustainable Development Committee
2. Mrs. Jotika Savanananda	Marketing and Sustainable Development Committee
3. Mr. Boonyong Tansakul	Marketing and Sustainable Development Committee
4. Mr. Siruwat Chatchaval	Marketing and Sustainable Development Committee
5. Miss Jomkwan Chirathivat	Marketing and Sustainable Development Committee
6. Miss Patchneewan Tanprawat	Marketing and Sustainable Development Committee

Miss Oraya Uesakul is a Secretary of the Marketing and Sustainable Development Committee

Authority, Duties and Responsibilities of the Marketing and Sustainable Development Committee

The Board of Directors' Meeting No.10 / 2020 on December 14, 2020 approved the scope of authority, duties, and responsibility of the Marketing and Sustainable Development Committee as follows:

- 1) To establish marketing policies of the Company and its subsidiaries to propose to the Board of Directors;
- 2) To consider and scrutinize marketing strategies to propose to the Board of Directors;
- 3) To establish the Company's and its subsidiaries' sustainable development policy to propose to the Board of Directors;
- 4) To establish a good corporate governance policy in accordance with good corporate governance principles for registered companies as required by the Stock Exchange of Thailand and the Securities and Exchange Commission, as well as the Code of Conduct and the Company's and its subsidiaries' social responsibility policy to propose to the Board of Directors;
- 5) To advise the Board of Directors in matters related to marketing, corporate governance, ethics, social responsibility, and sustainable development;
- 6) To review a good corporate governance policy, the Code of Conduct, and social responsibility policy to keep it up-to-date, suitable for the business of the Company and its subsidiaries and in line with the guidelines of the Capital Market Supervisory Board, Office of the Securities and Exchange Commission, and the Stock Exchange of Thailand at least once a year;
- 7) To follow-up and assess performance of the Board of Directors of the Company and its subsidiaries in accordance with a good corporate governance policy, ethics and corporate social responsibility policy the Company and its subsidiaries, and conduct an annual corporate governance assessment to propose to the Board of Directors for the following year with comments and suggestions;
- 8) To prepare reports on performance of good corporate governance to the Board of Directors and set guidelines for reporting performance of good corporate governance in annual information (Form 56-1) and annual reports;
- 9) To review the Charter of the Marketing and Sustainable Development Committee to keep it up-to-date, suitable for the business of the Company at least once a year;
- 10) To perform other duties as assigned by the Board of Directors

3. Executive Committee

Currently, the Company's Executive Committee consists of 7 Executive Directors. The details are as follows:

รายชื่อ	ตำแหน่ง
1. Mr.Boonyong Tansakul	ประธานคณะกรรมการบริหาร
2. Miss Jomkwan Chirathivat	Executive Director
3. Mrs. Yupaphan Ekasittikul	Executive Director
4. Mr. Siruwat Chatchaval	Executive Director
5. Mr. Chittapon Vivaddhanakasem	Executive Director
6. Miss. Suchanpa Balankura	Executive Director
7. Miss Patchneewan Tanprawat	Executive Director

Miss Oraya Uesakul is a Secretary of Executive Committee.

Authority, Duties and Responsibilities of the Executive Committee

The Board of Directors Meeting No. 6/2018 on August 14, 2018 approved the scope of authority, duties and responsibilities of the Executive Committee as follows:

- 1) To consider and prepare business strategy plans, financial goals and plans (short-term, medium and long-term), as well as annual budgets to propose to the Board of Directors;
- 2) To consider and approve matters relating to various businesses of the Company and its subsidiaries. The credit limit for each item is as specified in a table of authority approved and assigned by the Board of Directors.

The Executive Committee has the power to approve budget expenditures not exceeding 15.0 million baht.

For approval for opening stores / branches to expand the business of Japanese restaurants, an investment value shall be not more than 10.0 million baht and for stores / branches to expand Thai restaurants, an investment value shall be not more than 6.0 million baht.

- 3) To consider and screen all types of work proposed by the Board of Directors for consideration, except those under their duties and responsibilities and/or under the

power of other sub-committees of the Company and propose to the Board of Directors directly;

- 4) To consider and acknowledge other matters, whether it is related to business management and non-management of the Company and its subsidiaries, such as lawsuits relating to the Company and its subsidiaries, as the Executive Committee deems necessary or appropriate to propose for acknowledgment.
- 5) To determine an organizational structure to propose to the Board of Directors and determine the policy on the management of the Company and its subsidiaries, appointments of management of each business, as well as to consider and follow up plans to create a replacement executive and manpower plans, and also determine compensation criteria from the Vice Chief Executive Officer to lower-level employees and criteria for assessing performance of the executives;
- 6) To appoint and/or assign executive directors or any one or more persons doing any act within the jurisdiction of the Executive Committee as the Executive Committee deems appropriate. The Executive Committee may cancel or withdraw or modify such authority;

In this regard, a delegation of authority, duties and responsibilities of the Executive Committee shall not constitute a delegation or sub-delegation of powers that enable the Board of Directors or the Board of Directors' attorney to approve a transaction that may or may not have a conflict (according to the definition of the Securities and Exchange Commission and/or the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or relevant agencies), interest, or benefit in any way, or that may be a conflict of interest with the Company and its subsidiaries and/or related companies. The Executive Committee does not have the authority to approve the aforementioned matters. Such matters shall be proposed to the Board of Directors and/or the shareholders' meeting (as the case may be) for further approval, except for the approval of transactions that are ordinary course of business and normal trade conditions in accordance with Notification of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or relevant agencies.

- 7) To follow up performance and progress of each business investment project and report results including problems or obstacles that arise and guidelines to improve and resolve such issues to the Board of Directors;
- 8) To consider profits and losses of the Company, interim dividends or annual dividends to propose to the Board of Directors;
- 9) To consider and provide suggestions or opinions to the Board of Directors regarding any project, offer or transaction related to the Company's and its subsidiaries business operations, including considering funding options when needed and/or where applicable laws and regulations or the Articles of Association of the Company require that the shareholders' meeting and/or the Board of Directors shall approve.
- 10) To have any authority and responsibility as assigned or in accordance with the policies assigned by the Board of Directors from time to time;
- 11) To provide a consultant or a person with independent opinions to provide opinions or advice as needed;
- 12) To report to the Board of Directors on any activities performed by the Executive Committee within the scope of authority and duties of the Executive Committee on a regular basis, including any other matters necessary and appropriate to propose to the Board of Directors for acknowledgment;
- 13) To review the Executive Committee Charter at least once a year to submit for approval from the Board of Directors;
- 14) To consider or approve other matters as assigned by the Board of Directors.

4. Nomination and Remuneration Committee

Currently, the Nomination and Remuneration Committee of the Company consists of 3 members. The details are as follows:

Name	Position
1. Mr. Prawit Kijpaisalrattana	Chairman of the Nomination and Remuneration Committee
2. Mr. Sakkanon Chirathivat	Nomination and Remuneration Committee
3. Assoc.Prof.Dr. Wilert Puriwat	Nomination and Remuneration Committee

Mr. Chittapon Vivaddhanakasem is a Secretary of the Nomination

Note: ⁽¹⁾ Committee appointed as the on January 30, 2020

Authority, Duties and Responsibilities of the Nomination and Remuneration Committee

The Board of Directors Meeting No. 6/2018 held on August 14, 2018, approved the scope of authority, duties and responsibilities of the Nomination and Remuneration Committee as follows:

- 1) To suggest a structure, size and composition of the Board of Directors of the Company and its subsidiaries, and the sub-committees, as well as to determine qualifications, processes and criteria for recruiting candidates under the structure, size and composition of the Board of Directors as specified;
- 2) To consider to propose names of the persons to be elected as the Company's and its subsidiaries' directors to the shareholders' meeting in the event that the position is vacant due to their expiration of term of office and the Board of Directors' meeting in case of vacant positions due to other cases
- 3) To suggest a remuneration structure for the Board of Directors of the Company and its subsidiaries, and the sub-committees, both monetary and non-monetary, in accordance with the Company's and its subsidiaries' strategies, goals and performance, which shall be comparable to other companies in the same industry to propose to the Board of Directors for consideration before presenting to the shareholders' meeting of the Company for further approval;
- 4) To consider recruiting persons to be elected as sub-committee members and the Chief Executive Officer to propose to the Board of Directors' meeting, as well as to determine criteria and policies for recruiting and appointing the Company's and its subsidiaries' executives; and to ensure that the Company has a succession plan for the Chief Executive Officer and senior management for continuity of management;
- 5) To propose performance assessment criteria to the Board of Directors in order to assess overall performance of the Board of Directors, conduct a review of recruitment criteria, and consider related compensation;

- 6) To consider budgets of salary increase and annual bonuses of the Company and its subsidiaries to be appropriate in line with the Company's and its subsidiaries performance and standards of the same industry to be submitted for approval from the Board of Directors;
- 7) To assess annual performance of the Chief Executive Officer and determine annual compensation adjustments and prize money to be submitted for approval from the Board of Directors;
- 8) To prepare director development plans to develop knowledge of current and new directors to understand the business in which the Company's director holds their positions, roles and duties, and other important developments;
- 9) To review the Charter of the Nomination and Remuneration Committee at least once a year to submit for approval from the Board of Directors;

5. Risk Management Committee

Currently, the Risk Management Committee of the Company consists of 5 members. The details are as follows:

Name	Position
1. Mr. Chavalit Chindavanig	Chairman of the Risk Management Committee
2. Mr. Sakkanon Chirathivat	Risk Management Committee
3. Mr. Boonyong Tansakul	Risk Management Committee
4. Mrs. Yupaphan Ekasittikul	Risk Management Committee
5. Mr. Chittapon Vivaddhanakasem	Risk Management Committee

Mr. Songwut Boakhem is a Secretary of Risk Management Committee.

Authority, Duties and Responsibilities of the Risk Management Committee

The Board of Directors' Meeting No. 6/2018 on August 14, 2018 approved the scope of authority, duties and responsibilities of the Risk Management Committee as follows:

- 1) To prepare a risk management policy for the Board of Directors for consideration in terms of overall risk management which shall cover the main risks such as marketing risk, liquidity risk operational risk, and

reputation risk of the Company and its subsidiaries, as well as to ensure that the Company and its subsidiaries have identified risks by considering both external and internal factors that may cause the Company and its subsidiaries to fail to achieve their specified objectives.

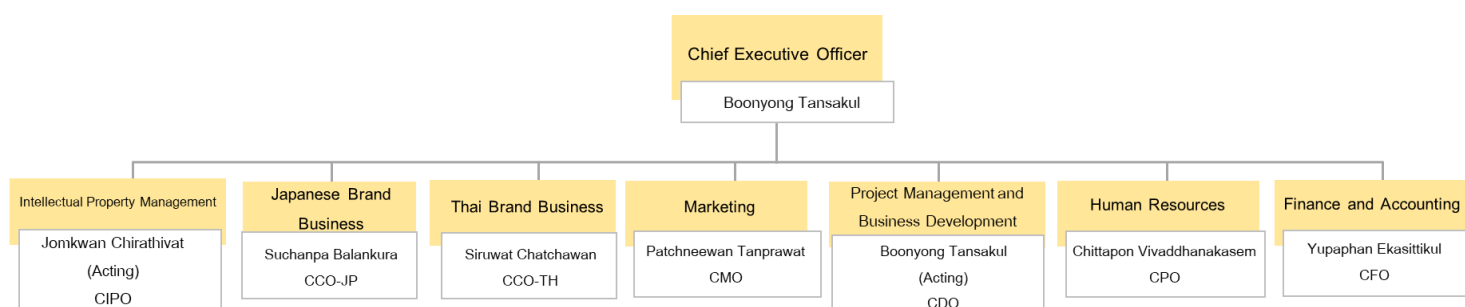
- 2) To strategize in line with the Company's and its subsidiaries' risk management policy and be able to assess, monitor and supervise a risk of the organization at an appropriate level.
- 3) To review adequacy of the Company's and its subsidiaries' risk management policy and system, including the effectiveness of the system and compliance with the specified policies;
- 4) To provide suggestions on any matters that need improvement to the Board of Directors in order to be in line with the policies and strategies set by the Board of Directors.
- 5) To review the Risk Management Committee Charter at least once a year to submit for approval from the Board of Directors;

A formal meeting between the Risk Management Committee and the Audit Committee shall be held at least twice a year so that risk management, organization and internal audit have a consistent direction.

7.4 Information about Executives

7.4.1 Executives

Executives(1) (according to the SEC's notification number Kor Chor 17/2008 Re:Determination of Definition in Notifications Relating to Issuance and Offer for Sale of Securities including additional amendments – including all amendment



as of 31 December 2020 Executives Consists of 7 members as follows

รายชื่อ	ตำแหน่ง
1. Mr. Boonyong Tansakul	Chief Executive Officer / (Acting) Chief of Project Management and Business Development Officer
2. Miss Jomkwan Chirathivat	Chief of Intellectual Property Management Group (Acting)
3. Mrs. Yupaphan Ekasittikul	Chief Financial Officer / Accounting Director (Acting) / Finance Director (Acting)
4. Mr. Chittapon Vivaddhanakasem	Chief People Officer
5. Miss Patchneewan Tanprawat	Chief Marketing Officer
6. Mr. Siruwat Chatchaval	Chief Commercial Officer_Thai Brand
7. Miss. Suchanpa Balankura	Chief Commercial Officer Japanese Brand

Mrs. Yupaphan Ekasittikul, Chief Financial Officer, is a person appointed to be responsible for the accounting and finance and Miss Kalaya Chuaju is a person who is assigned to be responsible for the supervision of accounting.

7.4.2 Compensation policy Executive Directors and Executives

Executive Directors The company does not have a policy to pay Directors who take Executive position or being an employee of the company

7.4.3 Executive compensation

(1) Cash Compensation

Executives' compensation in Accounting Year as of 31 December 2018 31 December 2019 and as of 31 December 2020 are as follow:

Type of Compensation	Executives' Compensation (Baht)		
	Accounting Year as of 31 December 2018	Accounting Year as of 31 December 2019	Accounting Year as of 31 December 2020
Number of executives	8	7	7
Salary and bonuses (Baht)	31,441,498	28,910,508.53	21,660,823.00
Provident fund And other benefits (baht)	2,058,350	3,935,856	3,113,645.00

(2) Non-cash Compensation

The company has group insurance for all Executives. Also, they get 15 %-35 % discount on food and beverage when taking service at the company's restaurants. Moreover, Chief Executive Officer is provided with a company car

7.5 Information about employees

7.5.1 Number of Employees

On December 31, 2018, December 31, 2019 and December 31, 2020 Zen Group has 2,241 , 2,703 and 1,830 employees respectively excluding all Executives as details shown in the table below;

ฝ่าย	Employees (person)		
	December 31, 2018	December 31, 2019	December 31, 2020
1. Branch staff	1,817	2,239	1,473
2. Operations Support Management Group	153	173	138
3. Supply chain management group	57	56	39
4. Finance and Accounting Group	60	59	48
5. Human Resources Group	47	29	19
6. Project Management and Business Development Group	43	44	27
7. Brands and franchises	34	21	7
8. Corporate Strategy and Technology Management Group	19	25	22
9. Office of Management	11	23	32
10. New business group	0	8	5
11. Corporate Business Group	0	19	13
12. Management Group	0	7	7
รวม	2,241	2,703	1,830

Note : In 2020 due to the COVID-19 situation Resulting in a decrease in the number of employees

7.5.2 Significant change of employee amount during the past 3 years

-None-

7.5.3 Employee Compensation

Employee compensation (excluding executives) of the Company and its subsidiaries

หน่วย : ล้านบาท

Employee Compensation	Fiscal year ended 31 December 2018	Fiscal year ended 31 December 2019	Fiscal year ended 31 December 2020
Such employee compensation consists of salary, allowances, bonuses, provident fund contribution, social security fund contribution, contributions to the worker's compensation fund, and so on.	778.3	845.3	664.3

Also, the Company provides group insurance for employees of the Group and employees of the Group receive discounts for the Group's restaurant services at the rate of 15.0% to 35.0%, depending on the restaurant brands.

7.5.4 Provident fund

The Company and its subsidiaries Established a provident fund in accordance with the Provident Fund Act B.E. 2530 (including amendments) with details as follows

Company	Provident fund establishment date	Proportion of employees joining the provident fund (Permanent staff)
1. ZCG	January 15, 2012	69%
2. ZRH	September 1, 2012	30%
3. AKF	September 1, 2012	77%
4. GGG	September 1, 2012	24%
5. OTT	September 1, 2012	26%
6. ZPC	October 15, 2016	26%
7. ZSM	January 15, 2016	82%

The company stopped contribute to provident fund in the disaster area or events that affect the economic situation (According to the announcement of the Ministry of Finance Volume 137 , Special Part 107 Ngor, dated May 5, 2020) From May to December 2020.

7.5.5 Significant Labor Disputes Over the Past 3 Years

-none-

7.5.6 Personnel Development Policy

The Company has the policy to encourage employees to obtain career development by focusing on career planning, assessment of competency, interests, and self-ability, seeking opportunities, and setting goals for personal needs for both short and long term period.

To enable employees to grow according to the set goals, the Company has provided the Employee Competency Assessment so that each employee will be aware of the gaps of his/her ability in comparison with the expected level of competency according to the Employee Competency Model set by the Company, and the employees will use the assessment results as supporting details in their development planning.

For employees to have clear self-development, the Company supports the development of Individual Development Plan (IDP) on issues that still lack or enhance what is needed to support growth according to the planned progress and to meet the organization needs) more efficiently. The development will be carried out through various methods and Development processes such as training and learning through coaching or mentoring systems and from real experience including projects, additional assignments, or job transfer, to enhance knowledge, skills, and experiences and encourage employees to be ready to get the desired goals. Planning for career advancement of employees is considered a part of the annual

performance evaluation. Supervisors and employees discuss planning their career advancement which defines/review career goals and the employee development plan each year during January. Supervisors will track and give feedback and review the plan together with employees every quarter and will evaluate the self-development plan and career advancement plan at the end of November for supporting information on the project for the following year. Besides, the Company also encourages employees to progress in the career horizontal career progression and vertical career progression). The Company, therefore, sets the policy framework stating three significant factors that enable employees to succeed in their career growth as follows:

- 1) Employees have a depth of knowledge and skills used in operation to be able to accomplish the work;
- 2) Employees have required competency as expected in their level/position and able to work assigned to achieve the goals; and
- 3) Employees have a breadth of experience showing the readiness to grow at a higher level.

7.6 Other important information

7.6.1 List of persons assigned to be responsible for the following

1. Company Secretary

The meeting of the Board of Directors No. 5/2015 held on 24 July 2015, the Board resolved to appoint Miss Oraya Uesakul as the Company Secretary with duties and responsibilities as specified in Section 89/15, and Section 89/16 of the Securities and Exchange Act (No. 4) BE 2551. The Secretary shall perform the duties with care, honesty, as well as compliance with laws objectives. the Company's regulations, resolutions of the Board and the shareholders' meeting. The qualifications of the person holding the position of the Company Secretary appears in directors and executive information (For more details about the Company Secretary of the company, refer to Attachment 1. The scope of authority of the Company Secretary is as follows:

- 1) To prepare and maintain the registration of directors, invitation letters to attend a meeting of the Board of Directors, meeting minutes of the Board of Directors, an annual meeting report of the Company, invitation letters to attend a meeting of the shareholders, and meeting minutes of the shareholders.
- 2) To retain reports of interest reported by directors or executives and submit their copies to the Chairman of the Board of Directors and the Chairman of the Audit Committee within seven working days from the date the Company receives the report.
- 3) To organize shareholders' meetings and the Board of Directors' meetings under the law, the Company regulations, and various practices, including supervision and coordination for compliance with the resolution of such meetings.
- 4) To follow up and supervise the disclosure of information and information reports concerning the regulations, notifications, and requirements of the Stock Exchange of Thailand, the Securities and Exchange Commission, and the Capital Market Supervisory Board
- 5) To provide first advice to directors in legal matters, regulations of the Company requested by the Board and to ensure compliance and consistency, as well as to report directors and executives significant changes in legal requirements.
- 6) To oversee the activities of the Board of Directors and perform other tasks as assigned by the Board of Directors.
- 7) To perform different functions according to the Stock Exchange of Thailand, Securities and Exchange Commission, and the Capital Market Supervisory Board.

2. Those assigned to the highest responsibility in accounting and finance and those assigned to duties for the supervision of accounting

Mrs. Yupaphan Ekasitthikul, Chief Financial Officer, is a person appointed to be responsible for the accounting and finance and Miss Kalaya Chuaychoo is a person who is assigned to be responsible for the supervision of accounting. (For more details about the Those assigned to the highest responsibility in accounting and finance and those assigned to duties for the supervision of accounting of the company, refer to Attachment 1)

3. Head of Internal Audit

The Company has established the internal audit department and appointed Mr. Suphong Limthong as the Company's Internal Audit Director since 16 October 2014 onwards. This is because Mr. Suphong Limthong has over 20 years of audit experience with knowledge and understanding of the Company's activities and operations. Therefore, the Audit Committee is of the opinion that Mr. Suphong Limthong is qualified to perform the duties appropriately and sufficiently (For more details about the head of internal audit of the company, refer to Attachment 3).

In this regard, the Audit Committee and the Chief Executive Officer are responsible for approving and considering the appointment, transfer, dismissal of the head of internal audit of the Company.

4. Head of Operations

The Company assigns Mr. Songwut Boakhem to take the position of the Chief Compliance Officer to supervise the compliance with rules and regulations of public agencies that oversee the Company's business operations, with qualifications of the Company's Chief Compliance Officer (see more details about the Company's Chief Compliance Officer in Attachment 3).

7.6.2 Head of Investor Relations

The Company has assigned Mr. Steven David Halliday as Head of Investor Relations.

Contact channel

Email : IR@zengroup.co.th
Telephone : 0-2019-5000 ext. 982

7.6.3 Auditor's remuneration

Appoint the auditor of KPMG Phoomchai Audit Company Limited to be the Company's auditor for the year 2020.

1. Audit Fee

The Group shall pay the audit fees of the Company and its subsidiaries as follows:

Audit Fee	Fiscal year ended 31 December 2020
ZEN Corporation Group Public Company Limited	1,000,000.00
Subsidiary company	
ZEN Restaurant Holding Company Limited	1,000,000.00
ZEN Supply Chain Management Company Limited	300,000.00
ZEN and Spicy Company Limited	550,000.00
AKA Interfood Company Limited	600,000.00
Tokyo Concept Company Limited	600,000.00
Gyu Grill Group Company Limited	300,000.00
Spice Synergy Company Limited	150,000.00
Total	4,500,000.00

2. Non-Audit Fee

-none-

7.6.4 Report of securities holding and changes in securities holding of directors and executives
2020

NO.	Name of Directors / Executives	Position	Number of shares held (Including related persons) As of 31 December 2019	Number of shares held (Including related persons) As of 31 December 2020	Number of shares changing, increasing / decreasing in 2020	Shareholding proportion (%)
1	Mr. Paitoon Taveebhol	Chairman of the Board of Directors / Independent Director	-	-	-	0.0%
	Spouse and underage children		-	-	-	-
2	Mr. Sakkanon Chirathivat	Director / Vice Chairman of the Board of Directors / Nomination and Remuneration Committee / Risk Management Committee / Directors of Subsidiaries	100,375,200	100,375,200	-	33.46%
	Spouse and underage children		-	-	-	-
3	Mr. Prawit Kijpaisalrattana	Independent Director / Chairman of the Audit Committee / Chairman of the Nomination and Remuneration Committee	-	-		0.0%
	Spouse and underage children		-	-	-	-
4	Assoc.Prof.Dr. Wilert Puriwat	Independent Director / Chairman of the Marketing and Sustainable Development Committee / Nomination and Remuneration Committee	-	-		0.0%
	Spouse and underage children		-	-	-	-
5	Mrs. Jotika Savanananda	Independent Director / Audit Committee / Marketing and Sustainable Development Committee	-	-	-	0.0%
	Spouse and underage children		-	-	-	-
6	Mr. Chavalit Chindavanig	Independent Director / Chairman of the Risk	-	-		0.0%

NO.	Name of Directors / Executives	Position	Number of shares held (Including related persons) As of 31 December 2019	Number of shares held (Including related persons) As of 31 December 2020	Number of shares changing, increasing / decreasing in 2020	Shareholding proportion (%)
		Management Committee / Audit Committee				
	Spouse and underage children		-	-	-	-
7	Mr. Boonyong Tansakul	Director / Chairman of the Executive Committee / Risk Management Committee / Marketing and Sustainable Development Committee / Chief Executive Officer / (Acting) Chief of Project Management and Business Development Officer / Director of Subsidiaries / Executive of Subsidiaries	-	-	-	0.0%
	Spouse and underage children		-	-	-	-
8	Miss Jomkwan Chirathivat	Director / Executive Director / Marketing and Sustainable Development Committee / Chief of Intellectual Property Management Group (Acting) / Director of Subsidiaries / Executive of Subsidiaries	100,375,200	100,375,200	-	33.46%
	Spouse and underage children		-	-	-	-
9	Mr. Chittapon Vivaddhanakasem	Director / Executive Director /Risk Management Committee / Chief People Officer / Director of Subsidiaries / Executive of Subsidiaries	10	10	-	0.00%
	Spouse and underage children		4,319,990	4,319,990	-	1.44%
10	Mr. Steven David Halliday	Director / Director of Subsidiaries	3,780,000	3,780,000	-	1.26%
	Spouse and underage children		3,780,000	3,780,000	-	1.26%
11	Mr. Siruwat Chatchaval	Director / Marketing and Sustainable Development	6,750,000	6,750,000	-	2.25%

NO.	Name of Directors / Executives	Position	Number of shares held (Including related persons) As of 31 December 2019	Number of shares held (Including related persons) As of 31 December 2020	Number of shares changing, increasing / decreasing in 2020	Shareholding proportion (%)
		Committee / Executive Director / Chief Commercial Officer_Thai Brand / Director of Subsidiaries / Executive of Subsidiaries				
	Spouse and underage children		-	-	-	-
12	Mrs. Yupaphan Ekasittikul	Executive Director / Risk Management Committee / Chief Financial Officer / Director of Associated / Executive in Subsidiaries	-	-		0.0%
	Spouse and underage children		-	-	-	-
13	Miss. Suchanpa Balankura ⁽¹⁾	Executive Director / Chief Commercial Officer Japanese Brand/ Executive in Subsidiaries	3,780,000	3,780,000	-	1.26%
	Spouse and underage children		-	-	-	-
14	Miss Patchneewan Tanprawat	Executive Director / Marketing and Sustainable Development Committee / Chief Marketing Officer/ Executive in Subsidiaries	-	-	-	0.0%
	Spouse and underage children		-	-	-	-
	Total		219,380,400	219,380,400	-	73.13%

⁽¹⁾
Note ; Miss. Suchanpa Balankura is a spouse of Mr. Steven David Halliday.

7.6.5 The course that the directors attended in 2020

No.	Name	Position	Training courses in 2020
1	Mr. Paitoon Taveebhol	Chairman of the Board of Directors / Independent Director	<p>GRC Series EP.3 # ESG Driven Boardroom: from "Purpose" to "Performance"</p> <p>Thai Institute of Directors (IOD)</p> <p>19 August 2020</p> <p>Director Forum: "Board's Role in Strategy for Business Sustainability"</p> <p>Thai Institute of Directors (IOD)</p> <p>24 September 2020</p>
2	Mr. Chittapon Vivaddhanakasem	Director / Executive Director / Risk Management Committee / Chief People Officer	<p>HCM Lesson learn Case Study : CP ALL</p> <p>Thai Listed Companies Association</p> <p>24 September 2020</p> <p>HCM Lesson learn Case Study : CPN</p> <p>Thai Listed Companies Association</p> <p>24 July 2020</p>
3	Mr. Siruwat Chatchaval	Director / Marketing and Sustainable Development Committee / Executive Director / Chief Commercial Officer_Thai Brand	<p>Director Accreditation Program (DAP)</p> <p>Thai Institute of Directors (IOD), Class of 169/2020</p>

8. Report on Key Performance of Corporate Governance**8.1 Summary of performance of the Board of Directors for the past year**

In 2020, the Board of Directors held ten meetings, which include two non-executive director meetings to formulate important policies and strategies to enhance the Company's capabilities and to monitor performance and status. It also closely monitored the Company's performance and financial status in order to ensure that the Company smoothly overcomes the crisis, the COVID pandemic. In addition, the Company maintained the efficiency of supervision and sufficiency of an internal control system and corporate risk management by organizing seven Audit Committee meetings and three Risk Management Committee meetings in 2020.

8.1.1 , Development and Assessment of the Board of Directors' Performance

The Board of Directors requires an annual performance appraisal for the Board of Directors and sub-committees to consider their performance and problems for further improvement, using the assessment guidelines suggested by the SET and additional improvements to suit the Company's business operations.

In 2020, the Company conducted a group and individual performance appraisal of the Board of Directors and sub-committees with self-assessment adjusted from the SET self-assessment form in order to suit the Company. For the assessment process, the Company secretary sends an assessment form to every director of the Company for self-assessment at the end of every year and to collect and annually report the results to the Board of Directors' meeting for consideration, acknowledgment and discussion. The overall self-assessment of all committees, both in group and individual, was an average of 3.6 - 3.9 points, which is quite high.

In 2020, the Company also appointed one new director, whereby the Nomination and Remuneration Committee considered prior to proposing appropriate ones to the Board of Directors for approval, and then proposing to the shareholders' meeting for approval.

The Company has a process for nominating directors according to their qualifications in terms of skills, experience, gender and talents that are beneficial to the Company. The directors shall not have prohibited characteristics under the Public Limited Companies Act and shall not lack suitability to be entrusted to manage a publicly owned company in accordance with the law and Notifications of the Securities and Exchange Commission. Selection of new directors is based on the Director Pool.

The Company provides shareholders an opportunity to nominate candidates to be elected as directors in accordance with the Company's criteria. The details are published on the Company's website [http:// www.zengroup.co.th](http://www.zengroup.co.th). Nominations shall be submitted to the Company by December 31 of every year.

1) Independent Director Selection Criteria

The Board of Directors jointly considers qualifications of persons to serve as independent directors based on their qualifications and prohibited characteristics according to the Public Company Act, the Securities Act, Notifications of the Capital Market Supervisory Board, including relevant notifications, regulations and/or regulations. In addition, the Board of Directors selects independent directors from their expertise, work experience and other suitability. Then, the persons will be proposed to the shareholders' meeting for a further appointment as directors of the Company. The Company has the policy to appoint at least one-third of the total number of directors as independent directors and there shall not be fewer than three persons. The Board of Directors also sets qualifications of independent directors as follows:

1. They shall hold no more than 0.5% of the total number of shares with voting rights of the Company, parent company, subsidiaries, associate, major shareholder, the Company's control person. This shall include the shares held by related persons of that independent director, and the term of office of the independent director shall not be more than nine years.
2. They shall not be or have been a director who takes part in management, employee, consultant who receives a regular salary, or a controlling person of the Company, parent company, subsidiaries, associate, same-level subsidiary, or a major shareholder unless they have retired from the aforementioned position for at least two years prior to the date of appointment. The prohibited characteristics exclude cases where an independent director was a government official or a public sector consultant who is a major shareholder or control person of the Company.

3. They shall not be a person having consanguinity or a relationship by legal registration in the manner of a parent, spouse, sibling, and child, including spouse of a child of other directors, executives, major shareholders, control persons, or a person who will be nominated as a director, executive or control person of the Company or its subsidiaries.
4. They shall not have or have had a business relationship with the Company, parent company, subsidiaries, associate, major shareholder, the Company's control person in a manner that may impede one's independent exercise of judgment, and shall not be or have been a significant shareholder or control person of persons having a business relationship with the Company, parent company, subsidiaries, associate, major shareholder, or the Company's control person unless they have retired from the aforementioned position for at least two years before the date of appointment.

Business relationship under paragraph one includes normal trade transactions for business operation, leasing real estate, transactions relating to assets or services, or giving or receiving financial assistance by accepting or lending, guaranteeing, or giving assets as collateral for liabilities, including other similar circumstances which result in the Company or its partner having an obligation to pay to the other party equal to 3.0 percent of the Company's net tangible assets or from 20 million baht or more, whichever is lower. Such debt calculation shall be in accordance calculation of values of connected transactions under the Notifications of the Capital Market Supervisory Board on connected transactions mutatis mutandis. However, in determining such debts, it shall include the debts that occur one year prior to the date of engaging in a business relationship with the same person.
5. They shall not be or have been an auditor of the Company, parent company, subsidiaries, associate, major shareholder or control person of the Company and shall not be a significant shareholder, control person or a partner of the audit firm which has an auditor of the Company, parent company, subsidiaries, associate company, or the Company's control person unless they have retired from the aforementioned position for at least two years before the date of appointment.

6. They shall not be or have been a professional service provider of any kind, including a legal or financial consultant who receives service fee in excess of two million baht per year from the Company, parent company, subsidiaries, associate company, major shareholder, or the Company's control person, and shall not be a significant shareholder, control person or partner of such professional service provider, they have retired from the aforementioned position for at least two years before the date of appointment.
7. They shall not be a director who has been appointed to represent the Company's Director, major shareholder, or a shareholder who is related to a major shareholder.
8. They shall not operate the same business and in significant competition with the business of the Company or its subsidiaries, or shall not be a significant partner in a partnership or a director who takes part in management, employee, consultant who receives a regular salary or holds more than one percent of the total voting shares of another company operating the same business and in significant competition with the Company or its subsidiaries.
9. They shall not have any other characteristics that cause incapability of expressing independent opinions with regard to the Company's operations.

2) Selection of Directors and Chief Executive Officer

1. Board of Directors

Composition and qualifications of the Company's Directors are defined in the Charter of the Board of Directors, which can be summarized as follows.

Composition

The Board of Directors consists of directors who are elected by the shareholders' meeting. There shall be at least five directors and not less than half of the total number of directors who reside in the Kingdom of Thailand. In addition, not less than three directors or one-third of the total number of directors (whichever is higher) shall be independent directors and the Board of Directors shall elect a director to be the Chairman of the Board of Directors and may elect a Vice-Chairman of the Board of Directors and other positions as it deems appropriate.

Term of Office and Election of Directors

One-third of the total number of directors of the Company shall vacate their office at every annual general meeting of shareholders. The directors who have been in office the longest shall retire. In the event that the directors who will vacate office may not be divided by one-third, the number nearest to one-third shall retire from office. However, retiring directors shall be eligible for re-election.

In the event that the director position is vacant due to reasons other than expiration of the term of office, the Board of Directors selects persons who are qualified and in accordance with relevant regulations and laws to replace the vacant director position and in the event that the vacancy of the director position is less than the number required to constitute a quorum, the remaining directors may act on behalf of the Board of Directors only for arranging a shareholders' meeting to elect directors to replace all vacant positions.

2 Audit Committee

Composition and qualifications of the Audit Committee of the Company are defined in the Charter of the Audit Committee, which can be summarized as follows

Composition

1. The Audit Committee consists of three but not more than five independent directors who are qualified and shall not have any prohibited characteristics in accordance with the regulations of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.
2. At least one member of the Audit Committee shall have sufficient knowledge and experience in accounting or finance to be able to review reliability of financial statements and have ongoing knowledge on causes of changes in financial reporting.
3. The Board of Directors selects at least one of the Audit Committee members to be the Chairman of the Audit Committee.
4. The director of the Internal Audit Department shall be the Secretary of the Audit Committee

Term of Office

1. Audit Committee members have the term of office and vacating office according to the term of office and the vacation of office of the Company's Directors as specified in the Company's Articles of Association To be in office for no more than 9 years.
2. Audit Committee members who retire by rotation may be reappointed as the Board of Directors, or the shareholders' meeting deems appropriate.

3. Audit Committee members who vacate office upon the expiration of the term of office shall continue to perform their duties until a director is appointed to replace the position, except in the event of expiration of term of office but not re-elected to serve as the Company's Director.
4. In the event that the Audit Committee position is vacant, the Board of Directors shall elect a qualified director who shall not have any prohibited characteristics in accordance with the regulations of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand to be a member of the Audit Committee. The replacement member may hold office only for the remaining term of the Audit Committee member whom he or she replaces.

3. Marketing and Sustainability Committee

Composition and qualifications of the Company's marketing and sustainability committee are defined in the Charter of the Marketing and Sustainability Committee, which can be summarized as follows:

Composition

1. Marketing and Sustainability Committee consists of not less than three directors and company executives, which shall be appointed by the Board of Directors.
2. The Board of Directors appoints one of the Marketing and Sustainability Committee members as the Chairman of the Marketing and Sustainability Committee.
3. The Marketing and Sustainability Committee shall appoint the Secretary of the Marketing and Sustainability Committee.

Term of Office

1. In the event that the Marketing and Sustainability Committee member is the Company's Director, the term of office shall be in accordance with the term of office of a director unless the Board of Directors passes a resolution otherwise.
2. In the event that the Marketing and Sustainability Committee member is the Company's executive, the term of office shall be in accordance with the term of office of the executive unless the Board of Directors passes a resolution otherwise.
3. In the event that the position of the Marketing and Sustainability Committee is vacant, the Board of Directors shall elect a qualified director who shall not have any prohibited characteristics to be a member of the Marketing and Sustainability Committee,

4. Marketing and Sustainability Committee members who vacate office upon the expiration of the term shall remain in office for the purpose of performing their duties until a director is appointed to replace the position, except in the event of expiration of term of office but not re-elected to serve as the Company's Director.

4. Executive Committee

Composition and qualifications of the Executive Committee of the Company are defined in the charter of the Executive Committee, which can be summarized as follows:

Composition

1. The Executive Committee shall be appointed by the Board of Directors. The number is as deemed appropriate by the Board of Directors, consists of some of the members of the Board of Directors and may consist of one or more persons who hold a position as the Company's executive or other third parties. The Board of Directors shall appoint the executive director who is a member of the Board of Directors as the Chairman of the Executive Committee.
2. Chief Executive Officer is an ex officio executive director.
3. Executive directors shall have appropriate knowledge, abilities and experience, acknowledge their qualifications, duties and responsibilities, and shall have qualifications and not have prohibited characteristics under the Public Limited Companies Act. They shall not have any untrustworthy characteristics as prescribed in the Notifications of the Securities and Exchange Commission and shall not have any prohibited characteristics as prescribed by law.
4. The Executive Committee shall appoint the Secretary of the Executive Committee.

Term of Office

1. In the event that the executive director is a member of the Board of Directors, the term of office shall be in accordance with the term of office of a director unless the Board of Directors passes a resolution otherwise.
2. In the event that the executive director is the Company's executive, the term of office shall be in accordance with the term of office of the executive unless the Board of Directors passes a resolution otherwise.
3. In the event that the executive director is the third party who is not a director or executive of the Company, the term of office shall be in accordance with the resolution of the Board of Directors.

5. Nomination and Remuneration Committee

Composition and qualifications of the Nomination and Remuneration Committee of the Company are defined in the Charter of the Nomination and Remuneration Committee, which can be summarized as follows:

Composition

1. The Nomination and Remuneration Committee is appointed by the Board of Directors, which consists of at least three members, including the Chairman of the Nomination and Remuneration Committee as an independent director, and over half of the Nomination and Remuneration Committee members shall be independent directors and non-executive directors.
2. The Board of Directors appoints a member of the Nomination and Remuneration Committee as the Chairman of the Nomination and Remuneration Committee. The Chairman of the Board of Directors shall not be the Chair of the Nomination and Remuneration Committee or a member of the Nomination and Remuneration Committee.
3. The Nomination and Remuneration Committee shall appoint the Secretary of the Nomination and Remuneration Committee.

Term of Office

1. In the event that the Nomination and Remuneration Committee is the Company's Director, the term of office shall be in accordance with the term of office of a director unless the Board of Directors passes a resolution otherwise.
2. In the event that the Nomination and Remuneration Committee is the Company's executive, the term of office shall be in accordance with the term of office of the executive unless the Board of Directors passes a resolution otherwise.
3. In the event that the position of the Nomination and Remuneration Committee is vacant, the Board of Directors shall elect a qualified director who shall not have prohibited characteristics to be a member of the Nomination and Remuneration Committee.

6. Risk Management Committee

Composition and qualifications of the Company's Risk Management Committee are defined in the Charter of the Risk Management Committee, which can be summarized as follows:

Composition

1. The Risk Management Committee consists of not less than three directors and executives which shall be appointed by the Board of Directors.

2. The Board of Directors appoints a member of the Risk Management Committee as the Chairman of the Risk Management Committee.
3. The Risk Management Committee shall appoint the Secretary of the Risk Management Committee.

Term of Office

1. In the event that the Risk Management Committee is the Company's Director, the term of office shall be in accordance with the term of office of a director unless the Board of Directors passes a resolution otherwise.
2. In the event that the Risk Management Committee is the Company's executive, the term of office shall be in accordance with the term of office of the executive unless the Board of Directors passes a resolution otherwise.
3. In the event that the position of the Risk Management Committee is vacant, the Board of Directors shall elect a qualified director who shall not have prohibited characteristics to be a member of the Risk Management Committee.

7. Chief Executive Officer

The Board of Directors appoints the Chief Executive Officer as the Nomination and Remuneration Committee considers as specified in the Board of Directors Charter. The Chief Executive Officer has duties and responsibilities related to the management of the Company's affairs:

Authority, Duties and Responsibilities of the Chief Executive Officer

The Board of Directors Meeting No. 6/2018 on August 14, 2018, approved the scope of authority, duties and responsibilities of the Chief Executive Officer as follows:

- 1) To establish policies, strategies, business plans and management structure of the Company, and also responsible for preparing strategic plans and annual budget plans to propose to the Executive Committee and the Board of Directors;
- 2) To supervise, manage, operate and perform regular business operations for the benefit of the Company in order to comply with the objectives and the Company's Articles of Association, as well as regulations, policies, work plans and budgets stipulated by the Executive Committee's meeting and/or the Board of Directors and/or the Shareholders' meeting;
- 3) To issue orders, regulations, notifications, and records in order to perform operations in accordance with the Company's policies and interests and to maintain work disciplines within the organization;

- 4) To consider and approve payments of operating expenses for operating the Company's normal business. Each credit limit shall be in accordance with the table of authority approved by the Board of Directors.

The Chief Executive Officer has the power to approve budget expenditures not exceeding 5.0 million baht;

- 5) To appoint committees for the benefit and efficiency of good and transparent management, as well as to authorize one or more persons to perform any action under the control of the Chief Executive Officer or authorize such person to have powers as the Chief Executive Officer deems appropriate and within the time as deemed appropriate. The Chief Executive Officer may cancel, revoke, change or amend a person who has been authorized as deemed appropriate;
- 6) To approve appointments of consultants required for business operation and to comply with the requirements of the Securities and Exchange Commission and the Stock Exchange of Thailand;
- 7) To follow up, audit and supervise performance of the Company and its subsidiaries for good performance as planned and quarterly report to the Board of Directors, as well as to find opportunities for improvement and development for better-operating results;
- 8) To coordinate with the Audit Committee and the Risk Management Committee in order to conduct business, including the risk management of the Company in accordance with the objectives and the Company's Articles of Association and resolutions of the Board of Directors and/or resolutions of the shareholders' meeting;
- 9) Other actions as assigned by the Board of Directors from time to time

In this regard, a delegation of authority, duties, and responsibilities of the Chief Executive Officer shall not constitute a delegation or sub-delegation of powers that enable the Chief Executive Officer's attorney to approve a transaction that may or may not have a conflict (according to the definition of the Securities and Exchange Commission and/or the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or relevant agencies), interest, or benefit in any way, or that may be a conflict of interest with the Company and its subsidiaries, and/or related companies. The Chief Executive Officer has no authority to approve the action on this matter. Such matters shall be proposed to the Board of Directors and/or the shareholders' meeting (as the case may be) for further approval, except

for approval of transactions in accordance with ordinary course of business and normal trade conditions in accordance with Notification of the Securities and Exchange Commission and/or Notification of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or relevant agencies.

3) **Procedures for selecting candidates to be appointed as directors and top executives through the Nomination Committee.**

1. Board of Directors

To appoint a director, the Nomination Committee, which comprises two independent directors out of the total of three members of the Nomination Committee, is responsible for selecting and screening suitable candidates according to the Company's Articles of Association and nominating those who are qualified to be a director with the experience that is beneficial to the Company and diversity. It shall be considered from the structure, size, and composition of the Board of Directors and proposed to the Board of Directors for approval before proposed to the shareholders' meeting for approval.

In addition, the Nomination Committee provides shareholders with opportunities to participate in nominating qualified directors, and in voting for director election, the Company allows shareholders to use ballot papers to elect directors individually by requiring the shareholders to cast all their votes to elect candidates as directors one by one.

Criteria and method to elect directors according to the Company's Articles of Association are as follows:

16. The shareholders' meeting shall elect directors in accordance with the following rules and procedures:
- (1) One shareholder has one (1) vote per one (1) share.
 - (2) Each shareholder may cast all his or her votes under (1) to select one or more candidates to be directors. In the event election of multiple candidates, the votes shall be equally divided.
 - (3) Candidates who receive the highest number of votes based on ranked voting shall be elected as directors equal to the number of directors required or to be elected at that time. In the event that the candidates elected based on ranked voting receive equal votes in excess of the number of directors required or to be elected at that time, the chairman of the meeting shall have a casting vote.

2. Top executives

The Board of Directors assigns the Nomination Committee to consider criteria and methods for recruiting qualified candidates to hold top executive office and nominate more than one candidate together with reasons for the Board of Directors to appoint. In the recruitment process, the Company considers and screens qualified candidates with knowledge, competence, skills, and experience that are beneficial to the Company's operations and candidates who thoroughly understand the Company's business and able to conduct management to achieve objectives and goals set by the Board of Directors.

Succession plan for the top executive

The Board of Directors oversees the formulation of a succession plan and a development plan for top executives, especially the position of Chief Executive Officer, to ensure business continuity and to strengthen personnel for succession in key positions with the following guidelines:

- The Nomination and Remuneration Committee and Chief Executive Officer shall jointly plan succession for top executives in key positions by defining the skills, knowledge, competence, and potential of a person to be a successor.
- The Chief Executive Officer shall supervise the training and development of job successors through various methods such as training, special assignments, and job rotation in order to strengthen the necessary skills and prepare executives for succession.
- The Chief Executive Officer shall report a succession plan for senior management and development results to the Nomination and Remuneration Committee for consideration at least once a year and when there are significant changes.
- The Nomination and Remuneration Committee shall report on the performance of a senior management succession plan to the Board of Directors at least once a year and when there are significant changes.

8.1.2 Meeting Attendance and Remuneration for Individual Director

(1) Board of Directors meeting 2020

Name	Position	Number of Attendance / Total Meetings		
		Annual General Meeting of Shareholders for the year	Board of Directors meeting	Meeting between non-executive directors ⁽²⁾
1. Mr. Paitoon Taveebhol	Chairman of the Board of Directors / Independent Director	1/1	10/10	2/2
2. Mr. Sakkanon Chirathivat	Vice Chairman of the Board of Directors/ Nomination and Remuneration Committee/ Risk Management Committee	1/1	10/10	2/2
3. Prawit Kijpaisalrattana	Independent Director/ Chairman of the Audit Committee / Chairman of the Nomination and Remuneration Committee	1/1	10/10	2/2
4. Assoc.Prof.Dr. Wilert Puriwat	Independent Director/ Chairman of the Marketing and Sustainable Development Committee/ Nomination and Remuneration Committee	1/1	10/10	2/2
5. Mrs. Jotika Savanananda	Independent Director/ Audit Committee/ Marketing and Sustainable Development Committee	1/1	10/10	2/2
6. Mr. Chavalit Chindavanig	Independent Director/ Audit Committee/ Chairman of the Risk Management Committee	1/1	10/10	2/2
7. Mr. Boonyong Tansakul	Director / Chairman of the Executive Committee/ Risk	1/1	10/10	-

	Management Committee/ Marketing and Sustainable Development Committee / Chief Executive Officer / (Acting) Chief of Project Management and Business Development Officer			
8. Miss Jomkwan Chirathivat	Director / Executive Director / Marketing and Sustainable Development Committee	1/1	8/10	-
9. Mr. Chittapon Vivaddhanakasem	Director / Risk Management / Executive Director	1/1	8/10	-
10. Mr. Steven David Halliday	Director	1/1	10/10	-
11. Mr. Siruwat Chatchaval ⁽¹⁾	Director / Executive Director / Marketing and Sustainable Development Committee	-	4/4	-

Note: ⁽¹⁾ Appointed as the company's Director by the Annual General Meeting of Shareholders for the year 2020 on August 24, 2020

⁽²⁾ In 2020, the board holds 2 meetings among non-executive directors.

Number 1 July 13, 2020

Number 2 October 12, 2020

(2) Directors' Remuneration

(1) Financial Remuneration

Annual General Meeting of Shareholders 2020 dated 24 August 2020 and Extraordinary General Meeting of Shareholders 2018 dated 18 September 2018 approved remuneration for Board of Directors, Audit Committee, Marketing and Sustainable Development Committee, Nomination and Remuneration Committee, and Risk Management Committee as details shown below:

Non-Executive Directors

Remuneration	Quarterly Fee (Baht / Quarter)	Attendance Fee (Baht / Time)
1. Board of directors		
- Chairman	60,000	40,000
- Director	40,000	25,000
2. Audit Committee - Chairman		
- Director	-	35,000

	-	25,000
3. Executive Committee		
- Chairman	-	35,000
- Director	-	25,000
4. Nomination and Remuneration Committee		
- Chairman	-	35,000
- Director	-	25,000
5. Marketing and Sustainable Development Committee -Chairman	-	35,000
- Director	-	25,000
6. Risk Management Committee -		
Chairman	-	35,000
- Director	-	25,000
7. Remuneration for Executive Director	-	
8. Quarterly remuneration and Meeting allowance totaling not more than	4,500,000 บาท	
9. Compensation and other benefits besides Quarterly remuneration and meeting allowances	Annual performance bonus at the rate of 3% of dividend payment to shareholders in an amount not exceeding 2 million Baht and the Board of Directors has the authority to allocate the said bonus to the directors and commence to pay the director bonus in 2021	
10. Non-financial remuneration	-None-	

Executive Directors

The company does not have a policy to pay Directors who take Executive position or being an employee of the company.

For Accounting Year December 31, 2020 the company had paid to Directors as shown in the following table:

Directors' Name	Position	Total Cash Benefits (Baht)						
		Board of directors	Audit Committee	Nomination and Remuneration Committee	Risk Management Committee	Marketing and Sustainable Development Committee	Executive Committee	Total
1. Mr. Paitoon Taveebhol	Chairman of the Board of Directors / Independent Director	634,000	-	-	-	-	-	634,000
2. Mr. Sakkanon Chirathivat	Vice Chairman of the Board of Directors/ Nomination and Remuneration Committee/ Risk Management Committee	406,000	-	-	75,000	-	100,000	581,000
3. Mr. Prawit Kijpaisalrattana	Independent Director/ Chairman of the Audit Committee / Chairman of the Nomination and Remuneration Committee	406,000	245,000	140,000	-	-	-	791,000
4. Assoc.Prof.Dr. Wilert Puriwat	Independent Director/ Chairman of the Marketing and Sustainable Development Committee/ Nomination and Remuneration Committee	406,000	-	100,000	-	105,000	-	611,000

Directors' Name	Position	Total Cash Benefits (Baht)						
		Board of directors	Audit Committee	Nomination and Remuneration Committee	Risk Management Committee	Marketing and Sustainable Development Committee	Executive Committee	Total
5. Mrs. Jotika Savanananda	Independent Director/ Audit Committee/ Marketing and Sustainable Development Committee	406,000	175,000	-	-	75,000	-	656,000
6. Mr. Chavalit Chindavanig	Independent Director/ Audit Committee/ Chairman of the Risk Management Committee	406,000	175,000	-	105,000	-	-	686,000
7. Mr. Boonyong Tansakul	Director / Chairman of the Executive Committee/ Risk Management Committee/ Marketing and Sustainable Development Committee / Chief Executive Officer / (Acting) Chief of Project Management and Business Development Officer	-	-	-	-	-	-	-

Directors' Name	Position	Total Cash Benefits (Baht)						
		Board of directors	Audit Committee	Nomination and Remuneration Committee	Risk Management Committee	Marketing and Sustainable Development Committee	Executive Committee	Total
8. Miss Jomkwan Chirathivat	Director / Executive Director / Marketing and Sustainable Development Committee	-	-	-	-	-	-	-
9. Mr. Chittapon Vivaddhanakasem	Director / Risk Management / Executive Director / Risk Management Committee	-	-	-	-	-	-	-
10. Mr. Steven David Halliday	Director	-	-	-	-	-	-	-
11. Mr. Siruwat Chatchaval ⁽¹⁾	Director / Executive Director / Marketing and Sustainable Development Committee	-	-	-	-	-	-	-
Total		2,664,000	595,000	340,000	180,000	180,000	-	3,959,000

Note: ⁽¹⁾ Appointed as the company's Director by the Annual General Meeting of Shareholders for the year 2020 on August 24, 2020

(2) Non-Financial Remuneration

-None-

8.1.3 Supervision of Subsidiaries and Associates

Policy on Supervision of Subsidiaries and Associates

The Company established a supervisory policy and management of its subsidiaries and associates with the objective of establishing direct and indirect measures and mechanisms to enable the Company to supervise and manage affairs of its subsidiaries and associates, including monitoring and supervising its subsidiaries and associates to comply with the measures and mechanisms stipulated as if it was the Company's own unit and in accordance with the Company's policies, including the Civil and Commercial Code Public Company Law Securities laws and relevant notifications, rules and regulations of the Capital Market Supervisory Board, the Securities and Exchange Commission, and the Stock Exchange of Thailand, in order to protect the interests of the investment of the Company in its subsidiaries and associates.

In the event that this policy requires that any transaction or action which has significance or effect to financial status and operating results of the Company's subsidiaries and associates, it shall be approved by the Board of Directors' meeting or the shareholders' meeting (as the case may be). The Chairman of the Board of Directors is responsible for organizing the Board of Directors' meetings and/or the Company's shareholders' meetings to consider and approve such matters before the subsidiaries and/or associates hold their Board of Directors' meetings and/or shareholders' meetings to consider and approve before making a transaction or proceeding on such matters. In this regard, the Company shall completely and accurately disclose information and comply with the rules, conditions, procedures and methods relevant to the matter to be approved as specified in the Civil and Commercial Code, Public Limited Company Act, Securities Act, as well as notifications, rules and regulations of the Capital Market Supervisory Board, the Securities and Exchange Commission, and the Stock Exchange of Thailand, mutatis mutandis (as far as not contradicting or conflicting).

1. Any transactions or actions performed by the Company's subsidiaries and/or associates in the following cases shall be approved by the Board of Directors' or the shareholders' meeting of (as the case may be).

(1) Matters that require approval from the Board of Directors' meeting

- (a) For appointments and nominations of directors or executives in the Company's subsidiaries and/or associates at least in proportion to their shareholding in the subsidiaries and/or associates, the directors and executives nominated or appointed by the Company shall consider voting at the Board of Directors' meeting of the subsidiaries and/or associates in matters related to general management and normal business operations of the subsidiaries and/or associates as the directors and executives of the subsidiaries and/or associates deems appropriate for the best interest of the Company, its subsidiaries and/or associates, except for matters that require approval from the Board of Directors' meeting or the shareholders' meeting of the Company.

In this regard, the nominated directors or executives under the above paragraph

shall be in the White List of directors and executives of the issuing company, including qualifications, roles, duties and responsibilities, and shall not have untrustworthy characteristics according to the Notification of the Securities and Exchange Commission and the Stock Exchange on characteristics indicating untrustworthiness of the Company's directors and executives.

- (b) Consideration and approval of annual dividend payments and interim dividends (if any) of the subsidiaries, except in the case where the subsidiaries pay dividends for the whole year, it shall not lower than that stipulated in the total annual budgets of each company (if any).
- (c) Amendments to the Articles of Association of the subsidiaries, except the amendment to the Articles of Association in matters which are significant under (2) (a), which shall be approved by the Company's shareholders' meeting
- (d) Consideration and approval of annual budgets of the subsidiaries, except in the case where it is defined in the Delegation of Authority approved by the Company's Board of Directors that the subsidiaries are required to follow.
- (e) Capital increase through the issuance of capital increase shares of the Company's subsidiaries and share allocation, including reduction of registered and/or paid-up capital of the subsidiaries, which does not conform to the original shareholding proportion of the shareholders, or any other action resulting in the Company's shareholding and/or exercise of direct and/or indirect voting rights of the Company at the shareholders' meeting of the subsidiaries to decrease by more than ten (10) percent of the subsidiaries' paid-up capital or the total number of votes of the subsidiary (as the case may be).

The following items (f) to (n) are considered material and if entering a transaction will have a material impact on a financial position and operating results of the subsidiaries, it shall be approved by the Board of Directors' meeting of the Company first. In this regard, it shall be the case when considering the nature of the transaction, such as the size of the transaction and a person entering into the transaction as specified in the Notification of the Capital Market Supervisory Board and the Stock Exchange of Thailand on the Acquisition or Disposition of Assets and/or Connected Transactions (as the case may be) to apply mutatis mutandis and within the criteria to be approved by the Board of Directors' meeting:

- (f) In the event that the subsidiaries agree to enter into a transaction with a connected person of the Company or its subsidiaries or a transaction relating to acquisition or disposition of assets of the subsidiary;
- (g) Transfer or forfeiture of benefits, including waiving of claims against those who cause damage to the subsidiaries;
- (h) Sale or transfer of all or a significant portion of business of the subsidiaries to other persons;
- (i) Purchase or acceptance of transfer of business of other companies to the subsidiaries;

- (j) Execution, amendment or termination of lease agreements of all or significant parts of the subsidiaries' business, assignment of other persons to manage business of the subsidiaries or merger of business of the subsidiaries with other persons;
- (k) Lease of business or the subsidiaries' assets or material part;
- (l) Borrowing, lending, granting of credit, guarantee, juristic acts binding the subsidiaries to bear additional financial obligations or providing financial assistance in any other manner to other persons and which is not a normal business of the subsidiaries;
- (m) Dissolution of the subsidiaries;
- (n) Any other transactions which are not normal business transactions of the subsidiaries and transactions that may have a significant impact on the subsidiaries.

(2) Matters that require approval from the shareholders' meeting of the Company

- (a) Amendments to the Articles of Association of the subsidiaries on matters that may have a material impact on a financial position and operating results of the subsidiaries, including but not limited to amendments to the Articles of Association of the subsidiaries that affect the voting rights of the Company at the Board of Directors' meeting of the subsidiaries and/or the shareholder meeting of the subsidiaries or payments of dividends of the subsidiaries;

The following items (b) to (e) are considered material and if entering a transaction will have a material impact on a financial position and operating results of the subsidiaries, it shall be approved by the shareholders' meeting of the Company first. In this regard, it shall be the case when considering the nature of the transaction, such as the size of the transaction and a person entering into the transaction as specified in the Notification of the Capital Market Supervisory Board and the Stock Exchange of Thailand on the Acquisition or Disposition of Assets and/or Connected Transactions (as the case may be) to apply mutatis mutandis and within the criteria to be approved by the shareholders' meeting:

- (b) In the event that the subsidiaries agree to enter into a transaction with a connected person of the Company or its subsidiaries or a transaction relating to acquisition or disposition of assets of the subsidiaries;
- (c) Capital increase through the issuance of capital increase shares of the Company's subsidiaries and share allocation, including reduction of registered and/or paid-up capital of the subsidiaries, which does not conform to the original shareholding proportion of the shareholders, or any other action resulting in the Company's shareholding and/or exercise of direct and/or indirect voting rights of the Company at the shareholders' meeting of the

subsidiaries to decrease to less than the proportion stipulated in the law applicable to the subsidiaries, resulting in the Company having no control over its subsidiaries;

- (d) Dissolution of the subsidiaries;
- (e) Any other transactions which are not normal business transactions of the subsidiaries and transactions that may have a significant impact on the subsidiaries.

2. The Board of Directors of the Company shall ensure that its subsidiaries have an internal control system, risk management system, and anti-fraud system, and shall establish appropriate measures to monitor performance of the subsidiaries, which are efficient and concise to ensure that all operations of the subsidiaries are carried out in accordance with the Company's policies and this policy, including laws and notifications on good corporate governance of listed companies, and relevant notifications, regulations and rules of the Capital Market Supervisory Board, Office of the Securities and Exchange Commission, and the Stock Exchange of Thailand. It also shall monitor the subsidiaries to disclose information on connected transactions and/or acquisition or disposition of assets and/or any other significant transactions to the Company, and perform other actions to comply with the rules of supervision and management of the subsidiaries as specified in the Company's policies and Articles of Association

Management Policy in the Subsidiaries and Associates

As the Company is a holding company and does not engage in significant business operations of its own, to supervise operations of its subsidiaries and associates, the Company sends its representative to act as a director in the subsidiaries and associates according to their shareholding proportion. Such persons shall have qualifications and experience that are appropriate for the business and have no conflict of interest in the business and shall manage the business of the subsidiaries and/or associates in accordance with the policies assigned by the Company and in accordance with the rules and regulations as stipulated in the Company's Articles of Association and the laws of the subsidiaries and/or associates.

In addition, the Company monitors the directors and executives who are appointed by the Company to serve as directors and executives in subsidiaries and associates to perform their duties and responsibilities in accordance with laws, the Company's policies and Articles of Association and closely monitors operating results of the subsidiaries and/or associates and present the results of analysis, as well as express opinions or suggestions to the Board The subsidiaries' Board of Directors or associates for establishment of policies or improvement of the business of the subsidiaries and/or associates to develop and grow continuously. Investment Policy in the Subsidiaries and Associates.

Investment Policy in Subsidiaries and Associates.

The Company focuses on investing in businesses with potential for growth and create good returns on investment. In this regard, obtaining approval for investment in the subsidiaries or associates shall be in accordance with the Notifications of the Capital Market Supervisory Board and the Stock Exchange of Thailand on Acquisition or Disposition of Assets and/or Connected Transactions (as the case may be).

Investing in the above businesses focuses on long-term investments, including investing in businesses with potential for growth and create good returns for the Company based on the fundamentals of the business to be invested, as well as trends of that business. In addition, the Company has the policy to invest in a sufficient proportion to be able to participate in the management and establishment of business practices in the subsidiaries, associates and those jointly controlled entities, including promoting businesses that have investments for sustainable growth.

The Company may have investments in other related businesses in the future that can support and promote the Company's core business. However, the investments must be in line with the business conditions and the Company's strategic plan. The Company may consider investing in other businesses that are not the main business of the Company in the future, in which the investments shall also be in line with the business conditions and the Company's strategic plan.

In making any investment decisions, the Company conducts a feasibility analysis of projects and takes into account various factors involved. This includes the risks of investing in the projects, business expansion trends, value creation, worthiness, and increase of competitiveness of the Company. The Company will provide its experts (or external experts, as the case may be) to consider investing in the projects before investing and will present an investment plan to the Board of Directors for consideration, including consulting to mitigate any potential investment risks.

Duties of Directors and Management of the Subsidiaries

1. Directors and management of the subsidiaries shall disclose information on its financial status and operating results, connected transactions, as well as acquisition or disposition of assets and/or significant transactions to the Company completely, accurately and within a reasonable time as specified by the Company.
2. Directors and executives of the subsidiaries shall disclose and submit personal interest information and related parties to the Company's Board of Directors to acknowledge relationships and transactions with the Company and/or its subsidiaries that may create a conflict of interest. It shall avoid making transactions that may cause conflicts of interest and the subsidiaries' Board of

Directors are obliged to report such matters to the Company's Board of Directors within the time specified by the Company for consideration, decision or approval, which will take into account the overall benefits of the parent Company and its subsidiaries.

However, directors and executives of the subsidiaries shall not take part in approving matters in which they have interests or conflict of interest, both directly and/or indirectly.

In addition, the following actions, which result in the directors, executives or related persons of the subsidiaries receiving financial benefits other than their normal circumstances or damage to the parent company or its subsidiaries shall be assumed significantly contrary to or inconsistent with the interests of the Company.

- (a) Transactions between the subsidiaries and directors, executives or related persons are not in accordance with the rules on connected transactions.
 - (b) Use of information of the Company or its subsidiaries, unless such information has been disclosed to the public.
 - (c) Use of assets or business opportunities of the Company or its subsidiaries in the same manner of the Company and such use violates general rules or practices as specified in the Notification of the Capital Market Supervisory Board.
3. Directors and executives of the subsidiaries shall report business plans, business expansion, large investment projects as approved by the Company, as well as investments with other entrepreneurs to the Company through monthly or quarterly performance reports and shall clarify or submit documents for consideration upon the Company's request.
 4. Directors and executives of the subsidiaries shall clarify and/or submit information or documents related to their operations to the Company upon request as appropriate.
 5. Directors and executives of the subsidiaries shall clarify and/or submit relevant information or documents to the Company in the event that the Company has found any significant issues.
 6. Directors and executives of the subsidiaries shall operate to ensure that the subsidiaries have an Internal control system, risk management system, and anti-fraud system, and shall establish appropriate measures to monitor performance of the subsidiaries, which are efficient and concise to ensure that all operations of the subsidiaries are carried out in accordance with the Company's policies and Articles of Association, including laws and notifications on good corporate governance

of listed companies, and relevant notifications, regulations and rules of the Capital Market Supervisory Board, Office of the Securities and Exchange Commission, and the Stock Exchange of Thailand. In addition, it shall arrange for a working system in place to demonstrate that the subsidiaries have sufficient systems to disclose significant transactions in accordance with the specified criteria on an ongoing and reliable basis. There shall also be a channel for directors and executives of the Company to receive information of the subsidiaries in monitoring performance and financial status, transactions between the Company and the directors and executives of the subsidiaries, as well as a mechanism to audit such work system within the subsidiaries by allowing the internal audit team and the Company's directors to have direct access. The audit results of the said work system are reported to the directors and executives of the Company to ensure that the subsidiaries have consistently performed their work in line with the system.

7. No director, executive, employee or assignee of the subsidiaries, including the spouse and underage children of such person, shall use inside information of the Company or its subsidiaries, whether acquired from performance of their duties or in any other way that has or may have a material impact on the parent company and/or its subsidiaries, for the benefit of themselves or others, whether directly and/or indirectly, and whether with or without reward or compensation.
8. Directors, executives, or related persons of the subsidiaries may enter into transactions with the subsidiaries only if such transactions are approved by the subsidiaries' Board of Directors of and/or the subsidiaries' Board of Directors meeting and/or the subsidiaries' shareholders' meeting and/or the Company's shareholders' meeting (as the case may be) according to a calculated size of the transactions (under the criteria for the calculation of transactions as specified in the Notification of the Capital Market Supervisory Board, the Notification of the Capital Market Supervisory Board, and the Notification of the Stock Exchange of Thailand Board of Directors regarding connected transactions to apply *mutatis mutandis*), except for transactions which are trade agreements in the same manner as an ordinary person would do with a general counterpart in the same situation with trade bargaining power without influence in their position as a director, executive or related person (as the case may be) and commercial agreements approved by the Company's Board of Directors' meeting or in accordance with the principles approved by the Company's Board of Directors' meeting.

In 2020, the Company sent an executive, Mrs. Yupaphan Ekasittikul, to be a director in one associate, namely Kindee Yudee 2020 Co., Ltd., which has been approved by the Board of Directors Meeting No. 1/2020, on January 13, 2020. In the past year, Kindee Yudee 2020 Co., Ltd. has made 4 connected transaction(s) and there is no transaction size of which the Board of Directors and the Audit Committee shall participate in the consideration.

8.14 Monitoring of Compliance with Corporate Governance Policies and Practices

The Company places importance on good corporate governance and established related policies and practices in the Corporate Governance Policy and the Code of Conduct and encourages practice to build confidence among all groups of stakeholders.

In the past year, the Company monitored to ensure compliance with good corporate governance covering 1) employee care and non-discrimination; 2) anti-unfair competition; 3) environment, health and safety in the organization; and 4) Information security. The results showed that the Company completely followed the guidelines of each issue.

In addition, in order to comply with the good corporate governance, the Company followed up on other four issues as follows:

(1) **Prevention of Conflicts of Interest**

The Company is committed to conducting business under the principles of good corporate governance with honesty and places importance on prevention of conflicts of interest in order to operate business with transparency and adherence to the principles of good governance. The Company established guidelines for directors, executives and employees to practice in preventing such conflicts of interest. Conflict of interest policy and practice are as follows: 1. Connected transactions shall comply with the connected transactions policy and a guide for connected transactions. Such transactions shall be reviewed and supervised without any stakeholder involved in the interest to take part in decision-making on connected transactions. In the event that a transaction requires approval from the Board of Directors, the Audit Committee shall have the Audit Committee to consider and give opinions, as well as undertake to ensure complete and accurate disclosure to the public. 2. To avoid any action that may cause contradict or conflict of interest with the Company, including using one's position or allowing others to use it in pursuit of personal interests or related parties, whether directly or indirectly.

3. To avoid holding shares or to carry out transactions or participation or external activities or holding another position, including a director, consultant, representative in other businesses or organizations which have conflicts, or have transactions or conduct business that contradicts or conflicts with the interests of the Company, whether directly or indirectly. In addition, the procedures shall not affect or damage the Company and performance of that person's company.

4. In the case of any transaction or activity that may have direct or indirect interests which may contradict or conflicts with the interests the Company, directors, executives,

employees and related persons are obliged to notify a designated unit, person or supervisor or authority, and shall not participate in decision-making in the interest.

5. No executives or employees shall work as permanent or temporary employees in other businesses in which the business operation is the same as the Company or is a competitor to the Company or businesses that may contradict or conflict with the interests of the Company.

In the past year, the Company did not have a case that may cause a conflict of interest.

(2) Use of Inside Information for Profit

The Company and its subsidiaries have the policy to prevent and supervise directors, executives, and employees of the Company and its subsidiaries, including persons who are presumed to know or possess inside information under the Securities and Exchange Act, B.E. 2535 ("Securities Act") from using inside information which has not yet been disclosed to the public for personal gain as follows:

1. The Company provides knowledge to directors, executives of the Company, including those holding executive positions in accounting or finance, who are department managers or higher or equivalent (as defined by the Capital Market Supervisory Board and the Stock Exchange of Thailand) regarding the duty to report the securities holding of the Company under Section 59 and the penalties under Section 275 of the Securities Act, as well as to report on acquisition or disposition of the Company's securities under Section 246 and the penalties under Section 298 of the Securities Act.

2. It determines that (a) directors and executives, including those holding executive positions in accounting or finance, who are department managers or higher or equivalent shall be responsible for preparing and disclosing their securities holding reports issued by the Company, including their spouses or those who live with them as husband and wife and (b) juristic persons in which persons under (a) hold shares in aggregate more than 30 percent of the total voting rights of such juristic person and the aggregate holding shares is the largest proportion of that legal entity under the Notification of the Securities and Exchange Commission and Section 59 of the Securities Act for the first time, within 7 business days of the statutory reporting duties, and within 3 business days for every change by buying, selling, transferring or accepting transfer of securities, through the Company's Secretary in order to submit to the Office of the Securities and Exchange Commission at all times. The Company's Secretary is assigned to summarize a report on the securities holding and changes in securities holding to the Board of Directors' meeting for acknowledgment

every six months.

3. No directors and executives, including persons holding executive positions in accounting or finance who are department managers or higher or equivalent and related practitioners who have received inside information about financial statements, financial position or operating results of the Company and other material inside information, shall buy, sell, offer for purchase, or offer for sale, or solicit others to buy, sell, offer, offer for purchase, or offer for sale of shares or other securities (if any) of the Company, whether directly or indirectly, in the period before financial statements or financial status and operating results of the Company are published until the Company discloses the information to the public itself. The Company will notify directors and executives to refrain from doing the above transactions in writing at least 30 days prior to the public disclosure and it may take at least twenty-four hours after disclosure to the public to be able to perform the above actions.

4. No directors, executives, and employees of the Company and its subsidiaries, including persons who are presumed to know or possess inside information under the Securities Act, shall use the Company's and its subsidiaries' inside information that has or may have an impact on changes in a price of the Company's securities, which has not been disclosed to the public and which they have obtained in such position for buying, selling, offering for purchase, offering for sale, or soliciting others to buy, sell, offer for purchase, or offer for sale of shares or other securities (if any) of the Company, whether directly or indirectly and whether such actions are performed for the benefit of themselves or others, or disclose such facts to others to do so, whether for the benefit or not.

5. No directors, executives, employees of the Company and its subsidiaries, including persons who are presumed to know or possess inside information under the Securities Act, shall disclose the Company's and its subsidiaries' inside information or confidentiality, as well as confidential information of the Company's and its subsidiaries' business partners, that they have gained from their performance to third parties, regardless of damage to the Company, its subsidiaries or business partners.

6. Directors, executives, and employees of the Company and its subsidiaries, including persons who are presumed to know or possess inside information under the Securities Act, shall keep the Company's and its subsidiaries' confidentiality and/or inside information. No directors, executives, and employees of the Company and its subsidiaries, including persons who are presumed to know or possess inside information under the Securities Act, shall use the Company's and its subsidiaries' confidentiality and/or inside information for other companies.

7. Directors, executives, and employees of the Company and its subsidiaries, including persons who are presumed to know or possess inside information under the Securities Act, shall comply with the insider information usage guidelines under the Securities Act and the Public Limited Companies Act including other relevant rules.

(3) Anti-Corruption

The Company established a written anti-corruption policy and process as a clear guideline to be a good example and raise awareness and communicate with performance of duties in good faith with sustainability.

The Company expressed its intention to join the Thailand's Private Sector Collective Action Coalition against Corruption (CAC) and was certified as a member of the project on August 21, 2018. The Company operates in accordance with the anti-corruption policy as follows:

(1) The Company communicates to its directors, executives and employees by requiring that every process operation is strictly within the scope of the law, or an error or mistake during the operating process occurs due to negligence or unawareness, it shall be punished by a public sector without lobbying.

(2) The Company provides a reporting channel if any violations of the policies or corruption acts are found and set measures to protect a whistleblower.

The Company discloses details of the policies and actions to prevent involvement with corruption on the Company's website <https://zengroup.co.th/> under the topic of Corporate Governance.

The Company also provides in-house training to employees about the Company's anti-corruption policy and practice and sent employees to train with IOD, namely (1) Mr. Suphong Limthong, ACPC Program, Class 34/2016 (2) Mr. Voravit Hankunaseth, ACPC Program Class 51/2020

In addition, in 2020, the Company encourages all seven subsidiaries to apply for the Thailand's Private Sector Collective Action Coalition against Corruption (CAC).

(4) Whistleblowing

The Company places importance on good corporate governance by providing opportunities for its employees and stakeholders to report if found a violation or abnormal operation, such as corruption, non-compliance with rules or regulations stipulated by law, the Company's policies and Articles of Association, the Code of Conduct, and ethics and anti-corruption policy, through the established channels to carry out an inspection in accordance with the processes specified in the "Complaints and Whistleblowing Policy" and

report to the Audit Committee and the Board of Directors. In addition, the information to contact a whistleblower is clearly provided by disclosing processes and channels on the Company's website.

For whistleblowers to ensure that reporting or providing information or whistleblowing will not cause damage to them, the Company sets up a mechanism for protection and mitigation of damages to those who report or provide information of violations.

In 2020, there are three complaints through the whistleblowing system that allows third parties and employees to report about offenders or violators arising from non-compliance with the laws, policies, regulations and ethics, as follows:

1. Three cases of whistleblowing complaints that have been completely investigated are divided into:
 - Two cases of violation: one fraud offense and one non-compliance with the Company's regulations
 - One non-violation case
2. Damage and penalties
 - Damage of 14,200 baht
 - Penalty

Termination of employment	1 Person
Others	1 Person

All related parties shall take the whistleblowing complaints that have arisen to set a control point in order to improve operation efficiency. The Internal Audit Department shall assess efficiency and effectiveness of risk assessment and internal control and report to the Audit Committee regularly. In addition, senior executives also instill a corporate culture, raise awareness of employees, and act as a good example.

Whistleblower Policy

Of

Zen Corporation Group Public Company Limited and Its Subsidiaries

Complainant

1. A person who has seen or known about directors, executives, employees and employees of Zen Corporation Group Public Company Limited ("the Company") and its subsidiaries acting of dishonesty or misrepresenting benefits, violating the law, rules, and regulations of the Company and its subsidiaries or the Code of Business Conduct of the Company and its subsidiaries.

2. A person who has been treated unfairly, bullied, threatened, or discriminated against by wrongful acts.

Complainee

1. Vice President of Internal Audit (email: internalaudit@Zengroup.co.th)
2. Company Secretary (email: corporatesecretary@Zengroup.co.th)
3. Audit Committee (email: auditcom@Zengroup.co.th)

Complaint channels

Complaints can be made to one of the complainees of the complaint with the following channels:

1. Through the Email Address of a complainee
2. Made in a letter to a complainee
3. In the event that the complainant chooses not to disclose their name, the complainant shall specify sufficient details, facts or evidence to show that there are reasonable grounds to believe that the act is a fraud or has disrupted benefit, an act in violation of the law, rules, and regulations of the Company and its subsidiaries or unethical business conduct of the Company and its subsidiaries.

In this regard, the complaint shall be regarded as the highest confidentiality, and the complainant can make more than one complaint and do not need to reveal his/her identity. However, if the complainant discloses himself/herself, the Company will be able to report the operation or additional details regarding the complaint.

Investigation Process

1. The person receiving the complaint submits the matter that has been received to the Investigation Committee, which consists of the Human Resource Manager, the Internal Audit Department Manager, and the Legal Manager.
2. The Investigation Committee shall investigate and gather facts or may assign an appropriate person or department to carry out the investigation.
3. The Investigation Committee or an assigned person may invite any staff and employee to provide information or may request any relevant documents for investigation.
4. If it is found to be true, the Investigation Committee will propose the matter with comments and specify guidelines for proper, appropriate, and fair practices to the authorized persons as follows:
 - In the event that a complaint is a matter of fraud or disruption of interest, it shall be proposed with comments and guidelines to the Internal Audit Department Director for consideration.

- In the event that a complaint is a matter of violation of laws, it shall be proposed with comments and guidelines to the Legal Director for consideration.
- In the event that a complaint is a matter of violation of the rules, regulations, or business ethics of the Company and its subsidiaries, it shall be proposed with comments and guidelines to the Compensation and Welfare Management for consideration.
- In the event that a complaint is an important issue such as affecting the reputation, image or financial status of the Company and its subsidiaries, or conflicting with the Company's and its subsidiaries' business policies or relating to high-level executives, for example, it shall be proposed to the Audit Committee or the Board of Directors for consideration.
- In the event that a complaint causes damage to any person, appropriate and fair mitigation to the injured person shall be provided.

Protection for complainants

1. A complainant may choose not to reveal himself or herself if he or she deems that disclosure may cause damage to himself or herself, but he or she shall provide sufficiently clear details of the facts or evidence to show that there are reasonable grounds to believe that the act is a fraud or has disrupted benefit, an act in violation of the law, rules, and regulations of the Company and its subsidiaries or unethical business conduct of the Company and its subsidiaries.
2. For related information, the Company shall treat it as confidential and disclose as necessary with regard to the safety and damage of the complainant. The person responsible for the process shall keep the information in the highest level of confidentiality and not disclose it to others, and the violation is considered a disciplinary offense.
3. In the event that a complainant considers that he or she may not be safe or may suffer, the complainant may request the Company to set appropriate protection measures, or the Company may specify protective measures without the request of the complainant if the matter is likely to cause damage or insecurity.
4. Those who have suffered shall be mitigated by an appropriate and fair mean or process.

(5) Policy and guidelines for non-infringement of intellectual property or copyright

The Group is aware of the importance of intellectual property and copyrights, whether they belong to the Group or third parties, and conducts prevention of any infringement of intellectual property, copyrights, trademarks, and service marks.

The Group has a registration policy in order to preserve the copyrights, trademarks, and service marks of the Group's restaurant brands and products in fully monitoring renewal.

In addition, the Group monitors infringement of copyrights, trademarks, and service marks from third parties, as well as preparing a guideline for employees to prevent infringement of the Group's intellectual property and copyrights, either for their own benefit or for others.

The Group has a policy of information security with the objective of conducting operations that are not contrary to the law, including non-infringement of intellectual property and copyrights. The Group also provides a system to prevent infringement: employees using the Company's information device or equipment cannot install additional programs other than those installed by the Company. In the event that an employee brings personal information devices, they shall first notify the IT team for inspection and shall register in writing. It must also be approved by the senior management of the IT team, and the devices shall be used with copyrighted software with correct antivirus software installed updated security, and current soft patches for the system. The Group's host will monitor the usage rights and copyrights, as well as a renewal in all systems.

In addition to intellectual rights and copyrights related to such technology, the Group established a guideline for all departments to prevent themselves from violating intellectual property rights and copyrights of others, whether music copyright or any other copyright, with a full renewal monitoring system in order to prevent any infringement of intellectual and copyright issues.

8.2 Summary of the performance of duties of the sub-committee

8.2.1 Sub-committee meeting 2020

Directors' Name	Position	Number of Attendance / Total Meetings				
		Audit Committee	Nomination and Remuneration Committee	Risk Management Committee	Marketing and Sustainability Development Committee	Executive Committee
1. Mr. Sakkanon Chirathivat	Vice Chairman of the Board of Directors/ Nomination and Remuneration Committee/ Risk Management Committee	-	4/4	3/3	-	-
2. Mr. Prawit Kijpaisalrattana	Independent Director/ Chairman of the Audit Committee / Chairman of the Nomination and Remuneration Committee	7/7	4/4	-	-	-
3. Assoc.Prof.Dr. Wilert Puriwat	Independent Director/ Chairman of the Marketing and Sustainable	-	4/4	-	3/3	-

Directors' Name	Position	Number of Attendance / Total Meetings				
		Audit Committee	Nomination and Remuneration Committee	Risk Management Committee	Marketing and Sustainability Development Committee	Executive Committee
	Development Committee/ Nomination and Remuneration Committee					
4. Mrs. Jotika Savanananda	Independent Director/ Audit Committee/ Marketing and Sustainable Development Committee	7/7	-	-	3/3	-
5. Mr. Chavalit Chindavanig	Independent Director/ Audit Committee/ Chairman of the Risk Management Committee	7/7	-	3/3	-	-
6. Mr. Boonyong Tansakul	Director / Chairman of the Executive Committee/ Risk Management Committee/ Marketing and Sustainable Development Committee / Chief Executive Officer / (Acting)	-	-	3/3	3/3	27/27

Directors' Name	Position	Number of Attendance / Total Meetings				
		Audit Committee	Nomination and Remuneration Committee	Risk Management Committee	Marketing and Sustainability Development Committee	Executive Committee
7. Miss Jomkwan Chirathivat ⁽¹⁾	Director / Executive Director	-	-	-	0/3	21/27
8. Mr. Chittapon Vivaddhanakasem ⁽²⁾	Director / Marketing and Sustainable Development Committee / Executive Director / Risk Management	-	-	0/3	3/3	22/27
9. Mr. Steven David Halliday	Director	-	-	-	-	-
10. Mr. Siruwat Chatchaval ⁽³⁾	Director / Executive Director / Marketing and Sustainable Development Committee	-	-	1/3	2/3	20/27
11. Mrs. Yupaphan Ekasittikul	Executive Director / Risk Management		-	-	-	27/27
12. Miss. Suchanpa Balankura ⁽⁴⁾	Executive Director		-	-	-	22/27

Directors' Name	Position	Number of Attendance / Total Meetings				
		Audit Committee	Nomination and Remuneration Committee	Risk Management Committee	Marketing and Sustainability Development Committee	Executive Committee
13. Miss Patchneewan Tanprawat ⁽⁵⁾	Executive Director / Marketing and Sustainable Development Committee			-	0/3	1/27

หมายเหตุ: ⁽¹⁾ Appointed as Marketing and Sustainable Development Committee by Board of Directors Meeting number 10/2020 on December 14, 2020

⁽²⁾ Appointed as Executive Committee by Board of Directors Meeting number 3/2020 on March 6, 2020 and Appointed as Risk Management Committee by Board of Directors Meeting number 10/2020 on December 14, 2020 and Resigned from Marketing and Sustainable Development Committee since December 14, 2020

⁽³⁾ Resigned from Risk Management Committee since February 24, 2020

Appointed as Marketing and Sustainable Development Committee by Board of Directors Meeting number 2/2020 on February 24, 2020

⁽⁴⁾ Appointed as Marketing and Sustainable Development Committee by Board of Directors Meeting number 10/2020 on December 14, 2020

⁽⁵⁾ Appointed as Marketing and Sustainable Development Committee by Board of Directors Meeting number 10/2020 on December 14, 2020

8.2.2 Report on the performance of duties of the Board of Directors

The Board of Directors's 2020 Report

The Board of Directors of Zen Corporation Group Public Company Limited ("Board of Directors") realizes the importance of corporate governance and social responsibility to enhance and build the confidence of the shareholders, stakeholders, as well as the public. It also believes that compliance with corporate governance and social responsibility will benefit shareholders. To achieve the Company's vision, the Board of Directors shall comply with the law for the shareholders' and stakeholders' best interest.

The Board of Directors consists of eleven directors as follows:

- | | |
|----------------------------------|---|
| 1. Mr. Paitoon Taveebhol | Chairman of the Board of Directors / Independent Director |
| 2. Mr. Sakkanon Chirathivat | Vice Chairman of the Board of Directors/ Nomination and Remuneration Committee/ Risk Management Committee |
| 3. Mr. Prawit Kijpaisalrattana | Independent Director/ Chairman of the Audit Committee / Chairman of the Nomination and Remuneration Committee |
| 4. Assoc.Prof.Dr. Wilert Puriwat | Independent Director/ Chairman of the Marketing and Sustainable Development Committee / Nomination and Remuneration Committee |
| 5. Mrs. Jotika Savanananda | Independent Director/ Audit Committee/ Marketing and Sustainable Development Committee |
| 6. Mr. Chavalit Chindavanig | Independent Director/ Audit Committee/ Chairman of the Risk Management Committee |
| 7. . Boonyong Tansakul | Director / Chairman of the Executive Committee/ Risk Management Committee / Marketing and Sustainable Development Committee / Chief Executive Officer / (Acting) Chief of Project Management and Business Development Officer |
| 8. Miss Jomkwan Chirathivat | Director / Executive Director / Marketing and Sustainable Development Committee / Executive Vice President, Intellectual Property Management Business Group (Acting) |
| 9. Mr. Chittapon Vivaddhanakasem | Director / Risk Management / Executive Director / Chief People Officer |
| 10. Mr. Steven David Halliday | Director |
| 11. Mr. Siruwat Chatchaval | Director / Executive Director / Marketing and Sustainable Development Committee / Chief Commercial Officer_Thai Brand |

In the performance of duties for the year 2020, the Board of Directors held a total of ten meetings, two of which were of non-executive directors, in order to approve policies and operating directions proposed by

the management, as well as to supervise the management to comply with the aforementioned visions, missions, policies, strategies and financial goals to increase economic value to the shareholders, taking into account all stakeholders and compliance with the objectives and regulations stipulated by the law, as well as the resolutions of the shareholders' meeting. The material can be summarized as follows:

1. To consider and approve strategic plans, annual business plans, and annual budgets, and to jointly determine significant short-term and long-term policies and strategies in order to increase the Company's capabilities, as well as to closely monitor the Company's operating results and financial status to comply with the Company's business plan and budget, and monitor the adequacy of the Company's financial liquidity and solvency;
2. To perform for the Company and its subsidiaries to adopt an appropriate and efficient accounting system, provide an internal control system and an adequate and effective internal audit system, and to organize a suitability assessment of the Company's and its subsidiaries' internal control system;
3. To consider and approve financial statements for each quarter and to approve annual financial statements before proposing to the shareholders for consideration, as well as supervising the organization of accounting and maintenance of accounts and related documents, including appropriate disclosure of information to shareholders and the general public;
4. To consider and approve payments of interim dividends;
5. To consider and approve changes in the organizational structure;
6. To consider and approve appointments of candidates to hold the office of executives of its subsidiaries and serve as a director of a joint venture company in proportion to their shareholding, as well as to prepare an employee development plan and succession plan;
7. To supervise the Company's and its subsidiaries' management and operations for long-term business continuity and compliance with the Company's policies, securities laws, as well as relevant notifications, regulations, and rules of the Securities and Exchange Commission and the Stock Exchange of Thailand;
8. To promote sustainable development by defining sustainability issues to be implemented, set a goal, prepare an action plan, and conduct measures and reporting;
9. To encourage action on the environment with waste and plastic management, to perform separate recycling and food waste within the head office and its branches, as well as to reduce plastics by changing to use environmentally friendly packaging and straws;
10. To establish guidelines for the practice of good corporate governance for the Company's directors, executives, and employees, as well as to sign acknowledgment and confirmation of compliance with the Company's good corporate governance policy;

11. The Company was certified as a member of the Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) in August 2018 and encouraged all seven subsidiaries to apply for membership in the Thailand's Private Sector Collective Action Coalition Against Corruption in September 2020;

12. To review the good corporate governance policy, the Code of Conduct, and the social responsibility policy, with approval of an amendment to the good corporate governance policy to be in line with the good corporate governance principles for registered companies, to inspect and manage to ensure that the Company and its subsidiaries comply with the good corporate governance policy, the Code of Conduct, and the anti-corruption policy;

13. To review the Charter of the Board of Directors and the Sub-Committee Charter with approval of an amendment of the Audit Committee Charter to be in line with the Company's good corporate governance policy.

14. To evaluate the performance and determine the compensation of the Chief Executive Officer.

15. To evaluate the performance of the Board of Directors with self-assessment, both in division and individual, to consider and review problems and issues in order to be able to apply the assessment results to develop and improve their performance in various areas. In 2020, the score of the division assessment was 3.8, and the score of the individual assessment was 3.7.

The Board of Directors places great importance on good corporate governance and social and environmental stewardship and is committed to developing the organization for sustainable growth in order to build the confidence of all shareholders and stakeholders.

(Mr. Paitoon Taveebhol)

Chairman of the Board of Directors

Zen Corporation Group Public Company Limited

8.2.3 Report on the performance of sub-committees Assigned by the Board of Directors

1. Audit Committee

Report of the Audit Committee 2020

Dear Shareholders

The Audit Committee of ZEN Corporation Group Public Company Limited comprises of 3 knowledgeable independent directors, consisting of

Mr. Prawit Kijpaisalrattana	Chairman of the Audit Committee
Mrs. Jotika Savanananda	Member of the Audit Committee
Mr. Chavalit Chindavanig	Member of the Audit Committee

The Audit Committee has fulfilled its duties and carried out all the responsibilities stipulated in the charter of the Audit Committee and as assigned by the Board of Directors without limitation in obtaining information for performing its duties. The Audit Committee focuses on the implementation of the principles of corporate governance in accordance with the rules and best practices set by the Securities and Exchange Commission and the Stock Exchange of Thailand.

In 2020, the Audit Committee held 9 meeting, with all 3 members attending in each meeting. In these meetings, the Audit Committee discussed with the management team, auditor, risk management committee, and internal audit department in relevant matters. Its main activities can be summarized as follows:

- 1. Financial Report** To review the Company's quarterly and annual financial statements by taking into account the significant items, suitability of accounting policies used, disclosure of information supplementary to the financial statements, completeness and accuracy of the disclosure in the notes to financial statements and the auditor's observations. The Audit Committee requested for the auditor's opinion on the accuracy and completeness of the financial statements, disclosure of information, including adjusting important entries, in which the auditor gave a consistent opinion that the financial statements and financial disclosures were sufficient and appropriate in accordance with generally accepted accounting standards.
- 2. Internal Control and Risk Management** To review the internal control system and corporate governance to ensure that the Company's operations achieved the objectives. The Audit Committee continuously reviewed both the audit reports of the independent external auditor responsible for auditing the general control system regarding information technology and also the reports of the internal audit department of the Company, which were continuously followed up and reviewed. The suggestions on internal control system can be used by the management to prevent such events from recurring. This reasonably ensures that the Company has a good and sufficient internal control system in order for identifying weaknesses and significantly preventing fraud or unusual operations.

3. **Anti-Corruption Supervision** The Audit Committee recognizes the importance of corporate compliance and reviewing the anti-fraud and corruption guidelines by supervising the expansion of the anti-fraud and corruption practices of the management to its subsidiaries and trading partners to create a balance such as the guidelines for accepting and giving gifts. On 21 August 2018, Thailand's Private Sector Collective Action Coalition Against Corruption had a resolution to approve ZEN Corporation Group Public Company Limited as its member.
4. **Internal Audit Supervision** The Audit Committee reviewed the scope of operation, duties, responsibilities, personnel adequacy, personnel knowledge and competency development, and also supervised the internal audit to ensure that the internal audit activity and the role as a consultant of the internal audit department regarding internal control systems, risk management systems and corporate governance are independent, effective and efficient. In addition, the Audit Committee also approved the internal audit plan for the year 2020, which was established in accordance with the strategic direction of the Company and was risk-based by focusing on auditing the effectiveness of operations which were the important preventive control points, including fraud prevention audit.
5. **Compliance with Rules and Regulations** The Audit Committee reviewed the operations of the company to be in accordance with the Securities and Exchange Act, rules and regulations of the Securities and Exchange Commission, the Stock Exchange of Thailand and other laws related to the Company's businesses. The Audit Committee gave an opinion that the Company strictly complied with the said laws and regulations.
6. **Connected Transactions or Potential Conflicts of Interest** The Audit Committee reviewed, supervised, and gave an opinion on the connected transactions or potential conflicts of interest on a quarterly basis based on reasonability, transparency and adequate information disclosure for the best interest of the Company.

The Audit Committee gave an opinion that the management decided to make the aforementioned transaction for the benefit of the Company, as it normally did with external parties with normal trading conditions at a reasonable price and comparable to the reference price of the market in that business.
7. **Auditor** The Audit Committee selected, appointed and proposed the remuneration of the auditor for the year 2021 by considering the qualifications of the auditor, skills, knowledge, abilities and experience in auditing, independence of the auditor in accordance with the ethics of accounting professionals and the requirements of the Securities and Exchange Commission, the quality of auditing work for the past year and the appropriateness of audit fees. The Audit Committee therefore had a resolution to propose to the Board of Directors for

approval in the shareholders' meeting to appoint an auditor from KPMG Phoomchai Audit Company Limited as an auditor for the year 2021.

8. **Self-assessment** The Audit Committee evaluated its performance using self-assessment as group or as individual according to the guidelines of the Stock Exchange of Thailand. The results showed that the Audit Committee performed its duties and responsibilities as specified in the Audit Committee Charter by adhering to the accuracy, prudence, transparency, sufficient independence and fairness without restrictions on access to information from executives, employees and relevant parties, as well as providing constructive comments and suggestions for the equal benefit of all stakeholders.

In conclusion, the audit committee is of an opinion that the Board of Directors, the Executive Committee, and the management of the Company have ethics and a commitment to perform their duties in order to achieve the Company's goals with quality, professionalism, keeping up with the changes by attaching great importance to operations under an efficient, transparent corporate governance system. In addition, the Company has concise, sufficient and appropriate risk management and internal control systems.

(Mr. Prawit Kijpaisalrattana)

Chairman of the Audit Committee

Zen Corporation Group Public Company Limited

2. Risk Management Committee

Report of the Risk Management Committee Year 2020

The Board of Directors of Zen Corporation Group Public Company Limited emphasis on risk management in both the formulation process, strategy, and driving performance. The Risk Management Committee overseeing the risk management of Zen Corporation Group Public Company Limited and its subsidiaries to be in accordance with the strategic plan, set operational goals, supervise and control the risk management to be efficient and effective

Risk Management Committee as of December 31, 2020 consists of

- | | | |
|----|------------------------------|---|
| 1. | Mr. Chavalit Chindavanig | Chairman of the Risk Management Committee |
| 2. | Mr. Sakkanon Chirathivat | Risk Management Committee |
| 3. | Mr. Boonyong Tansakul | Risk Management Committee |
| 4. | Mrs. Yupaphan Ekasittikul | Risk Management Committee |
| 5. | Mr.Chittapon Vivaddhanakasem | Risk Management Committee |

In the performance for the year 2020, there were 3 meetings to monitor the operation performance as specified and report the meeting results to the Board of Directors with significant details summarized as follows:

1. Risk management during the COVID-19 epidemic had appropriate action in marketing, personnel management, and other management under the announcement of the government agency and the new normal.
2. Define the risk policies of the group of companies, set strategies, consider the risk management plan of the organization and the risk of the business group for the year 2019 in order to present to the Board of Directors including advice on risk management to the management
3. Monitoring and follow up the policy implementation for Risk management plan of the risk owner including improving the operation plan assess the efficiency and effectiveness of the system to reduce the risk to be suitable for the company's business operations and its' subsidiaries
4. Review the adequacy of the Risk Management Committee Charter, risk management policy in order to propose for approval from the Board of Directors. In the year 2019, there is no amendment since the current version is complete and appropriate
5. Encourage management and employees to realize the importance of risk management in order to achieve the specified goal

The Risk Management Committee is confident that The company's risk management is continuous and effective in consistent with the principles and guidelines for good corporate governance including sufficient internal control systems and suitable for business and compliance with legal and regulations related to business operations correctly and completely.

(Mr. Chavalit Chindavanig)

Chairman of the Risk Management Committee

ZEN Corporation Group Public Company Limited

3. Nomination and Remuneration Committee

Report of the Nomination and Remuneration Committee 2020

The Board of Directors of Zen Corporation Group Public Company Limited has appointed the Nomination and Remuneration Committee in accordance with good corporate governance guidelines of listed companies. The members of the Committee have sufficient experience and ability, including knowledge of corporate governance, fully understand their duties and responsibilities and are able to devote sufficient time to perform their duties in order to achieve the Nomination and Remuneration Committee's objectives.

In the year 2020, the Nomination and Remuneration Committee of Zen Corporation Group Public Company Limited consists of 3 members as follows:

- | | | |
|----|-------------------------------|---|
| 1. | Mr. Prawit Kijpaisalrattana | Chairman of the Nomination and Remuneration Committee
(Independent Director) |
| 2. | Assoc.Prof.Dr. Wilert Puriwat | Nomination and Remuneration Committee (Independent
Director) |
| 3. | Mr. Sakkanon Chirathivat | Nomination and Remuneration Committee |

The Nomination and Remuneration Committee perform duties according to their responsibility in considering the criteria and guidelines of the recruitment process as well as determining suitable remuneration for the Company's directors and sub-committee members for presentation to the Board of Directors meeting to consider and approve before proposing to the shareholders for approval on an annual basis including considering the remuneration of the top management of the company for presentation to the Board of Directors meeting for approval.

In the year 2020, the Nomination and Remuneration Committee completed the duties and responsibilities according to the specified framework by organizing a total of 4 meetings and the summary of key points of the meeting are as follows:

1. Evaluate the annual performance of the Chief Executive Officer and presenting the Board of Directors approval.
2. Consider and approve the Corporate KPI's annual performance indicators and evaluate the organization's annual performance and presented to the Board of Directors for approval.
3. Consider the annual salary increase and bonus of the company and subsidiaries in accordance with the performance of the company and subsidiaries including benchmarks of the same industry to propose for approval from the Board of Directors.
4. Consider and approve improvement of the the new organization structure of the company and its subsidiaries to be more streamlined and support more efficient operations management.
5. Consider and provide a policy for the selection of qualified persons to be appointed as the Company's directors and the sub-committee to replace the directors who are retired by rotation and considering to propose the appointment of a new director to the Board of Directors before proposing to the Annual General Meeting of Shareholders for the year 2020. Consider appointment of new directors
6. Consider and propose the remuneration structure for the Board of Directors and the Company's sub-committees both in monetary and non-monetary terms Including meeting allowances, salaries, bonuses, stocks and other related benefits in accordance with the strategy, goals and performance of the company and can be comparable with other companies in the same industry in order to present to the Board of Directors before proposing to the shareholders' meeting of the Company for further approval.
7. Consider the succession plan of the Chief Executive Officer and senior management Including follow up the progress of the work to be carried out as planned.
8. Review the Nomination and Compensation Committee Charter for the year 2019; there was no amendment since the current Charter is complete and appropriate.

The Nomination and Remuneration Committee has performed their duties as assigned with care, prudence and transparency and has adhered to the principles of good corporate governance for the best interests of shareholders, investors and all other stakeholders.

(Mr. Prawit Kijpaisalrattana)

Chairman of the Nomination and Remuneration Committee

ZEN Corporation Group Public Company Limited

4. Marketing and Sustainable Development Committee

Report of the Marketing and Sustainable Development Committee 2020

The Board of Directors of Zen Corporation Group Public Company Limited defines that the company conducts business under the code of conduct and corporate governance policy and adheres to the principles of continuous sustainable development with the Marketing and Sustainable Development Committee being responsible for proposing and considering the policy, supervising and following-up the work plan to be implemented throughout the organization.

The Marketing and Sustainable Development Committee consists of 6 directors as follows:

1. Assoc.Prof.Dr. Wilert Puriwat Chairman of the Marketing and Sustainable Development Committee
2. Mrs. Jotika Savanananda, Member of Marketing and Sustainable Development Committee
3. Mr. Boonyong Tansakul, Member of Marketing and Sustainable Development Committee
4. Mr. Siruwat Chatchaval Member of Marketing and Sustainable Development Committee
5. Miss Jomkwan Chirathivat Member of Marketing and Sustainable Development Committee
6. Miss Patchneewan Tanprawat Member of Marketing and Sustainable Development Committee

In performing the duties for the year 2020, the Marketing and Sustainable Development Committee held a total of 3 meetings to follow up the operations and perform the duties as specified and report the meeting results to the Board of Directors with the key points summarized as follows:

1. Defining marketing policy for the company and subsidiaries and scrutinize the marketing strategy plan for presentation to the Board of Directors.
2. To advise the Board of Directors in matters relating to marketing, Corporate Governance, Ethics, Social Responsibility and sustainable development.
3. Consider the operational guidelines for the environment, social, corporate governance (ESG)
4. Support the anti-corruption of the company and its subsidiaries by approving to join the Thai Private Sector Collective Action Coalition against Corruption for all 7 subsidiaries in September 2020 and consider preparing the renewal of certification for membership of the Private Sector Collective Action Coalition Against Corruption (CAC) which will be expired in August 2021.
5. Report on the results of compliance with the good corporate governance principles to the Board of Directors.
6. Consider and revise the good corporate governance policy to better cover and comply with the guidelines of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) to present to the Board of Directors.
7. Reviewing the Code of Conduct to present to the Board of Directors for approval. In the year 2020, there was no amendment since the current version is complete and appropriate.

8. Reviewing the social responsibility policy in order to propose for approval from the Board of Directors. In the year 2019, there is no amendment because the current version is complete and appropriate.

9. Consider the Charter of the Marketing and Sustainable Development Committee to present to Board of Directors.

The Marketing and Sustainable Development Committee adheres to develop the operations of the organization in accordance with the good corporate governance policy and strictly with business code of conduct including emphasis on marketing development to sustain the business and anti-corruption in order to build confidence to shareholders and all interested parties which will contribute to the sustainable growth of the organization.

(Assoc. Prof. Dr. Wilert Puriwat)

Chairman of the Marketing and Sustainable Development Committee

ZEN Corporation Group Public Company Limited

5. Executive Committee

Report of the Executive Committee 2020

The Board of Directors of Zen Corporation Group Public Company Limited has appointed the Executive Committee to ensure the management and business operations of Zen Corporation Group Public Company Limited and its subsidiaries are in the right direction and in line with current economic conditions.

The Executive Committee as of 31 December 2020 consists of

- | | |
|---------------------------------|---|
| 1. Mr. Boonyong Tansakul | Chairman of the Executive Committee / Chief Executive Officer |
| 2. Miss Jomkwan Chirathivat | Executive Committee /Chief of Intellectual Property Management Group (Acting) |
| 3. Mrs. Yupaphan Ekasittikul | Executive Committee / Chief Financial Officer |
| 4. Mr.Chittapon Vivaddhanakasem | Executive Committee / Chief People Officer |
| 5. Mr. Siruwat Chatchaval | Executive Committee / Chief Commercial Officer_Thai Brand |
| 6. Miss. Suchanpa Balankura | Executive Committee/Chief Commercial Officer Japanese Brand |
| 7. Miss Patchneewan Tanprawat | Executive Committee / Chief Marketing Officer |

In the year 2020, the Executive Committee performed the duties and responsibilities according to the specified framework by organizing a total of 27 meetings and with the summary of key points of the meetings as follows:

1. Consider and conduct the organizational goals, financial targets and business strategic plan (short, medium, and long term) including the 2020 annual budget and consider the suitable organizational structure to manage the various departments of the company and subsidiaries for the year 2020 in order to present to the Board of Directors.
2. Consider and approve various business affairs of the Company and its subsidiaries.
3. Consider and screen all works that are proposed to the Board of Directors for consideration except for work that is under the responsibility and / or the power of other sub-committees of the company to consider and submit to the Board of Directors directly.
4. Monitor and follow up on the performance and progress of investment projects of each business and report the results including problems or obstacles that occur and guidelines for improvement to the Board of Directors.
5. To formulate policies relating to the management of the company and subsidiaries. Appoint management of each business in order to be consistent with current business operations Including considering manpower plans.
6. Consider the company's profits and losses, propose interim dividend payment or annual dividend payment to the Board of Directors.

7. Report to the Board of Directors on the Executive Committee's work within the scope, authority and duties of the Executive Committee on a regular basis, including any matters that are necessary and appropriate to be submitted to the Board of Directors for acknowledgment.
8. Review the Executive Committee Charter. In 2020, there was no amendment on the Charter since the current Charter is complete and appropriate.

The Executive Committee has performed duties as assigned by the Board of Directors by using their knowledge and competence in performing their duties prudently, carefully and reasonably to the best of their abilities by considering the best interests of the company, shareholders and all other stakeholders. In addition, the Company adheres to the principles of good corporate governance for the organization to be effective and sustainable.

(Mr. Boonyong Tansakul)

Chairman of the Executive Committee

ZEN Corporation Group Public Company Limited

9. Internal Control and Connected Transactions

9.1 Internal control

9.1.1 Opinions of the Board of Directors on the internal control system

The Board of Directors realizes the importance of a good internal control system, and it is important to ensure that the Group has a suitable and adequate internal control system to oversee operations in accordance with the goals, objectives, laws, and relevant requirements effectively, as well as to prevent and manage risks or damages that may happen to the Group and its stakeholders, protect assets from corruption, and prepare accurate and reliable accounting and financial reports with complete, adequate, and timely disclosure of information.

At the Board of Directors meeting No.10 / 2020 on December 14, 2020, where members of the Audit Committee attended, the Board of Directors considered and assessed the adequacy of the internal control system by inquiring information from the Company's management. The Board of Directors considered the Company's internal control system in five areas in accordance with the guidelines of the Committee of Sponsoring Organizations of Treadway Commission (COSO), which consisted of:

- (1) Control Environment
- (2) Risk Assessment
- (3) Control Activities
- (4) Information and Communication System
- (5) Monitoring Activities

The Board of Directors is of the opinion that the Company's internal control system is adequate, appropriate, and consistent with the adequacy assessment form of the SEC's internal control system. The Company provides sufficient personnel to operate the system efficiently. In addition, there is an internal control system for monitoring, controlling, and supervising operations of the Company's subsidiaries so that the Company's assets can be prevented from improper or unauthorized use. This includes transactions with persons who may have conflicts and connected persons. For internal control in other areas, the Board of Directors is of the opinion that the Company also has adequate internal control, and the adequacy assessment form of the Company's internal control system has been approved. The Company summarized the details of the adequacy assessment of the internal control system in the adequacy assessment form as follows:

(1) Control Environment

The Company has an appropriate control environment as follows:

- The Board of Directors is independent of the management and is knowledgeable and expert in the business, with charters of the Board of Directors and Sub-Committees, such as the Audit Committee Charter, the Nomination and Remuneration Committee Charter, the Risk Management Committee Charter, and the Executive Committee Charter, in order to perform the duties of the Board of Directors with efficiency, effectiveness, fairness and in accordance with the Company's good corporate governance guidelines, as well as having a process for recruiting and considering qualifications of directors and the Chief Executive Officer under supervision of the Nomination and Remuneration Committee before proposing to the Board of Directors for approval and appointment;
- The Code of Conduct, the principles of corporate governance, and anti-corruption measures are stipulated in writing, as well as communication to directors, executives, employees through various training courses and online media, and third parties
- Follow-up and evaluation of the performance in accordance with the Company's Code of Conduct are provided, which allows executives and employees to complete an annual assessment online;
- Clear, measurable business goals are set, which include training courses. The annual training plan is also determined to develop personnel in accordance with the Company's business strategies, which includes incentives and activities organized to relieve the pressure on employees. In addition, the organizational chart has been modified to comply with the corporate policy, business competition, and current situations. A succession plan is set for key positions for senior executives, which includes career plans and potential development plans in order to continue business operations;
- The Company has been assessed by external agencies and certified for participation in the Private Sector Collective Action against Corruption (CAC) since 2018, and it is required to apply for certification every three years as the Company conducts a fraud risk assessment, as well as improving the Company's operating processes to be efficient and have adequate internal control.

(2) Risk Assessment

The Company conducts risk assessments in accordance with the COSO ERM 2017 International Risk Management Framework and identifies corporate risk factors as detailed in "Risk Factors". The overall performance of risk assessment is as follows:

- The Company complies with generally accepted accounting principles and has been certified in accordance with a written report of the Certified Public Accountant and it ensures that the transactions in the financial reports are true and complete in all material parts, showing the rights or obligations of the Company accurately, with an appropriate value, and complete and accurate information;
- Risk management is supervised by the Risk Management Committee, which is responsible for reviewing and assessing risks in both internal and external factors, including fraud risks, and follow up action plans to manage risks at both corporate and departmental levels;
- Employees are communicated with knowledge and understanding of risks through training courses and placing importance on a new law that affects operations, such as the Personal Data Protection Act B.E. 2562 (2019). Outside consultants are invited to educate directors, management and relevant employees in order to raise awareness of the importance and lead to improvement of relevant operational processes to ensure legal compliance.
- Corporate Strategy Department assesses changes in business models that may affect business operations, in order to adapt organizational strategies and goals to changing environment by assessing relevant factors, researching and following up on information such as movements of other entrepreneurs in the same type of business and the economy at both the macro and micro levels in order to assess the risks that may affect the Company.
- As the Company realizes the importance of changing corporate leaders, the Nomination and Remuneration Committee is responsible for recruiting qualified persons and stipulating a succession plan for senior executives, especially the Chief Executive Officer, to ensure business continuity.

(3) Control Activities

The Company controls its operations to be effective in order to reduce the risks to an acceptable level with the following important control standards:

- Policy and procedures to support appropriate internal controls are established, which cover important processes such as procedures for dealing with major shareholders, directors, executives or those related to such persons, as well as process of approving transactions such as finance, purchasing and general administration, including appropriate separation of duties;

- Policy and measures against corruption, conflict of interest management, and connected transactions are established as guidelines for operations of the Company's personnel, as well as for communication with partners and stakeholders through the Company's intranet system and website.

(4) Information and Communication System

The Company has an efficient information and communication system as follows:

- The Board of Directors establishes a policy and practice of confidentiality to maintain trust, integrity, and availability of information, including management of market-sensitive information, as well as to supervise directors, senior executives and employees, and relevant third parties to adhere to an information security system;
- The Company effectively manages important information, including financial information and other information, with a system to communicate the information sufficiently and promptly in order for the Board of Directors to make effective decision-making. The Board of Directors is communicated prior to the meeting date in advance for the period specified by the law. In the previous year, there has been a significant event, the COVID-19 pandemic, where the Management Division acted in a crisis and reported to the Board of Directors in a timely manner and communicated to employees and third parties to acknowledge correct information through appropriate and timely channels;
- The Company provides internal and external communication channels through the Company's intranet system and website in order for interested parties to receive the Company's news and information, including channels for reporting information or complaints such as fraud, ethical violations, and non-compliance with the Company's regulations.
- In terms of data security, the Company stores important documents systematically and categorically and establishes a plan to develop more electronic document storage in order to search for documents as quickly as possible, prevent loss of documents, and reduce storage of papers.

(5) Monitoring Activities

The Company has an efficient, adequate and appropriate monitoring system as follows:

- Performance has been monitored to meet business goals through the Board of Directors meeting ten times in the past year. In the event that the performance differs from the goal set, the Company determines to fix it within a reasonable period of time, with supervisors to monitor the progress and report to the management on a regular basis through the Management Division s meeting;
- The internal control system is regularly audited by the Internal Audit Department, which has a direct reporting line to the Audit Committee and the internal auditors are encouraged to continually improve their operations according to international standards;
- Policy and communication channels are provided for the management to report to the Audit Committee and the Board of Directors in a timely manner according to “Anti-Corruption Measures” in case of fraud or suspicion of fraud events or illegal practices and other unusual acts.

9.1.2 Internal control auditor s report to the internal control system

The Internal Audit Department is an independent unit within the Company and reports to the Audit Committee. It is responsible for auditing and assessing the adequacy of the Company s internal control system, both financially and non-financially. It also reviews compliance with rules and provides suggestions for development and improvement of the Company s operations to ensure that the Company complies with all relevant laws and regulations with good governance and internal control in order to achieve the organization s operational objectives.

The Internal Audit Department establishes an annual audit plan and a three-year long-term audit plan. The audit plan is in line with the risk assessment principles that affect operations of the Company and covers operational processes of the organization, which has been approved by the Audit Committee. The scope of the Internal Audit Department s work includes auditing, monitoring, controlling, testing, reviewing and adequacy assessment, as well as efficiency of the Company s internal control system and quality of its operations in the following areas:

- Reliability of the internal control system as well as compliance with accounting and financial standards and policies, organizational structure plan, measures to protect assets from misuse and to ensure they are completely safe from fraud and errors;

- Reliability of the internal control system for management and performance in accordance with policies and plans, laws, rules and regulations of public agencies and regulatory bodies, as well as the Company's Articles of Association covering activities including management, practice, procurement, marketing, financial management, and accounting and human resources;
- Reliability of the anti-corruption internal control system in order to comply with and respond to the Company's anti-corruption measures, which promotes business operations with more morality and sustainable development. This includes a guideline for grievance procedures by coordinating with relevant units to resolve problems and find preventive measures so that employees and other stakeholders have a channel to report complaints or whistleblowing and the Internal Audit Department is one of the units responsible for grievance procedures.

The Company hires P&L IT Audit Co., Ltd. to audit the Internal Control System for IT General Control by inspecting the following matters:

- Information security policy
- Information security infrastructure
- Human resources security controls
- Asset management controls
- Access controls
- Encryption controls
- Physical and environmental security controls
- Operational security controls
- Data communications controls
- System procurement, development and maintenance controls
- External service providers relationship controls
- Security incident management controls
- Information security issues of management controls
- Consistency controls

The Internal Audit Department and information auditors regularly report audit results and progress to resolve deficiencies as suggested to the Audit Committee. The auditors are independent and able

to access the Company's information and assets in connection with operations, as well as to request information and clarification from those involved in matters assigned to audit. In addition, the Internal Audit Department also provides advice on operations and supports departments in the Company to conduct their own risk assessment in order to ensure efficiency and effectiveness of the Company's internal control system and operations, reliable financial reports, compliance with legal requirements, rules and regulations of public agencies and regulatory bodies, and the Company regulations, orders and notifications, and to protect the Company's assets and prevent any damage that may occur to the Company, as well as to create appropriate balances and audits in order to create reasonable confidence in the Company's performance to achieve the goals set.

In addition, the Internal Audit Department encourages its personnel to develop their knowledge on an internal and external basis in order to gain professional knowledge and expertise of internal auditing and other skills necessary to perform their work.

9.1.3 Internal audit supervisor of the company

The Company establishes the Internal Audit Department, where Mr. Suphong Limthong has been the Company's Internal Audit Director since October 16, 2014, onwards. As Mr. Suphong Limthong has more than 20 years of audit experience with knowledge and understanding of the Company's activities and operations, the Audit Committee is of the view that Mr. Suphong Limthong is qualified to perform such duties adequately (see more details concerning the Company's Head of the Internal Audit in Attachment 3, the Head of the Internal Audit)

The Audit Committee jointly approves with the Chief Executive Officer in considering the appointment, transfer, and termination of the Company's Head of Internal Audit.

9.2 Related parties

1. Related parties

Related parties	Business types	Relationship
1. Food Gimmick Co., Ltd.	Rental for space and service	<ul style="list-style-type: none"> - Mr.Sudthidej Chirathivat father of Mr.Sakkanon Chirathivat and Ms.Jomkwan Chirathivat shareholders held 100 percent of the Company and director - Mrs.Neangnong Chirathivat mother of Mr.Sakkanon Chirathivat and Ms.Jomkwan Chirathivat and director
2. Sudtrara Suite Co., Ltd.	Hotels, resorts and suites	<ul style="list-style-type: none"> - Mr.Sudthidej Chirathivat father of Mr.Sakkanon Chirathivat and Ms.Jomkwan Chirathivat shareholders held 100 percent of the Company and director - Mrs.Neangnong Chirathivat mother of Mr.Sakkanon Chirathivat and Ms.Jomkwan Chirathivat and director
3. Stork (Thailand) Co., Ltd.	Food services/restaurants	<ul style="list-style-type: none"> - Mr.Sudthidej Chirathivat father of Mr.Sakkanon Chirathivat and Ms.Jomkwan Chirathivat shareholders held 36 percent of the Company and director - Mrs.Neangnong Chirathivat mother of Mr.Sakkanon Chirathivat and Ms.Jomkwan Chirathivat and director
4. Chef Best Co.,Ltd	Rental and real property operation	<ul style="list-style-type: none"> - Mr.Siruwat Chatchawan is executives of the Company shareholders held 89 percent of the Company and director
5. Crazy spicy Co.,Ltd.	Food services/restaurants	<ul style="list-style-type: none"> - Mrs.Kanjana Chatchawan married of Mr.Siruwat Chatchawan shareholders held 20 percent of the Company - Mrs.Thidarat Chatchawan sister of Mr.Siruwat Chatchawan shareholders held 20 percent of the Company
6. Mr. Siruwat Chatchawan	-	<ul style="list-style-type: none"> - Mr.Siruwat Chatchawan is executives of the Company

2. Related Party Transactions

Related party transactions for the year ended 31 December 2019 and 2020

Relevant parties	Description	Amount December 31, 2019 (Baht)	Amount December 31, 2020 (Baht)	Necessity and Rationale	Comments from the Audit Committee
1. Food Gimmick Co., Ltd.	1.1 <u>Rent space</u> - Cost - Account payable	2,413,687.2 303,816.5	1,665,089.4 235,161.2	<ul style="list-style-type: none"> - Formerly Foods Gimmicks Co., Ltd. operates a restaurant business. But currently does not conduct such business, but still holding the long-term leasehold rights of the Central Bangna Department Store, and allowed the Group sublease area by leasehold rights between Foods Gimmicks Co., Ltd. and Central Bangna Department Store will end on December 31st, 2023 - The Group had entered into a sublease agreement from Foods Gimmicks Co., Ltd. to operate the AKA restaurant at Central Bangna Department Store. The lease period is 3 years and can be renewed for 3 years each time, And renew the contract for 1 year , area of 317.48 square meters - The rental rate is a variable rate according to sales at the rate of 10 percent of sales in the event that sales are less than or equal to 2.5 million baht per month and 15 percent of sales in the event that sales are more than 2.5 million baht per month which is the rental rate comparable to third parties which has rental rates calculated from sales - However, if in the future the Group will renew the lease in such area, The Group will consider renewing the comparison criteria that is best for the company and if the leasehold of the Foods Gimmicks Co., Ltd. 	<ul style="list-style-type: none"> - The rental operation was a normal business transaction. Based on the variable rate of sale. Such transaction is reasonable. It is beneficial for the business of the Company.

Relevant parties	Description	Amount December 31, 2019 (Baht)	Amount December 31, 2020 (Baht)	Necessity and Rationale	Comments from the Audit Committee
				has expired. The Group will continue to lease directly through the department store.	
	1.2 <u>เงินประกันสัญญาเช่า</u> - เงินมัดจำ	2,666,832.0	2,666,832.0	<ul style="list-style-type: none"> - In under the sublease agreement Require the Group to paid deposit for Foods Gimmics Co., Ltd., which the Group will receive a deposit for the lease back when the contract is terminated if there is no breach of the conditions specified in the lease agreement. - The rental deposit is as specified in the contract based on the former rental rate according to the original contract which is a fixed rate for a period of 6 months which is comparable to the general conditions for renting space. - According to the guidelines of the Group will proceed directly with the department store in the future will cause the rental contract to be terminated at that time. 	- The rental operation was a normal business transaction. settlement terms were subject to normal commercial terms as well as outsiders. Such transaction is reasonable.

Relevant parties	Description	Amount December 31, 2019 (Baht)	Amount December 31, 2020 (Baht)	Necessity and Rationale	Comments from the Audit Committee
2. Sudtrara Suite Co., Ltd.	2.1 <u>Revenue from sale</u> - Revenue - Account Receivable	69,490.7 -		<ul style="list-style-type: none"> - The Group purchased equipment from Sudtrara Suite Company Limited for the business operation of the Group of Companies. By comparing the purchase price of new items with Supplier and have a price lower than 47.8% - Trading price is net book value - 2% 	- The transaction is a purchase of assets to support the normal business of the Group and this transaction is not significance. Therefore, considered that the said transaction is appropriate and reasonable
3. Stork (Thailand) Co., Ltd.	3.1 <u>Revenue from sale</u> - Revenue - Account Receivable	13,380 -		<ul style="list-style-type: none"> - The Group has sales raw material to Stork (Thailand) Co., Ltd. for used in the restaurant. - The selling price is comparable to the selling price of products that the Group Offered to other franchisees. 	- The normal business support based on actual sale which did not deprive the company. Such transaction is reasonable.

Relevant parties	Description	Amount December 31, 2019 (Baht)	Amount December 31, 2020 (Baht)	Necessity and Rationale	Comments from the Audit Committee
	3.2 <u>Purchase of goods</u> - Cost - Account Payable	3,918,154.7 -		- The Group has purchased dessert from Stork (Thailand) Co., Ltd. to be sold within the restaurant of the Group. - The purchase price is comparable to buying from other distributors.	- The normal business support based on actual sale which did not deprive the company. Such transaction is reasonable.
	3.3 <u>Other Expenses</u> - Expenses - Account Payable	15,338.0 -		- In 2019, Stork (Thailand) Co., Ltd. charge transport expense to branch of the Group which is calculated based on actual costs.	- The normal business support based on actual sale which did not deprive the company. Such transaction is reasonable.
4. Chef Best Co.,Ltd.	4.1 <u>Office Rental</u> - Expenses - Account payable	360,000.0 -		- The Group has entered into an office building lease agreement. For 2 townhome buildings located in the Partio, Chaengwattana (Muang Thong) from Chef Best Co., Ltd. to be used as the office location. - The lease term is 3 years, ending on October 3, 2019, with 1 building and 4 months ending on April 30, 2019, with 1 building with each rental rate of 30,000 baht per month. The office rental rate is comparable to the rate renting a nearby building. - According to the office relocation plan Which was completed in 2019, therefore there is currently no such office building rental transaction.	- The normal business support based on actual sale which did not deprive the company. Such transaction is reasonable.

Relevant parties	Description	Amount December 31, 2019 (Baht)	Amount December 31, 2020 (Baht)	Necessity and Rationale	Comments from the Audit Committee
	4.2 <u>Lease Deposit</u> - Deposit	180,000.0		<ul style="list-style-type: none"> - Under the office building lease agreement require the Group to paid deposit for Chef Best Co., Ltd. - The deposit of the lease agreement is as specified in the contract and has a period comparable to the general conditions for space rental. - According to a single office move plan Which was completed in 2019. Office rental deposit is in the process of requesting a refund of the security deposit. - In this second quarter, the company has received the rental deposit refund. 	- The rental operation was a normal business transaction settlement terms were subject to normal commercial terms as well as outsiders. Such transaction is reasonable.
	4.3 <u>Other expenses</u> - Expenses - Account payable	13,926.0 374.0		<ul style="list-style-type: none"> - Because the office is located at the Partio, Chaengwattana (Muang Thong) and has charged the common fee from the project with Chef Best Co., Ltd., which is the owner of the building. And then collect from the Group. - Expenses are calculated based on the actual cost of common expenses. - According to the office relocation plan Which was completed in 2019, therefore there is currently no such office building rental transaction. 	- The normal business support based on actual sale which did not deprive the company. Such transaction is reasonable.

Relevant parties	Description	Amount December 31, 2019 (Baht)	Amount December 31, 2020 (Baht)	Necessity and Rationale	Comments from the Audit Committee
	4.4 <u>Rental</u> - Cost - Account payable	300,000.0 -		<ul style="list-style-type: none"> - The Group has entered into a land lease agreement with buildings for area of 2 Ngan, 79 square wa located at Bang Prok Sub-district, Mueang, Pathum Thani and buildings from Chef Best Co., Ltd. to serve as the location of the Tum Mour restaurant. - The lease period is 1 year ending on October 2, 2019 with the rental fee of 50,000 baht per month. The rental rate of the land and buildings can be compared with the rental rate of land and buildings nearby. 	- The rental operation was a normal business transaction settlement terms were subject to normal commercial terms as well as outsiders. Such transaction is reasonable.
	4.5 <u>เงินประกันค่าเช่าอาคาร</u> - เงินมัดจำ	100,000.0		<ul style="list-style-type: none"> - Under the land and building lease agreement require the Group to paid deposit for Chef Best Co., Ltd. - The deposit of the lease agreement is as specified in the contract and has a period comparable to the general conditions for space rental. - In this second quarter, the company has received the rental deposit refund. 	- The rental operation was a normal business transaction settlement terms were subject to normal commercial terms as well as outsiders. Such transaction is reasonable.
5. Crazy spicy Co.,Ltd.	5.1 <u>Other Expense</u> - Expense - Account Payable	12,133.0 -		<ul style="list-style-type: none"> - The Group has purchase assts from Crazy Spicy Group Co., Ltd in 2015 which some assets have a mobile phone number attached to it, making Crazy Spicy Group Co., Ltd. collecting retroactive telephone charges for 2017-2018 - Currently, the company has changed to Supply Chain Management Company Limited. 	- The normal business support based on actual sale which did not deprive the company. Such transaction is reasonable

Relevant parties	Description	Amount December 31, 2019 (Baht)	Amount December 31, 2020 (Baht)	Necessity and Rationale	Comments from the Audit Committee
6. Mr.Siruwat Chatchawan	6.1 <u>Office rental</u> - Expenses - Account payable	420,000.0 -		<ul style="list-style-type: none"> - The Group has entered into an office building lease agreement for 2 townhome buildings located in the Partio, Chaengwattana (Muang Thong) from Mr. Siruwat Chatchawan, to be used as the office location - The lease term is 7 months, ending on April 30, 2019, with the rental rate of each building 35,000 baht per month. The office rental rate can be compared with the nearby building rental rate - According to the office relocation plan Which was completed in 2019, therefore there is currently no such office building rental transaction. 	- The rental operation was a normal business transaction settlement terms were subject to normal commercial terms as well as outsiders. Such transaction is reasonable.
	6.2 <u>Lease Deposit</u> - Deposit	210,000.0		<ul style="list-style-type: none"> - Under the office building lease agreement require the Group to paid deposit for Mr. Siruwat Chatchawan. - The deposit of the lease agreement is as specified in the contract and has a period comparable to the general conditions for space rental. - According to a single office move plan Which was completed in 2019. Office rental deposit is in the process of requesting a refund of the security deposit. - In this second quarter, the company has received the rental deposit refund. 	- The rental operation was a normal business transaction settlement terms were subject to normal commercial terms as well as outsiders. Such transaction is reasonable.

Relevant parties	Description	Amount December 31, 2019 (Baht)	Amount December 31, 2020 (Baht)	Necessity and Rationale	Comments from the Audit Committee
	6.3 <u>Other Expenses</u> - Expenses - Account payable	14,697.3 512.3		<ul style="list-style-type: none"> - Because the office is located at the Partio, Chaengwattana (Muang Thong) and has charged the common fee from the project with Mr. Siruwat Chatchawan, the owner of the building. By Mr. Siruwat Chatchawan paid such expenses first and then collect from the Group. - Expenses are calculated based on the actual cost of common expenses. - According to the office relocation plan Which was completed in 2019, therefore there is currently no such office building rental transaction 	- The normal business support based on actual sale which did not deprive the company. Such transaction is reasonable

3. **Necessity and rationality the transactions**

At the Audit Committee Meeting of the Company has considered the related party transactions of the Group were necessary and beneficial to be executed to support normal business course of the Company and conditions in these related party transactions were made on the basis of normal business conditions would execute with contractual parties under the same circumstance and as long as there is no influence persons having potential conflict of interest.

4. **Measures or procedures for approving related party transactions**

At the Board of Directors' meeting of the Company the measures and procedures for the approval of related party transactions between the Company, subsidiaries, and any party with potential conflict of interest with the Company, the Company and subsidiaries must comply with the Securities and Exchange Act, regulations, notifications and orders of the Capital Market Supervisory Board. The stakeholders will not be able to participate in the approval process. Regarding to the law that requires related party transactions to be approved by the Board of Directors, the Company will arrange for the Audit Committee to attend the meeting to consider and comment on the necessity and reasons of entering into the transaction.

The transaction which entails to trade agreement with the general commercial terms and conditions as well as trade agreement that is not subject to general commercial terms, both of the transactions shall be proceeded by the following principles:

4.1 **Transaction of commercial agreement with the general commercial terms and conditions**

Board of Directors' of the Company has approval in principle to allow the management to approve such transaction as long as it contains the same business agreement normal people would execute with contractual parties under the same circumstance and as long as there is no influence from the fact that one is a director, executive or a related person over a business negotiation.

The Company will submit a summary of transactions being executed and report to the meeting of the Audit Committee and the Board of Directors on a quarterly basis.

4.2 **Transaction of commercial agreement other than the general commercial terms and conditions**

Transaction of commercial agreement other than the general commercial terms and conditions shall be considered and commented upon by the Audit Committee before being presented to the Board of Directors or shareholders meeting for further consideration and approval to comply with the Securities and Exchange Act Including the regulations, announcements and orders of the Capital Market Supervisory Board and the Stock Exchange of Thailand, including compliance with the disclosure requirements of connected transactions.

In the event that the Audit Committee is unqualified to consider the related transactions, the Company may appoint independent experts or the Company's auditors to comment on such connected transactions for the Audit Committee so that Board of Directors or shareholders (as the case may be) shall use information for

the decision-making to ensure that the transaction is necessary and reasonable. The Company will disclose the related transactions in the Annual Registration Statement and notes to financial statements audited by the Company's auditor

5. Policy and tendency of future related party transactions

The company will proceed in accordance with the securities and Exchange Act Including the regulations, announcements and orders of the Capital Market Supervisory Board and the Stock Exchange of Thailand, including compliance with the disclosure requirements of the connected transaction of the Company or subsidiaries in accordance with accounting standards prescribed by the Federation of Accounting Professions under the Royal Patronage.

Zen Corporation Group Public Company Limited

Section 3

Financial statements

3. Financial statements

3.1 Report of the Board of Directors' Responsibilities for the Financial Statements

Report of the Board of Directors' Responsibilities for the Financial Statements

The Board of Directors of ZEN Corporation Public Company Limited is responsible for the financial statements of the Company and its subsidiaries which have been prepared in accordance with generally accepted accounting standards in Thailand under Accounting Act B.E.2543 and the Securities and Exchange Act B.E.2535. The policies pursued are deemed appropriate and applied consistently with adequate disclosure of important information in the notes to the financial statement which the auditors has reviewed and expressed opinions in the auditor's report

The Board of Directors of ZEN Corporation Public Company Limited is responsible for the financial statements of the Company and its subsidiaries which have been prepared in accordance with generally accepted accounting standards in Thailand under Accounting Act B.E.2543 and the Securities and Exchange Act B.E.2535. The policies pursued are deemed appropriate and applied consistently with adequate disclosure of important information in the notes to the financial statement which the auditors has reviewed and expressed opinions in the auditor's report

The Board of Directors has appointed the Audit Committee comprising of the independent directors to supervise the financial report, internal control system for the purpose of efficiency and effectiveness and align with the financial reporting standard in Thailand and international Best Practice to ensure that the accounting records are accurate, complete and timely to prevent fraud and materially irregular operations. The opinion of the Audit Committee regarding to these matters appears in the Report of Audit Committee in this Annual Report.

The Board of Directors has confidence that the internal control and the internal audit systems of the Company and its subsidiaries present the financial position, results and cash flow accurately.

(Mr.Paitoon Taveebhol)

Chairman of the Board

(Mr.Boonyong Tansakul)

Chief Executive Officer

**Zen Corporation Group Public Company Limited
and its Subsidiaries**

Financial statements for the year ended
31 December 2020
and
Independent Auditor's Report



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Independent Auditor's Report

To the Shareholders of Zen Corporation Group Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of Zen Corporation Group Public Company Limited and its subsidiaries (the "Group") and of Zen Corporation Group Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2020, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2020 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards ("TFRSs").

Basis for Opinion

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





Key Audit Matters

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

Valuation of trademarks and goodwill	
Refer to Notes 5, 13, 14 and 28 to the consolidated and separate financial statements.	
The Key Audit Matter	How the matter was addressed in the audit
<p>As at 31 December 2020, the Group had trademarks and goodwill of Baht 65.9 million and Baht 180.0 million, respectively.</p> <p>Management considered the impairment test on an annual basis by determining the recoverable amounts of each cash-generating units ("CGU") to which the trademarks and goodwill belongs from the value-in-use method (discounted cash flow ("DCF")). Any shortfall of the recoverable amounts against the carrying amounts would be recognised as impairment losses. Moreover, during the year 2020, the Group contained the impact of COVID-19. However, management elected to exclude the COVID-19 situation, which may affect future financial forecasts, from the impairment testing factors of trademarks and goodwill.</p> <p>Due to the significance of the balances and the estimation of the future cash flows attributable to the individual CGU to which trademarks and goodwill belongs, and the determining of discount rate relevant the significant management's judgement, I considered as a key audit matter.</p>	<p>My audit procedures included the following:</p> <ul style="list-style-type: none"> • I made inquiries of management and obtaining related documents to understand the process by which management has derived its recoverable amounts; • I evaluated the DCF provided by the Group and determined by independent valuer and the Group's assumptions applied in the value-in-use method against relevant documents as well as externally derived data; • I analysed historical information to support the precision in the Group's forecasting process; • I tested calculation the recoverable amounts of each CGU and performed sensitivity analysis by the key assumptions; • I evaluated the appropriateness of methodologies and assumptions used by independent valuer; • I considered the adequacy of the Group's disclosures in accordance with Thai Financial Reporting Standards.



First time adoption of TFRS 16 Leases	
Refer to Notes 3, 11 and 12 to the consolidated and separate financial statements.	
The Key Audit Matter	How the matter was addressed in the audit
<p>The Group leases an office space and restaurant space in many area. The first-time adoption of TFRS 16 required management to identify all contracts that contain a lease. Management had to collect a large amount of data to identify all leases and determine their contractual terms such as lease period, discount rate, renewal options, non-lease components, etc.</p> <p>The Group elected to use the modified retrospective transition approach as at 1 January 2020 recognising the right-of-use assets and lease liabilities at that date and adjusting the cumulative effect of the adoption of TFRS 16 in retained earnings.</p> <p>As at 31 December 2020, the Group recognised right-of-use assets amounting to Baht 956.9 million and Baht 161.9 million and lease liabilities amounting to Baht 980.6 million and Baht 179.7 million in consolidated and separate statement of financial position, respectively.</p> <p>Due to high degree of judgement and the material impact to the Group's financial statements, I considered this to be a key audit matter.</p>	<p>My audit procedures included the following:</p> <ul style="list-style-type: none"> • I obtained an understanding of the Group's policy, data collection process, and process for, and controls over, identification of all leases and the determination of their contractual terms; • I obtained the Group's quantification of right-of-use assets and the lease liabilities. For a sample of leases, I corroborated the values recognised with the data collected and assessed the appropriateness of the determination of the lease terms and the calculation of the right-of-use assets and lease liabilities; • I tested the reconciliation to the Group's operating lease commitments as reported in the prior year financial statements, and verified the key service contracts to assess whether they contained a lease under TFRS 16; • I assessed the methodology, and significant assumptions adopted by management in determining discount rate; • I tested the calculation of the adjustment on first time adoption of TFRS 16; • I considered the adequacy of the Group's disclosures in accordance with Thai Financial Reporting Standards.

Emphasis of Matter

I draw attention to notes 5 and 28 to the financial statements which describes the impact of the COVID-19 outbreak on the Group's and the Company's business together with management's plan to address these circumstances, and the adoption of the guidance on temporary accounting relief measures providing additional accounting options for the treatment of the impact of COVID-19 outbreak in the financial statements for the year ended 31 December 2020. My opinion is not modified in respect of this matter.

Other Matter

The consolidated and separate statements of financial position of the Group and the Company as at 31 December 2019, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, which are included as comparative information, were audited by another auditor who expressed an unqualified opinion thereon in his report dated 24 February 2020.



Other Information

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

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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made.

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

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

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company'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 and the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate 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 TSAs 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 consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate 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 and the Company'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 and the Company'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 consolidated and separate 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 and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate 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 consolidated and separate 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.

(Thanit Osathalert)
Certified Public Accountant
Registration No. 5155

KPMG Phoomchai Audit Ltd.
Bangkok
23 February 2021

Zen Corporation Group Public Company Limited and its Subsidiaries

Statement of financial position

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
		2020	2019	2020	2019
(in thousand Baht)					
Current assets					
Cash and cash equivalents	7	268,540	363,311	158,474	221,442
Trade and other current receivables	6, 25	71,854	106,500	22,910	28,745
Short-term loans to related parties	6	-	-	273,332	271,169
Inventories	8	87,146	94,906	-	-
Current tax asset		7,986	13,485	4,778	7,303
Other current assets	6	26,054	19,625	5,271	6,807
Total current assets		461,580	597,827	464,765	535,466
Non-current assets					
Investment in an associate	9	2,467	-	-	-
Investments in subsidiaries	10	-	-	498,816	723,816
Property, plant and equipment	11	720,232	884,258	364,610	370,762
Right-of-use assets (2019: Leasehold rights)	12	956,943	40,081	161,867	-
Goodwill	13	180,024	181,956	-	-
Intangible assets other than goodwill	14	85,749	89,723	13,692	11,545
Deferred tax assets	22	65,870	33,332	13,609	6,648
Other non-current assets	6	216,091	216,947	17,067	11,845
Total non-current assets		2,227,376	1,446,297	1,069,661	1,124,616
Total assets		2,688,956	2,044,124	1,534,426	1,660,082

The accompanying notes form an integral part of these financial statements.

Zen Corporation Group Public Company Limited and its Subsidiaries
Statement of financial position

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
Liabilities and equity		2020	2019	2020	2019
		<i>(in thousand Baht)</i>			
Current liabilities					
Trade and other current payables	6	251,918	295,079	13,381	8,158
Short-term borrowings from related parties	6, 15	-	-	3,572	150,690
Current portion of lease liabilities					
<i>(2019: Current portion of finance lease liabilities)</i>	15	202,602	602	15,805	602
Current income tax payable		772	7,111	-	-
Accrued expenses	6	41,968	106,774	8,395	24,361
Current portion of deferred income		17,171	22,094	-	-
Current provisions for loyalty programmes		4,590	4,562	-	-
Retention payables		14,466	18,710	1,063	838
Other current liabilities	6	32,832	26,482	14,636	2,654
Total current liabilities		566,319	481,414	56,852	187,303
Non-current liabilities					
Lease liabilities <i>(2019: Finance lease liabilities)</i>	15	778,019	281	163,883	281
Non-current provisions for employee benefits	16	17,742	16,683	8,577	6,574
Non-current provisions for decommissioning costs	11	62,261	67,604	5,091	6,274
Deferred income		29,048	18,671	-	-
Other non-current liabilities	6	24,441	25,395	-	-
Total non-current liabilities		911,511	128,634	177,551	13,129
Total liabilities		1,477,830	610,048	234,403	200,432

The accompanying notes form an integral part of these financial statements.

Zen Corporation Group Public Company Limited and its Subsidiaries
Statement of financial position

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
Liabilities and equity		2020	2019	2020	2019
		<i>(in thousand Baht)</i>			
Equity					
Share capital:	17				
Authorised share capital					
<i>(300,000,000 ordinary shares, par value at Baht 1 per share)</i>		<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>
Issued and paid-up share capital					
<i>(300,000,000 ordinary shares, par value at Baht 1 per share)</i>		300,000	300,000	300,000	300,000
Share premium on ordinary shares	17	959,977	959,977	959,977	959,977
Surplus on business combination under common control		148,324	147,820	-	-
Retained earnings (Deficit)					
Appropriated to legal reserve	18	30,000	30,000	30,000	30,000
Unappropriated (Deficit)		<u>(227,176)</u>	<u>(3,722)</u>	<u>10,046</u>	<u>169,673</u>
Equity Attributable to owners of the parent		1,211,125	1,434,075	1,300,023	1,459,650
Non-controlling interests		<u>1</u>	<u>1</u>	<u>-</u>	<u>-</u>
Total equity		<u>1,211,126</u>	<u>1,434,076</u>	<u>1,300,023</u>	<u>1,459,650</u>
Total liabilities and equity		<u>2,688,956</u>	<u>2,044,124</u>	<u>1,534,426</u>	<u>1,660,082</u>

The accompanying notes form an integral part of these financial statements.

Zen Corporation Group Public Company Limited and its Subsidiaries

Statement of comprehensive income

		Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
	Note	2020	2019	2020	2019
		(in thousand Baht)			
Revenue					
Revenue from sales of goods and services	6, 19	2,283,997	3,102,497	-	-
Management fee income and others	6, 19	-	-	178,391	242,772
Dividend income	10	-	-	-	272,609
Other income		49,393	41,671	14,548	12,024
Total revenues		2,333,390	3,144,168	192,939	527,405
Expenses					
Costs of sales of goods and services	6, 8, 21	1,229,195	1,621,286	-	-
Selling expenses	21	733,210	901,874	-	-
Administrative expenses	6, 21	420,765	489,730	209,148	253,418
Total expenses		2,383,170	3,012,890	209,148	253,418
Profit (loss) from operating activities		(49,780)	131,278	(16,209)	273,987
Finance costs	6	(33,555)	(3,705)	(9,344)	(6,071)
Share of loss of associate accounted for using equity method	9	(1,154)	-	-	-
Profit (loss) before income tax expense		(84,489)	127,573	(25,553)	267,916
Tax income (expense)	22	20,834	(21,350)	5,079	1,077
Profit (loss) for the year		(63,655)	106,223	(20,474)	268,993
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Gain on remeasurements of defined benefit plans	16	7,187	1,285	2,257	941
Income tax relating to items that will not be reclassified	22	(1,437)	(257)	(451)	(188)
Other comprehensive income (expense) for the year, net of tax		5,750	1,028	1,806	753
Total comprehensive income (expense) for the year		(57,905)	107,251	(18,668)	269,746
Profit (loss) attributable to:					
Owners of the parent		(63,655)	106,223	(20,474)	268,993
Non-controlling interests		-	-	-	-
		(63,655)	106,223	(20,474)	268,993
Total comprehensive income (expense) attributable to:					
Owners of the parent		(57,905)	107,251	(18,668)	269,746
Non-controlling interests		-	-	-	-
		(57,905)	107,251	(18,668)	269,746
Basic earnings (loss) per share (in Baht)	23	(0.21)	0.36	(0.07)	0.92

The accompanying notes form an integral part of these financial statements.

Zen Corporation Group Public Company Limited and its Subsidiaries
Statement of changes in equity

				Consolidated financial statements					
				Retained earnings (deficit)					
	Note	Issued and paid-up share capital	Share premium on ordinary shares	Surplus on business combination under common control	Appropriated to legal reserve	Unappropriated (deficit)	Equity attributable to owners of the parent	Non-controlling interests	Total equity
(in thousand Baht)									
Year ended 31 December 2019									
Balance at 1 January 2019		225,000	78,333	145,001	30,000	(9,723)	468,611	2	468,613
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners of the parent									
Issue of ordinary shares	17	75,000	881,644	-	-	-	956,644	-	956,644
Disposal of discount on purchases of fixed assets from companies under common control		-	-	2,819	-	-	2,819	-	2,819
Dividends	24	-	-	-	-	(101,250)	(101,250)	(1)	(101,251)
Total contributions by and distributions to owners of the parent		300,000	959,977	147,820	30,000	(110,973)	1,326,824	1	1,326,825
Comprehensive income for the year									
Profit		-	-	-	-	106,223	106,223	-	106,223
Other comprehensive income		-	-	-	-	1,028	1,028	-	1,028
Total comprehensive income (expense) for the year		-	-	-	-	107,251	107,251	-	107,251
Balance as at 31 December 2019		300,000	959,977	147,820	30,000	(3,722)	1,434,075	1	1,434,076

The accompanying notes form an integral part of these financial statements.

Zen Corporation Group Public Company Limited and its Subsidiaries
Statement of changes in equity

		Consolidated financial statements							
				Retained earnings (deficit)					
	Note	Issued and paid-up share capital	Share premium on ordinary shares	Surplus on business combination under common control	Appropriated to legal reserve	Unappropriated (deficit)	Equity attributable to owners of the parent	Non-controlling interests	Total equity
(in thousand Baht)									
Year ended 31 December 2020									
Balance at 31 December 2019 - as reported		300,000	959,977	147,820	30,000	(3,722)	1,434,075	1	1,434,076
Impact of changes in accounting policies	3	-	-	-	-	(30,557)	(30,557)	-	(30,557)
Balance at 1 January 2020		300,000	959,977	147,820	30,000	(34,279)	1,403,518	1	1,403,519
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners of the parent									
Disposal of discount on purchases of fixed assets from companies under common control		-	-	504	-	-	504	-	504
Dividends	24	-	-	-	-	(134,992)	(134,992)	-	(134,992)
Total contributions by and distributions to owners of the parent		300,000	959,977	148,324	30,000	(169,271)	1,269,030	1	1,269,031
Comprehensive income for the year									
Loss		-	-	-	-	(63,655)	(63,655)	-	(63,655)
Other comprehensive income		-	-	-	-	5,750	5,750	-	5,750
Total comprehensive income (expense) for the year		-	-	-	-	(57,905)	(57,905)	-	(57,905)
Balance at 31 December 2020		300,000	959,977	148,324	30,000	(227,176)	1,211,125	1	1,211,126

The accompanying notes form an integral part of these financial statements.

Zen Corporation Group Public Company Limited and its Subsidiaries

Statement of changes in equity

		Separate financial statements				
				Retained earnings		
	Note	Issued and paid-up share capital	Share premium on ordinary shares	Appropriated to legal reserve	Unappropriated	Total equity
(in thousand Baht)						
Year ended 31 December 2019						
Balance at 1 January 2019		225,000	78,333	30,000	1,177	334,510
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Issue of ordinary shares	17	75,000	881,644	-	-	956,644
Dividends	24	-	-	-	(101,250)	(101,250)
Total contributions by and distributions to owners		300,000	959,977	30,000	(100,073)	1,189,904
Comprehensive income for the year						
Profit		-	-	-	268,993	268,993
Other comprehensive income		-	-	-	753	753
Total comprehensive income (expense) for the year		-	-	-	269,746	269,746
Balance at 31 December 2019		300,000	959,977	30,000	169,673	1,459,650

The accompanying notes form an integral part of these financial statements.

Zen Corporation Group Public Company Limited and its Subsidiaries

Statement of changes in equity

Separate financial statements					
			Retained earnings		
	Issued and	Share premium	Appropriated to		
Note	paid-up	on ordinary shares	legal reserve	Unappropriated	Total equity
	share capital				

The accompanying notes form an integral part of these financial statements.

Zen Corporation Group Public Company Limited and its Subsidiaries**Statement of cash flows**

	Consolidated		Separate	
	financial statements		financial statements	
	Year ended 31 December		Year ended 31 December	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit (loss) for the year	(63,655)	106,223	(20,474)	268,993
<i>Adjustments to reconcile profit (loss) to cash receipts (payments)</i>				
Tax expense (income)	(20,834)	21,350	(5,079)	(1,077)
Finance costs	33,555	3,705	9,344	6,071
Depreciation and amortisation	399,162	188,791	35,535	12,856
Reversal of provision for decommissioning costs	(3,986)	(2,559)	(691)	(647)
Provision for employee benefits	8,381	7,081	4,260	3,533
Provision for loyalty programmes	28	733	-	-
Share of loss of associate accounted for using equity method, net of tax	1,658	-	-	-
(Reversal of) impairment loss on assets	9,326	8,695	(395)	395
Impairment loss on receivables	4,608	1,055	-	-
(Reversal of) loss on inventories devaluation and deteriorate	(1,188)	2,239	-	-
Loss on disposal of property, plant and equipment and intangible assets	21,350	4,368	1,786	1,166
Gain on disposal of right-of-use assets	(7,301)	-	-	-
Differences on a granted concession	1,006	-	3	-
Recognition of deferred income	(87,251)	(14,435)	-	-
Dividend income	-	-	-	(272,609)
Interest income	(1,242)	(2,465)	(11,972)	(10,657)
	293,617	324,781	12,317	8,024
<i>Changes in operating assets and liabilities</i>				
Trade and other current receivables	30,038	(63,247)	5,835	(3,904)
Inventories	8,948	10,517	-	-
Other current assets	(6,427)	(5,871)	1,619	(2,910)
Other non-current assets	856	(34,566)	1,740	(4,593)
Trade and other current payables	(43,161)	27,737	5,223	53
Retention payables	(4,244)	678	225	695
Accrued expenses	(57,322)	39,261	(12,447)	7,758
Other current liabilities	6,350	86	11,982	(971)
Deferred income	92,705	27,221	-	-
Other non-current liabilities	404	19,146	259	-
Net cash generated from operating	321,764	345,743	26,753	4,152
Provisions for employee benefit paid	(135)	(1,318)	-	(699)
Taxes paid	(5,386)	(42,356)	(4,778)	(7,303)
Net cash from (used in) operating activities	316,243	302,069	21,975	(3,850)

The accompanying notes form an integral part of these financial statements.

Zen Corporation Group Public Company Limited and its Subsidiaries
Statement of cash flows

	Consolidated		Separate	
	financial statements		financial statements	
	Year ended 31 December		Year ended 31 December	
	2020	2019	2020	2019
	(in thousand Baht)			
Cash flows from investing activities				
Proceeds from decreasing in share capital of a subsidiary	-	-	225,000	-
Acquisition of subsidiaries, net of cash acquired	-	-	-	(270,000)
Acquisition of interest in associate	(4,125)	-	-	-
Proceeds from sale of property, plant and equipment	28,043	14,404	175	2,487
Acquisition of property, plant and equipment and intangible assets	(68,188)	(312,962)	(11,840)	(40,398)
Short-term loans to related parties	-	-	(1,700,586)	(1,697,588)
Proceeds from repayment of short-term loans to related parties	-	-	1,698,423	1,596,659
Decommissioning costs paid	(2,715)	(773)	(750)	(490)
Dividends received	-	-	-	272,609
Interest received	1,240	2,463	12,230	10,320
Net cash from (used in) investing activities	(45,745)	(296,868)	222,652	(126,401)
Cash flows from financing activities				
Proceeds from issue of shares	-	952,055	-	952,055
Proceeds from short-term borrowings from financial institutions	90,000	490,000	90,000	490,000
Proceeds from short-term borrowings from related parties	-	-	408,437	1,295,832
Repayment of short-term borrowings from financial institutions	(90,000)	(1,120,000)	(90,000)	(1,120,000)
Repayment of short-term borrowings from related parties	-	-	(555,555)	(1,223,433)
Payment of lease liabilities (2019: Payment by a lessee for reduction of the outstanding liability relating to a finance lease)	(196,723)	(1,700)	(15,985)	(1,712)
Dividends paid to owners of the Company	(134,992)	(101,250)	(134,992)	(101,250)
Interest paid	(33,554)	(3,596)	(9,500)	(5,870)
Net cash from (used in) financing activities	(365,269)	215,509	(307,595)	285,622
Net increase (decrease) in cash and cash equivalents	(94,771)	220,710	(62,968)	155,371
Cash and cash equivalents at 1 January	363,311	142,601	221,442	66,071
Cash and cash equivalents at 31 December	268,540	363,311	158,474	221,442
Non-cash transactions				
Increase in right-of-use assets	187,377	-	1,774	-
Decrease in right-of-use assets	(99,144)	-	-	-

The accompanying notes form an integral part of these financial statements.

Zen Corporation Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

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Zen Corporation Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorized for issue by the Board of Directors on 23 February 2021.

1 General information

Zen Corporation Group Public Company Limited, the “Company”, is incorporated in Thailand and was listed on the Stock Exchange of Thailand in February 2019. The Company’s registered office at 662 Soi On Nut 17, Kwang Suanluang, Khet Suanluang, Bangkok 10250.

The Company’s major shareholders during the financial year were Morgan Stanley & Co. International Public Company Limited (28% shareholding) which is incorporated in England and AGB Siblings Holding Company Limited (25% shareholding) which is incorporated in Thailand.

The principal activities of the Company and the Group are providing management service to its subsidiaries and restaurant. Details of the Company’s associate and subsidiaries as at 31 December 2020 and 2019 are given in notes 9 and 10.

2 Basis of preparation of the financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”), guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission.

New and revised TFRS are effective for annual accounting periods beginning on or after 1 January 2020. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies.

The Group has initially applied TFRS - Financial instruments standards which comprise TFRS 9 *Financial Instruments* (“TFRS9”) and relevant standards and interpretations which have no material impact on the financial statements and TFRS 16 *Leases* (“TFRS16”) which disclosed impact from changes to significant accounting policy in note 3.

In addition, the Group has not early adopted a number of new and revised TFRS, which are not yet effective for the current period in preparing these financial statements. The Group has assessed the potential initial impact on the financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

(b) Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Company’s functional currency. All financial information presented in Thai Baht has been rounded to the nearest thousand, unless otherwise stated.

Zen Corporation Group Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

(c) Use of judgements and estimates

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Group's accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

(i) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

4(j) and 12 Leases:

- whether an arrangement contains a lease;
- whether the Group is reasonably certain to exercise extension options;
- whether the Group exercise termination options;
- whether the Group has transferred substantially all the risks and rewards incidental to the ownership of the assets to lessees;

4(p) and 19 Revenue recognition:

- whether performance obligations in a bundled sale of products and services are capable of being distinct;
- whether revenue from sales of products is recognised over time or at a point in time;

5 Impact of COVID-19 Outbreak; and

9 Equity-accounted investees: whether the Group has significant influence over an investee.

(ii) Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties at 31 December 2020 that have a significant risk of resulting in a material adjustments to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

4(j) Determining the incremental borrowing rate to measure lease liabilities;

5 Impact of COVID-19;

13 Impairment test of goodwill: key assumptions underlying recoverable amounts;

16 Measurement of defined benefit obligations: key actuarial assumptions;

19 and 25 Measurement of ECL allowance for trade receivables: key assumptions in determining the weighted-average loss rate; and

22 Recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised.

Zen Corporation Group Public Company Limited and its Subsidiaries

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3 Changes in accounting policy

From 1 January 2020, the Group has initially applied TFRS 16. Impact of Change in accounting policy on shareholders' equity are as follows:

<i>Impact on changes in accounting policy</i>	<i>Note</i>	Consolidated financial statements Deficit <i>(in thousand Baht)</i>	Separate financial statements Retained earnings
At 31 December 2019 - as reported		(3,722)	169,673
<i>Decrease due to:</i>			
Adoption of TFRS 16 - net of tax	A	(30,557)	(5,966)
At 1 January 2020 - restated		(34,279)	163,707

A. TFRS 16 Leases

From 1 January 2020, the Group has initially adopted TFRS 16 on contracts previously identified as leases according to TAS 17 *Leases* and TFRIC 4 *Determining whether an arrangement contains a lease* using the modified retrospective approach.

Previously, the Group, as a lessee, recognised payments made under operating leases and relevant lease incentives in profit or loss on a straight-line basis over the term of the lease. Under TFRS 16, the Group assesses whether a contract is, or contains, a lease. If a contract contains lease and non-lease components, the Group allocates the consideration in the contract based on stand-alone selling price. As at 1 January 2020, the Group and the Company recognised right-of-use assets and lease liabilities, as a result, the nature of expenses related to those leases was changed because the Group recognised depreciation of right-of-use assets and interest expense on lease liabilities.

On transition, the Group also elected to use the following practical expedients:

- do not recognise right-of-use assets and lease liabilities for leases with less than 12 months of lease term;
- do not recognise right-of-use assets and lease liabilities for lease of low-value assets;
- use hindsight when determining the lease term; and
- apply a single discount rate to a portfolio of leases with similar characteristics.

<i>Impact from the adoption of TFRS 16</i>	Consolidated financial statements <i>(in thousand Baht)</i>	Separate financial statements
At 1 January 2020		
Increase in right-of-use assets	1,049,021	182,175
Increase in deferred tax assets	8,596	2,333
Decrease in property, plant and equipment	(1,132)	(1,132)
Increase in lease liabilities	(1,094,526)	(192,709)
Decrease in accrued expenses	7,484	3,367
Decrease in retained earnings	30,557	5,966

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	Consolidated financial statements	Separate financial statements
	<i>(in thousand Baht)</i>	
<i>Measurement of lease liability</i>		
Operating lease commitment as disclosed at 31 December 2019	876,169	234,516
The contracts that are considered as service contracts	(327,456)	-
Recognition exemption for short-term leases	(5,986)	-
Recognition exemption for leases of low-value assets	(11,970)	(2,057)
Extension and termination options reasonably certain to be exercised	643,188	-
	1,173,945	232,459
Present value of remaining lease payments, discounted using the incremental borrowing rate at 1 January 2020	1,094,526	192,709
Finance lease liabilities recognised as at 31 December 2019	883	883
Lease liabilities recognised at 1 January 2020	1,095,409	193,592
Weighted-average incremental borrowing rate (% per annum)	4.00	4.25

4 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except as explained note 3.

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in associates.

Business combinations

The Group applies the acquisition method for all business combinations when control is transferred to the Group, as describe in the subsidiaries section, other than business combinations with entities under common control.

The acquisition date is the date on which control is transferred to the acquirer.

Goodwill is measured as the fair value of the consideration transferred, including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as at the acquisition date. Any gain on bargain purchase is recognised in profit or loss immediately.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration.

Any contingent consideration is measured at fair value at the date of acquisition, and remeasured at fair value at each reporting date. Subsequent changes in the fair value are recognised in profit or loss.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

Transaction costs that the Group incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are expensed as incurred.

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If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Acquisitions from entities under common control

Business combination under common control are accounted for using a method similar to the pooling of interest method. Under that method the acquirer recognises assets and liabilities of the acquired businesses at their carrying amounts in the consolidated financial statements of the ultimate parent company at the moment of the transaction. The difference between the carrying amount of the acquired net assets and the consideration transferred is recognised as surplus or discount from business combinations under common control in shareholder's equity. The surplus or discount will be transferred to retained earnings upon divestment of the businesses acquired.

The results from operations of the acquired businesses will be included in the consolidated financial statements of the acquirer from the beginning of the comparative period or the moment the businesses came under common control, whichever date is later, until control ceases.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Non-controlling interests

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

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Interests in associates are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Investment in subsidiaries

Investments in subsidiaries in the separate financial statements of the Company are measured at cost less allowance for impairment losses.

Disposal of investments in the separate financial statements

On disposal of an investment, the difference between net disposal proceeds and the carrying amount is recognised in profit or loss.

If the Company disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

(c) Foreign currencies

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

Foreign currency differences are generally recognised in profit or loss.

(d) Financial instruments

Accounting policies applicable from 1 January 2020

(d.1) Recognition and initial measurement

Trade receivables and trade payables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

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A financial asset and financial liability (unless it is a trade receivable without a significant financing component or measured at FVTPL) is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price. A financial asset and a financial liability measured at FVTPL are initially recognised at fair value.

(d.2) Classification and subsequent measurement

Financial assets - classification

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value to other comprehensive income (FVOCI); or fair value to profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cashflows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets - business model assessment

The Group makes an assessment of the objective of a business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

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Financial assets - assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment,

‘principal’ is defined as the fair value of the financial asset on initial recognition.

‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features; and
- terms that limit the Group’s claim to cash flows from specified assets (e.g. non-recourse features).

Financial assets - subsequent measurement and gains and losses

Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
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Financial liabilities - classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(d.3) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

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Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(d.4) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(e) Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

(f) Trade and other accounts receivable

A receivable is recognised when the Group has an unconditional right to receive consideration. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

A receivable is measured at transaction price less allowance for expected credit loss (2019: *allowance for doubtful accounts*) which is determined based on an analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

(g) Inventories

Inventories are measured at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost principle, and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of inventories, cost includes an appropriate share of production overheads based on normal operating capacity.

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

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(h) Property, plant and equipment

Recognition and measurement

Owned assets

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gains and losses on disposal of item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in profit or loss.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Leasehold improvements	5 years
Tools and operating equipment	5 years
Furniture, fixtures and office equipment	3 and 5 years
Vehicles	5 years

No depreciation is provided on freehold land and land improvement or assets under construction and installation.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

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(i) Intangible assets

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. The measurement of goodwill at initial recognition is described in note 4(a). Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investee, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted investee.

Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives are as follows:

Software licenses	3 years
Franchise agreements	3 - 10 years
Patent	3 - 10 years

No amortisation is provide on trademarks.

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(j) Leases

Accounting policies applicable from 1 January 2020

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in TFRS 16.

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As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which is recognised as an expense on a straight-line basis over the lease term.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The lease payments included fixed payments less any lease incentive receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under a residual value guarantee. The lease payments also include amount under purchase, extension or termination option if the Group is reasonably certain to exercise option. Variable lease payments that do not depend on index or a rate are recognised as expenses in the accounting period in which they are incurred.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in lease term, change in lease payments, change in the estimate of the amount expected to be payable under a residual value guarantee, or a change in the assessment of purchase, extension or termination options. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Accounting policies applicable before 1 January 2020

As a lessee, leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss.

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Assets held under other leases were classified as operating leases and lease payments are recognised in profit or loss on a straight-line basis over the term of the lease. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

(k) Impairment of financial assets

Accounting policies applicable from 1 January 2020

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost (including cash and cash equivalents, trade receivables and other receivables and loans to related parties).

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; or
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of a financial instrument.

Loss allowances for trade receivables, and other receivables are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both current and forecast general economic conditions at the reporting date.

Loss allowances for all other financial instruments, the Group recognises ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

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The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, significant deterioration in financial instruments's credit rating, significant deterioration in the operating results of the debtor and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

The Group considers a financial asset to be in default when the financial asset is more than 90 days past due.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Increased in loss allowance is recognised as an impairment loss in profit or loss. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

Accounting policies applicable before 1 January 2020

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The impairment loss is recognised in profit or loss.

Reversal of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss.

(1) Impairment of non-financial assets

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss.

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Calculation of recoverable amount

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing 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. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversal of impairment

An impairment loss in respect of goodwill is not reversed. Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(m) Employee benefits

Defined contribution plan

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any application minimum funding requirements.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in OCI. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

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Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(n) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

(o) 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 market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Group’s accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as ‘active’ if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

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Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- *Level 1*: quoted prices in active markets for identical assets or liabilities.
- *Level 2*: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- *Level 3*: inputs for the asset or liability that are based on unobservable input.

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

(p) *Revenue*

Revenue is recognised when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts.

Sale of goods and services

Revenue from sales of goods is recognised when a customer obtains control of the goods, generally on delivery of the goods to the customers. For contracts that permit the customers to return the goods, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore the amount of revenue recognised is adjusted for estimated returns, which are estimated based on the historical data.

Revenue for rendering of services is recognised over time or at a point in time as the services are provided. The related costs are recognised in profit or loss when they are incurred.

For bundled packages, the Group accounts for individual products and services separately if they are distinct (i.e. if a product or service is separately identifiable from other items and a customer can benefit from it) or the multiple services are rendered in different reporting periods. The consideration received is allocated based on their relative stand-alone selling prices.

Licences of intellectual properties

Revenue from the licences which provides a customer with a right to access a franchise is recognised over the licence term.

Customer loyalty programme

The consideration received are allocated based on the relative stand-alone selling price of the products and the loyalty points. The amount allocated to the loyalty points is recognised as contract liabilities and revenue is recognised when loyalty points are redeemed or the likelihood of the customer redeeming the loyalty points becomes remote. The stand-alone selling prices of the points is estimated based on discount provided to customers and the likelihood that the customers will redeem the points, and the estimate shall be reviewed at the end of the reporting period.

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Long-term advances received from customers

Long-term advances received from customers is recognised as revenue when the Group transferred control over the goods to the customers.

Dividend income

Dividend income is recognised in profit or loss on the date on which the Group right to receive payment is established.

(q) Other income

Other income comprises interest income and others which are recognised in profit or loss as they accrue.

(r) Interest

Accounting policies applicable from 1 January 2020

Effective Interest Rate (EIR)

Interest income or expense is recognised using the effective interest method. The EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Accounting policies applicable before 1 January 2020

Interest income is recognised in profit or loss at the rate specified in the contract.

Interest expenses and similar costs are charged to profit or loss for the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial periods of time to be prepared for its intended use or sale.

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(s) *Income tax*

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(t) *Earnings per share*

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

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(u) Related parties

A related party is a person or entity that has direct or indirect control, or has significant influence over the financial and managerial decision-making of the Group; a person or entity that are under common control or under the same significant influence as the Group; or the Group has direct or indirect control or has significant influence over the financial and managerial decision-making of a person or entity.

(v) Segment reporting

Segment results that are reported to the Group's management include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

5 Impact of COVID-19 Outbreak

In March 2020, in an effort to contain the impact of COVID-19, Bangkok governor decided to temporarily shut down and reduce operating hours of the Group's service facilities since 22 March 2020 to 16 May 2020. The management is closely monitoring the situation to ensure the safety of the Group's staff and to manage the negative impact on the business as much as possible. At 31 December 2020, the situation of COVID-19 outbreak is still ongoing, resulting in estimation uncertainty on the potential impact, therefore, the Group elected to apply accounting guidance on temporary accounting relief measures for additional accounting options in response to impact from the situation of COVID-19 outbreak on the following:

(a) Impairment of assets

The Group considered impairment of trade and other current receivables under simplified approach using historical loss rate and did not take forward-looking information into account.

The Group elected to exclude the COVID-19 situation as impairment indicator for property, plant and equipment and intangible assets, and elected to exclude the COVID-19 situation, which may affect future financial forecasts, from the impairment testing factors of goodwill and intangible assets with an indefinite useful life.

(b) Lease modifications

The Group was granted a rent concession as a result of the COVID-19 situation. The Group has monthly deducted lease liabilities in proportion to the reduced rental, reversed depreciation of ROU assets and interest on lease liabilities in proportion to the reduced rental, and recognised the differences to profit or loss for the year ended 31 December 2020, amounting to Baht 1.0 million in the consolidated financial statements.

(c) Deferred tax assets

The Group elected to exclude the factor of COVID-19 situation in considering sufficiency of future taxable profits to review the amount of deferred tax assets at 31 December 2020.

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For the year ended 31 December 2020

6 Related parties

Relationships with associate and subsidiaries are described in notes 9 and 10. Other Related parties that the Group had significant transactions with during the year were as follows:

Name of entities	Country of incorporation	Nature of relationships
Food Gimmick Co., Ltd.	Thailand	Related party, some common directors and shareholders are close members of family of the Group's directors and shareholders
Stork (Thailand) Co., Ltd.	Thailand	Related party, some common directors and shareholders are close members of family of the Group's directors and shareholders
Sudtrara Suite Co., Ltd.	Thailand	Related party, some common directors and shareholders are close members of family of the Group's directors and shareholders
Chef Best Co., Ltd.	Thailand	Related party, common shareholder
Crazy Spicy Group Co., Ltd.	Thailand	Related party, a director is a close member of family of shareholder of the Company

The pricing policies for particular types of transactions are explained further below:

Transactions	Pricing policies
Purchases and sales of food materials	Mutual negotiation
Management fee and others	Contractually agreed prices
Rental and service fee expenses	Contractually agreed prices
Purchase and sales of fixed assets	Mutual negotiation
Interest income	Borrowing rate plus 0.5% per annum
Interest expense	At the fixed interest rate of 1.05% per annum
Dividend income	Upon declaration
Management benefit expenses	As defined by the nomination and remuneration committee but not exceeding the amount approved by shareholders

Significant transactions for the years ended 31 December with related parties were as follows:

Year ended 31 December	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Subsidiaries				
Purchases of goods	-	-	620	-
Sales of fixed assets	-	-	446	40
Purchases of fixed assets	-	-	2,092	2
Interest income	-	-	10,953	8,773
Interest expense	-	-	960	2,366
Dividend income	-	-	-	272,609
Management fee income and others	-	-	178,391	242,772
Other income	-	-	277	622
Other expenses	-	-	351	8,268

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<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Associate				
Sales of goods	1,256	-	-	-
Franchise fee income	286	-	-	-
Sales of property and other assets	292	-	-	-
Other income	529	-	-	-
Other related parties				
Purchases of goods	-	3,918	-	-
Sales of goods	-	13	-	-
Purchases of fixed assets	-	69	-	-
Rental expense	1,665	3,518	-	-
Other expenses	-	31	-	-
Key management personnel				
Key management personnel compensation				
Short-term employee benefit	27,374	35,275	27,374	35,275
Post-employment benefits	1,195	1,439	1,195	1,439
Total	28,569	36,714	28,569	36,714

Balances as at 31 December with related parties were as follows:

<i>Trade accounts receivable</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	22,767	28,455
Associate	415	-	-	-
Total	415	-	22,767	28,455

<i>Other current receivables</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	37	171
Associate	2	-	2	-
Total	2	-	39	171

<i>Short-term loans to</i>	Interest rate At 31 December (% per annum)	1 January	Separate financial statements		31 December
			Increase	Decrease	
			<i>(in thousand Baht)</i>		
2020					
Subsidiaries	4.15	271,169	1,700,586	(1,698,423)	273,332
Total		271,169			273,332
2019					
Subsidiaries	4.15	170,240	1,697,588	(1,596,659)	271,169
Total		170,240			271,169

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For the year ended 31 December 2020

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in thousand Baht)			
<i>Advances</i>				
Subsidiaries	-	-	-	1,618
Total	-	-	-	1,618

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in thousand Baht)			
<i>Refundable deposits</i>				
Other related parties	2,667	3,157	-	-
Total	2,667	3,157	-	-

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in thousand Baht)			
<i>Accrued interest income</i>				
Subsidiaries	-	-	763	1,023
Total	-	-	763	1,023

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in thousand Baht)			
<i>Trade accounts payable</i>				
Subsidiaries	-	-	7,969	-
Other related parties	235	305	-	-
Total	235	305	7,969	-

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in thousand Baht)			
<i>Other current payables</i>				
Subsidiaries	-	-	47	456
Total	-	-	47	456

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in thousand Baht)			
<i>Deposits for materials</i>				
Associate	190	-	-	-
Total	190	-	-	-

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in thousand Baht)			
<i>Advance deposit received</i>				
Associate	47	-	-	-
Total	47	-	-	-

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	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<i>Accrued interest expenses</i>		(in thousand Baht)		
Subsidiaries	-	-	3	159
Total	-	-	3	159

<i>Short-term borrowings from 2020</i>	Interest rate At 31 December (% per annum)	1 January	Separate financial statements		31 December
			Increase (in thousand Baht)	Decrease	
Subsidiaries	1.05	150,690	408,437	(555,555)	3,572
Total		150,690			3,572
<i>2019</i>					
Subsidiaries	1.05	78,291	1,295,832	(1,223,433)	150,690
Total		78,291			150,690

All short-term loans to and short-term borrowing with all related parties are unsecured and have repayment terms at call.

Business management service agreements

The Company made business management service agreements with subsidiaries that operates the restaurant and other related businesses. The company provides management services include allow the subsidiaries operate and distribute their restaurants under trademarks. In consideration thereof, the subsidiaries committed to pay the management fee and trademarks fee at the rate of total sales amount as specified in the agreement.

7 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
		(in thousand Baht)		
Cash on hand	6,551	11,206	321	231
Cash at banks - current accounts	31,672	146,264	7,067	20,394
Cash at banks - savings accounts	230,317	205,841	151,086	200,817
Cash and cash equivalents in the statement of financial position	268,540	363,311	158,474	221,442

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8 Inventories

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Finished goods	2,724	2,624	-	-
Raw materials	57,644	60,138	-	-
Consumable supplies	29,110	35,664	-	-
Total	89,478	98,426	-	-
Less Allowance for deteriorated inventories	(2,332)	(3,520)	-	-
Net	87,146	94,906	-	-
Inventories recognised in 'cost of sales of goods and services':				
- Costs of goods and services	1,230,383	1,619,047	-	-
- (Reversal of) write-down to net realisable value and deteriorate	(1,188)	2,239	-	-
Net	1,229,195	1,621,286	-	-

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9 Investment in an associate

Consolidated financial statements											
	Type of business	Ownership interest		Paid-up capital		Cost	Equity		Dividend income for the year		
		2020	2019	2020	2019		2019	2020	2019	2020	2019
		(%)					(in thousand Baht)				
<i>Indirect associate</i>											
Kin Dee Yu Dee											
2020 Co., Ltd.	Restaurant	25.00	-	16,500	-	4,125	-	2,467	-	-	-
Total						4,125	-	2,467	-	-	-

An associate was incorporated and operates in Thailand.

None of the Group's associate is publicly listed and consequently do not have published price quotations.

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Movement of investment in associate during the year ended 31 December were as follows:

	Consolidated financial statements	
	2020	2019
	<i>(in thousand Baht)</i>	
At 1 January	-	-
Acquisition	4,125	-
Elimination of unrealised profit on downstream sales	(453)	-
Share of loss of associate	(1,205)	-
At 31 December	2,467	-

Increase in investment in an associate

During the year ended 31 December 2020, A subsidiary has entered into an associate agreement with a local company for the purchase of 25% of the associate's total issued shares. Such associate has been granted the right to be a master franchise in the southern provinces of Thailand.

At the Board of Director Meeting held on 8 May 2020, the Board of Directors approved a Subsidiary increase the investment in Kin Dee Yu Dee 2020 Co., Ltd. (the "Associate") of Baht 4.5 million, amounting to a total of Baht 7.5 million. The Associate registered to increase in authorised share capital with the Department of Business Development, Ministry of Commerce in July 2020. A Subsidiary subscribed in the Associate's capital increase in existing proportion of a Subsidiary's shareholding in the Associate (25%).

Secure the borrowing facilities from financial institutions of an associate

At the Board of Director Meeting held on 15 September 2020, the Board of Directors approved a Subsidiary to secure the borrowing facilities of an associate from financial institutions. Then, on 14 December 2020, the Board of Directors approved to change from a Subsidiary to the Company to secure the borrowing facilities of an associate. Therefore, the Company has a commitment to secure the Associate in the amount not exceeding Baht 18.8 million as a proportion of shareholding in the associate. However, the Associate is in process of requesting the such borrowing facilities from financial institutions.

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10 Investment in subsidiaries

		Separate financial statements													
	Type of business	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net		Dividend income for the year			
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019		
		(%)						(in thousand Baht)							
Zen Restaurant Holding Co., Ltd.	Restaurant/ owner of franchise	99.99	99.99	75,000	300,000	75,000	300,000	-	-	75,000	300,000	-	126,509		
Tokyo Concept Co., Ltd.	Restaurant/ owner of franchise	99.99	99.99	25,000	25,000	25,000	25,000	-	-	25,000	25,000	-	55,200		
Aka Interfood Co., Ltd.	Restaurant	99.99	99.99	80,000	80,000	80,000	80,000	-	-	80,000	80,000	-	75,600		
Gyu Grill Group Co., Ltd.	Restaurant	99.99	99.99	30,000	30,000	29,999	29,999	-	-	29,999	29,999	-	-		
Zen Supply Chain Management Co., Ltd.	Sales and services of food	99.99	99.99	17,500	17,500	17,500	17,500	-	-	17,500	17,500	-	-		
Zen & Spicy Co., Ltd.	Restaurant/ owner of franchise	99.99	99.99	20,000	20,000	20,000	20,000	-	-	20,000	20,000	-	-		
Spice Synergy Co., Ltd.	Owner of trademark and services	99.99	99.99	5,000	5,000	251,317	251,317	-	-	251,317	251,317	-	15,300		
Total						498,816	723,816	-	-	498,816	723,816	-	272,609		

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All subsidiaries were incorporated and operate in Thailand.

Decrease in share capital of Zen Restaurant Holding Co., Ltd. ("ZRH")

At the Extraordinary General Meeting of shareholders of ZRH held on 31 March 2020, the shareholders had a resolution to decrease the share capital of 2,250,000 shares amounting to Baht 225.0 million. ZRH registered to decrease in its share capital with the Department of Business Development in May 2020.

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11 Property, plant and equipment

	<i>Note</i>	Consolidated financial statements					Assets under construction and installation	Total
		Land and land improvement	Leasehold improvements	Tools and operating equipment	Furniture, fixtures and office equipment	Vehicles		
				<i>(in thousand Baht)</i>				
Cost								
At 1 January 2019		326,313	762,972	101,589	109,752	14,458	20,635	1,335,719
Additions		-	269,698	36,475	38,746	-	9,336	354,255
Reversal of provision for decommissioning costs		-	(449)	-	-	-	-	(449)
Transfers		-	3,642	355	25	-	(4,022)	-
Disposals		-	(53,356)	(2,771)	(7,588)	(9,075)	-	(72,790)
At 31 December 2019 and 1 January 2020		326,313	982,507	135,648	140,935	5,383	25,949	1,616,735
Recognition of right-of-use asset on initial application of TFRS 16	3	-	-	-	-	(1,660)	-	(1,660)
At 1 January 2020 - as adjusted		326,313	982,507	135,648	140,935	3,723	25,949	1,615,075
Additions		-	37,504	11,933	8,089	-	1,229	58,755
Transfers		-	3,323	1,496	613	-	(5,432)	-
Disposals		-	(76,785)	(4,526)	(6,681)	(833)	(3,960)	(92,785)
At 31 December 2020		326,313	946,549	144,551	142,956	2,890	17,786	1,581,045

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	<i>Note</i>	Consolidated financial statements					Assets under construction and installation	Total
		Land and land improvement	Leasehold improvements	Tools and operating equipment	Furniture, fixtures and office equipment	Vehicles		
				<i>(in thousand Baht)</i>				
<i>Depreciation and impairment losses</i>								
At 1 January 2019		-	471,747	60,450	71,852	8,882	-	612,931
Depreciation charge for the year		-	128,679	18,929	21,306	1,997	-	170,911
Impairment losses		-	6,256	90	87	-	-	6,433
Disposals		-	(41,675)	(2,092)	(6,554)	(7,477)	-	(57,798)
At 31 December 2019 and 1 January 2020		-	565,007	77,377	86,691	3,402	-	732,477
Recognition of depreciation of right-of-use asset on initial application of TFRS 16	3	-	-	-	-	(528)	-	(528)
At 1 January 2020 - as adjusted		-	565,007	77,377	86,691	2,874	-	731,949
Depreciation charge for the year		-	125,850	19,173	22,725	506	-	168,254
(Reversal of) impairment losses		-	4,566	(90)	(82)	-	-	4,394
Disposals		-	(34,083)	(3,833)	(5,048)	(820)	-	(43,784)
At 31 December 2020		-	661,340	92,627	104,286	2,560	-	860,813

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	Consolidated financial statements						Total
	Land and land improvement	Leasehold improvements	Tools and operating equipment <i>(in thousand Baht)</i>	Furniture, fixtures and office equipment	Vehicles	Assets under construction and installation	
<i>Net Book value</i>							
At 31 December 2019							
Owned assets	326,313	417,500	58,271	54,244	849	25,949	883,126
Assets under finance lease	-	-	-	-	1,132	-	1,132
	<u>326,313</u>	<u>417,500</u>	<u>58,271</u>	<u>54,244</u>	<u>1,981</u>	<u>25,949</u>	<u>884,258</u>
At 31 December 2020							
Owned assets	326,313	285,209	51,924	38,670	330	17,786	720,232
	<u>326,313</u>	<u>285,209</u>	<u>51,924</u>	<u>38,670</u>	<u>330</u>	<u>17,786</u>	<u>720,232</u>

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		Separate financial statements						
		Land and land improvement	Leasehold improvements	Tools and operating equipment	Furniture, fixtures and office equipment	Vehicles	Assets under construction and installation	Total
	Note				(in thousand Baht)			
Cost								
At 1 January 2019		326,313	20,397	5,541	16,387	13,573	381	382,592
Additions		-	35,342	211	7,595	-	125	43,273
Transfers		-	381	-	-	-	(381)	-
Disposals		-	(17,189)	(240)	(2,022)	(9,139)	-	(28,590)
At 31 December 2019 and 1 January 2020		326,313	38,931	5,512	21,960	4,434	125	397,275
Recognition of right-of-use asset on initial application of IFRS 16	3	-	-	-	-	(1,660)	-	(1,660)
At 1 January 2020 - as adjusted		326,313	38,931	5,512	21,960	2,774	125	395,615
Additions		-	3,110	142	2,046	-	-	5,298
Transfers		-	-	-	125	-	(125)	-
Disposals		-	(3,571)	(1,122)	(1,611)	(833)	-	(7,137)
At 31 December 2020		326,313	38,470	4,532	22,520	1,941	-	393,776

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		Separate financial statements						
	Note	Land and land improvement	Leasehold improvements	Tools and operating equipment	Furniture, fixtures and office equipment <i>(in thousand Baht)</i>	Vehicles	Assets under construction and installation	Total
<i>Depreciation and impairment losses</i>								
At 1 January 2019		-	15,008	4,175	12,230	8,842	-	40,255
Depreciation charge for the year		-	4,277	1,088	3,657	1,778	-	10,800
Impairment losses		-	219	89	87	-	-	395
Disposals		-	(15,253)	(205)	(1,918)	(7,561)	-	(24,937)
At 31 December 2019 and 1 January 2020		-	4,251	5,147	14,056	3,059	-	26,513
Recognition of depreciation of right-of-use asset on initial application of TFRS 16	3	-	-	-	-	(528)	-	(528)
At 1 January 2020 - as adjusted		-	4,251	5,147	14,056	2,531	-	25,985
Depreciation charge for the year		-	4,628	253	3,782	230	-	8,893
Reversal of impairment losses		-	(219)	(89)	(87)	-	-	(395)
Disposals		-	(2,312)	(1,092)	(1,093)	(820)	-	(5,317)
At 31 December 2020		-	6,348	4,219	16,658	1,941	-	29,166

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	Land and land improvement	Leasehold improvements	Separate financial statements		Vehicles	Assets under construction and installation	Total
			Tools and operating equipment	Furniture, fixtures and office equipment <i>(in thousand Baht)</i>			
Net Book value							
At 31 December 2019							
Owned assets	326,313	34,680	365	7,904	243	125	369,630
Assets under finance lease	-	-	-	-	1,132	-	1,132
	<u>326,313</u>	<u>34,680</u>	<u>365</u>	<u>7,904</u>	<u>1,375</u>	<u>125</u>	<u>370,762</u>
At 31 December 2020							
Owned assets	326,313	32,122	313	5,862	-	-	364,610
	<u>326,313</u>	<u>32,122</u>	<u>313</u>	<u>5,862</u>	<u>-</u>	<u>-</u>	<u>364,610</u>

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The gross amount of the Group and the Company's fully depreciated plant and equipment that was still in use as at 31 December 2020 amounted to Baht 521.6 million and Baht 16.9 million, respectively (2019: Baht 350.5 million and Baht 13.3 million).

Guarantee

All of the Company's land and certain assets of a subsidiary, with a net book value as of Baht 342.6 million (2019: Baht 342.6 million), have been mortgaged with a bank to secure for credit facilities and short-term borrowings from a local financial institution as mentioned in Note 15.

Non-current provision for decommissioning costs

Movement of non-current provision for decommissioning costs for the year ended 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
At 1 January	67,604	51,111	6,274	2,578
Provision made	1,358	20,274	258	4,833
Provision reversed	(3,986)	(3,008)	(691)	(647)
Provision used	(2,715)	(773)	(750)	(490)
At 31 December	62,261	67,604	5,091	6,274

Such provisions were included in costs of leasehold improvement, for their restaurants situated on leased areas under leases.

12 Leases

As a lessee

		Consolidated financial statements	Separate financial statements
		<i>(in thousand Baht)</i>	
At 31 December 2020			
Right-of-use assets			
Buildings, constructions and improvements		956,144	161,068
Vehicles		799	799
Total		956,943	161,867
	Note	Consolidated financial statements	Separate financial statements
		<i>(in thousand Baht)</i>	
Right-of-use assets			
At 1 January 2020	3	1,089,102	182,175
Additions		187,377	1,774
Disposals		(99,144)	-
Less depreciation		(220,392)	(22,082)
At 31 December 2020		956,943	161,867

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The Group leases the spaces for 3 years, with extension options at the end of lease term and the rental is variable payments depending on the lease term. The rental is payable monthly as specified in the contract.

Extension options

Some space leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

<i>For the year ended 31 December 2020</i>	Consolidated financial statements <i>(in thousand Baht)</i>	Separate financial statements
<i>Amounts recognised in profit or loss</i>		
Depreciation of right-of-use assets:		
- Buildings, constructions and improvements	220,059	21,749
- Vehicles	333	333
Interest on lease liabilities	33,218	8,048
Expenses relating to short-term leases	1,489	-
Expenses relating to leases of low-value assets	9,027	861
Variable lease payments based on sales	11,265	-

In 2020, total cash outflow for leases of the Group and the Company were Baht 250.2 million and Baht 24.6 million, respectively.

13 Goodwill

	Consolidated financial statements	
	2020	2019
	<i>(in thousand Baht)</i>	
<i>Cost</i>		
At 1 January	181,956	181,956
Impairment loss	1,932	-
<i>Net book value</i>		
At 31 December	<u>180,024</u>	<u>181,956</u>

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Impairment testing for CGUs containing goodwill

For the purposes of impairment testing, goodwill has been allocated to the Group's CGUs (operating divisions) as follows.

	Consolidated financial statements	
	2020	2019
	<i>(in thousand Baht)</i>	
Goodwill from business combination - Group 1	133,581	133,581
Goodwill from business combination - Group 2	46,443	46,443
	180,024	180,024
Multiple units without significant goodwill	-	1,932
Total	180,024	181,956

The recoverable amount of this CGU was based on its value in use, measured by discounting the future cash flows to be generated from the continuing operations of each type of Thai food business which determined by engaging an independent valuer. As of 31 December 2020 and 2019. The cash flow projections included specific estimates for 5 years based on the past performance of the Thai food business and the expectations of future outcomes taking into account past experience, adjusted for anticipated revenue growth.

For the year ended 31 December 2020, the Group has an impairment loss of goodwill were Baht 1.9 million (2019: nil) since the estimated recoverable amounts of some CGU was lower than carrying amount.

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

	Consolidated financial statements	
	2020	2019
	<i>(%)</i>	
Discount rate	11.46	12.29
Terminal value growth rate	3.0	3.0

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14 Other intangible assets

	Consolidated financial statements				
	Software licenses	Patent and trademarks	Franchise agreements	Assets under installation	Total
	(in thousand Baht)				
Cost					
At 1 January 2019	23,496	72,646	31,621	1,598	129,361
Additions	4,870	32	834	3,741	9,477
Transfers in/(out)	635	21	-	(656)	-
Disposals	(54)	-	(8,438)	(53)	(8,545)
At 31 December 2019 and 1 January 2020	28,947	72,699	24,017	4,630	130,293
Additions	2,342	5	833	6,252	9,432
Transfers in/(out)	7,870	315	-	(8,185)	-
Disposals	(180)	-	(13,431)	(137)	(13,748)
At 31 December 2020	38,979	73,019	11,419	2,560	125,977
Amortisation and impairment losses					
At 1 January 2019	19,980	152	18,500	-	38,632
Amortisation for the year	2,668	152	6,702	-	9,522
Disposals	(45)	-	(7,539)	-	(7,584)
At 31 December 2019 and 1 January 2020	22,603	304	17,663	-	40,570
Amortisation for the year	5,557	248	4,209	-	10,014
Impairment losses	-	3,000	-	-	3,000
Disposals	(129)	-	(13,227)	-	(13,356)
At 31 December 2020	28,031	3,552	8,645	-	40,228
Net book value					
At 31 December 2019	6,344	72,395	6,354	4,630	89,723
At 31 December 2020	10,948	69,467	2,774	2,560	85,749

During 2019, a subsidiary of the Company entered into the Master Franchise, License and Technical Assistant Agreement, with an effective date of 22 July 2019 with a foreign company (licensor), whereby the latter will be granted a license to develop and operate Chinese dumplings restaurants under the name “Din’s” in Thailand. In consideration thereof, such subsidiary is committed to pay initial license fee and royalty payment to the licensor at the rates that specified in the agreement. The agreement will become effective for the period of 10 years until 22 July 2029 with renewal option for an additional period of 10 years by a notice in writing given in advance not less than 12 months.

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Impairment testing for trademarks

For the purposes of impairment testing, trademarks have been allocated to the Group's CGUs (operating divisions) as follows.

	Consolidated financial statements	
	2020	2019
	<i>(in thousand Baht)</i>	
Trademark - Group 1	35,932	35,932
Trademark - Group 2	28,480	28,480
	64,412	64,412
Multiple units without significant trademark	1,481	4,481
Total	65,893	68,893

The recoverable amount of this CGU was based on its value in use measured by income approach which which determined by engaging an independent valuer as of 31 December 2020 and 2019. The capability of production of revenue for 5 years based on historical data and the expectations of future outcomes taking into account past experience, adjusted for anticipated revenue growth.

For the year ended 31 December 2020, the group has an impairment loss of trademarks were Baht 3.0 million (2019: nil) since the estimated recoverable amounts of some CGU was lower than carrying amount.

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

	Consolidated financial statements	
	2020	2019
	<i>(%)</i>	
Discount rate	10.95	12.29 - 12.37
Terminal value growth rate	3.0	3.0
Royalty rate	0.5	0.5

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	Software licenses	Separate financial statements		Total
		Patent	Assets under installation	
		<i>(in thousand Baht)</i>		
Cost				
At 1 January 2019	13,308	3,753	910	17,971
Additions	2,875	117	3,458	6,450
Transfers in/(out)	-	21	(21)	-
Disposals	(43)	-	-	(43)
At 31 December 2019 and 1 January 2020	16,140	3,891	4,347	24,378
Additions	285	5	6,252	6,542
Transfers in/(out)	7,588	315	(7,903)	-
Disposals	(7)	-	(136)	(143)
At 31 December 2020	24,006	4,211	2,560	30,777
Amortisation and impairment losses				
At 1 January 2019	10,668	152	-	10,820
Amortisation for the year	1,903	153	-	2,056
Disposals	(43)	-	-	(43)
At 31 December 2019 and 1 January 2020	12,528	305	-	12,833
Amortisation for the year	4,005	248	-	4,253
Disposals	(1)	-	-	(1)
At 31 December 2020	16,532	553	-	17,085
Net book value				
At 31 December 2019	3,612	3,586	4,347	11,545
At 31 December 2020	7,474	3,658	2,560	13,692

The amortisation of franchise agreements is recognised in selling expenses. The amortisation of other intangible assets is recognised in administrative expenses. The impairment loss is recognised in administrative expenses in the statement of comprehensive income.

The gross amount of the Group and the Company's fully amortised other intangible assets that was still in use as at 31 December 2020 amounted to Baht 22.7 million and Baht 11.6 million, respectively (2019: Baht 18.0 million and Baht 8.9 million, respectively).

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15 Interest-bearing liabilities

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2020	2019	2020	2019
		<i>(in thousand Baht)</i>			
Short-term borrowings from related parties	6	-	-	3,572	150,690
Lease liabilities (2019: Finance lease liabilities)		980,621	883	179,688	883
Total interest-bearing liabilities		980,621	833	183,260	151,573

Short-term borrowings

As at 31 December 2020, the Group has overdraft facility totalling Baht 30.0 million (2019: Baht 30.0 million) and has short-term borrowing facilities from a financial institution, in form of promissory notes, letter of credit, trust receipts and letter of guarantee totalling Baht 170.0 million (2019: Baht 170.0 million). The facilities are secured by all of the Company's land and certain assets of a subsidiary as disclosed in note 11 and additionally guaranteed by another subsidiary. The Group has unused bank overdrafts facilities amounting to Baht 30.0 million (2019: Baht 30.0 million) and unused short-term borrowing facilities amounting to Baht 170.0 million (2019: Baht 170.0 million).

As at 31 December 2020, the Company had short-term borrowing facilities from another bank totalling Baht 100.0 million (2019: Baht 100.0 million). The facilities are unsecured. The Company has unused short-term borrowing facilities amounting to Baht 100.0 million (2019: Baht 100.0 million).

16 Non-current provisions for employee benefits

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Post-employment benefits	17,742	16,683	8,577	6,574
Total	17,742	16,683	8,577	6,574

Defined benefit plan

The Group and the Company operate a defined benefit plan based on the requirement of Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service. The defined benefit plans expose the Group to actuarial risks, such as interest rate risk, longevity risk, salary growth rate risk and employee turnover rate risk.

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<i>Present value of the defined benefit obligations</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
At 1 January	16,683	12,205	6,574	4,681
Include in profit or loss:				
Current service cost	8,153	6,041	4,172	3,210
Past service cost	-	757	-	216
Interest on obligation	228	283	88	107
	8,381	7,081	4,260	3,533
Included in other comprehensive income				
Actuarial gain	(7,187)	(1,285)	(2,257)	(941)
	(7,187)	(1,285)	(2,257)	(941)
Benefit paid	(135)	(1,318)	-	(699)
At 31 December	17,742	16,683	8,577	6,574

<i>Principal actuarial assumptions</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(%)</i>			
Discount rate	0.93	1.33	0.93	1.33
Future salary growth	5.00	5.00	5.00	5.00
Employee turnover	0.00 - 63.00	0.00 - 64.00	0.00 - 63.00	0.00 - 64.00

Assumptions regarding future mortality have been based on published statistics and mortality tables.

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Consolidated financial statements				
<i>Effect to the defined benefit obligation At 31 December</i>	1% increase in assumption		1% decrease in assumption	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Discount rate	(864)	(855)	875	933
Future salary growth	937	923	(874)	(861)
Employee turnover	(962)	(966)	458	496
Separate financial statements				
<i>Effect to the defined benefit obligation At 31 December</i>	1% increase in assumption		1% decrease in assumption	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Discount rate	(374)	(344)	377	375
Future salary growth	419	378	(393)	(353)
Employee turnover	(413)	(390)	171	199

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17 Share capital

	Par value per share (in Baht)	2020		2019	
		Number (thousand shares)	Baht	Number (in thousand Baht)	Baht
Authorised shares at 31 December		<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>
<i>Issued and paid-up shares</i>					
At 1 January					
- ordinary shares	1	300,000	300,000	225,000	225,000
Increase of new shares	1	<u>-</u>	<u>-</u>	<u>75,000</u>	<u>75,000</u>
At 31 December					
- ordinary shares	1	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>

Increase of share capital

During 2019, the Company offered 75.0 million ordinary shares at par value of Baht 1 each to the public for subscription shares. As a result, the Company registered of its issued and paid-up share capital of baht 300.0 million with the Ministry of Commerce of 13 February 2019. The Stock Exchange of Thailand approved the Company's 300 million ordinary shares as listed securities to be traded on the Stock Exchange of Thailand, effective from 20 February 2019.

Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

18 Legal reserve

Section 116 of the Public Companies Act B.E. 2535 Section 116 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

19 Segment information and disaggregation of revenue

Business segment

Management considers that the Group operates in a single line of business, namely restaurant, and has, therefore, only one reportable segment.

Geography

The Group is mostly managed and operates principally in Thailand. There are no material revenues derived from, or assets located in, foreign countries.

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In the following table, revenue is disaggregated by primary major products and timing of revenue recognition.

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<i>For the year ended 31 December</i>	<i>(in thousand Baht)</i>			
Major products and services lines				
Revenue from sales of goods	2,213,914	3,026,641	-	-
Franchise fee income	70,083	75,856	-	-
Management fee income and others	-	-	178,391	242,772
Total	2,283,997	3,102,497	178,391	242,772
Timing of revenue recognition				
At a point in time	2,277,899	3,098,964	-	-
Over time	6,098	3,533	178,391	242,772
Total	2,283,997	3,102,497	178,391	242,772

20 Employee benefit expenses

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
		<i>(in thousand Baht)</i>			
Salaries, wages and bonus		612,020	781,525	126,965	155,354
Defined benefit plans	19	8,381	7,081	4,260	3,533
Defined contribution plans		3,721	11,998	1,459	4,787
Termination benefits		8,191	5,933	4,066	3,535
Others		56,764	71,571	10,335	12,261
Total		689,077	878,108	147,085	179,470

Defined contribution plans

The defined contribution plans comprise provident funds established by the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 2% to 15% of their basic salaries and by the Group at rates ranging from 2% to 5% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by a licensed Fund Manager.

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21 Expenses by nature

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
		<i>(in thousand Baht)</i>			
Costs of raw materials		839,273	1,123,104	-	-
Employee benefit expenses	20	689,077	878,108	147,085	179,470
Service and utility expenses		257,680	532,830	3,634	24,200
Depreciation and amortisation		399,162	188,791	35,535	12,856
Lease-related expenses (2019: Lease payment)		15,600	15,593	861	950
Advertising costs		33,321	54,771	1,406	1,238
Commission expenses		38,858	22,998	-	-
(Reversal of) impairment of goodwill, property, plant and equipment, intangible assets and others		9,326	8,695	(395)	395
Others		100,873	188,000	21,022	34,309
Total cost of sales of goods and services, selling expenses and administrative expenses		2,383,170	3,012,890	209,148	253,418

22 Income tax

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Income tax recognised in profit or loss				
Current tax expense				
Current year	4,545	23,912	-	-
	4,545	23,912	-	-
Deferred tax expense				
Movements in temporary differences	(25,379)	(2,562)	(5,079)	(1,077)
Total	(20,834)	21,350	(5,079)	(1,077)

	Consolidated financial statements					
	Before tax	2020 Tax expense	Net of tax	Before tax	2019 Tax expense	Net of tax
	<i>(in thousand Baht)</i>					
Income tax						
Recognised in other comprehensive income						
Defined benefit plan actuarial gains	7,187	(1,437)	5,750	1,285	(257)	1,028
Total	7,187	(1,437)	5,750	1,285	(257)	1,028

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	Separate financial statements					
	Before tax	2020 Tax expense	Net of tax (in thousand Baht)	Before tax	2019 Tax expense	Net of tax
Income tax						
Recognised in other comprehensive income						
Defined benefit plan actuarial gains	2,257	(451)	1,806	941	(188)	753
Total	2,257	(451)	1,806	941	(188)	753

Reconciliation of effective tax rate

	Consolidated financial statements			
	2020		2019	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit (loss) before income tax expense		(84,489)		127,573
Income tax using the Thai corporation tax rate	20	(16,911)	20	25,438
Expenses not deductible for tax purposes		2,333		1,675
Additional tax deductible expenses		(6,333)		(6,146)
Depreciation - discount on business combination under common control		77		383
Total	24.7	(20,834)	16.7	21,350

Reconciliation of effective tax rate

	Separate financial statements			
	2020		2019	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit (loss) before income tax expense		(25,553)		267,916
Income tax using the Thai corporation tax rate	20	(5,111)	20	53,583
Expenses not deductible for tax purposes		180		33
Additional tax deductible expenses		-		(171)
Exemption of dividend income		(148)		(54,522)
Total	19.9	(5,079)	(0.4)	(1,077)

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		Consolidated financial statements				
		(Charged) / Credited to				
		At 1	Profit or loss	Other comprehensive income	Equity	At 31
<i>Deferred tax</i>	<i>Note</i>	<i>January</i>		<i>income</i>		<i>December</i>
				<i>(in thousand Baht)</i>		
2020						
Deferred tax assets						
Trade receivables		211	912	-	-	1,123
Inventories		704	(238)	-	-	466
Property, plant and equipment		1,739	1,413	-	-	3,152
Contract liabilities		8,428	2,230	-	-	10,658
Provisions		11,433	3,869	(1,437)	-	13,865
Rental expenses		731	(249)	-	-	482
Expenses relating to offer share capital		4,589	-	-	-	4,589
Loss carry forward		5,497	16,693	-	-	22,190
		33,332	24,630	(1,437)	-	56,525
Recognition of right-of-use assets on initially application of TFRS 16	3	8,596	749	-	-	9,345
Total		41,928	25,379	(1,437)	-	65,870
2019						
Deferred tax assets						
Trade receivables		-	211	-	-	211
Inventories		399	305	-	-	704
Property, plant and equipment		-	1,739	-	-	1,739
Contract liabilities		2,598	5,830	-	-	8,428
Provisions		10,003	1,687	(257)	-	11,433
Rental expenses		1,253	(522)	-	-	731
Expenses relating to offer share capital		-	-	-	4,589	4,589
Loss carry forward		12,185	(6,688)	-	-	5,497
Total		26,438	2,562	(257)	4,589	33,332

Zen Corporation Group Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

<i>Deferred tax</i>	<i>Note</i>	At 1 January	Separate financial statements			At 31 December
			Profit or loss	(Charged) / Credited to		
				Other comprehensive income (in thousand Baht)	Equity	
2020						
<i>Deferred tax assets</i>						
Property, plant and equipment		79	(79)	-	-	-
Provisions		1,527	1,634	(451)	-	2,710
Expenses relating to offer share capital		4,589	-	-	-	4,589
Loss carry forward		453	2,196	-	-	2,649
		6,648	3,751	(451)	-	9,948
Recognition of right-of-use assets on initially application of TFRS 16	3	2,333	1,328	-	-	3,661
Total		8,981	5,079	(451)	-	13,609
2019						
<i>Deferred tax assets</i>						
Property, plant and equipment		-	79	-	-	79
Provisions		1,170	545	(188)	-	1,527
Expenses relating to offer share capital		-	-	-	4,589	4,589
Loss carry forward		-	453	-	-	453
Total		1,170	1,077	(188)	4,589	6,648

23 Earnings per share

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(thousand shares/ thousand Baht)</i>			
Profit (loss) attributable to ordinary shareholders for the year ended 31 December	(63,655)	106,233	(20,474)	268,993
Ordinary shares outstanding				
Number of ordinary shares outstanding at 1 January	300,000	225,000	300,000	225,000
Effect of shares issued at 13 February 2020	-	66,164	-	66,164
Weighted average number of ordinary shares outstanding (basic) at 31 December	300,000	291,164	300,000	291,164
Earnings per share (basic) (in Baht)	(0.21)	0.36	(0.07)	0.92

Zen Corporation Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

24 Dividends

The dividends paid by the Group to the shareholders are as follows:

	Approval date	Payment schedule	Dividend rate per share (Baht)	Amount (in thousand Baht)
<i>2020</i>				
Interim dividend	9 November 2020	December 2020	0.25	74,992
<i>2019</i>				
Annual dividend	24 August 2020	September 2020	0.20	60,000
<i>2018</i>				
Interim dividend	21 January 2019	January 2019	0.45	101,250

25 Financial instruments

(a) Carrying amounts and fair values

The carrying amounts and fair values of financial current assets and financial current liabilities are taken to approximate the carrying values due to the relatively short-term maturity of these financial assets and liabilities.

(b) Financial risk management policies

Risk management framework

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

(b.1) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

Zen Corporation Group Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

(b.1.1) Trade and other current receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review financial statements. Sale limits are established for each customer and reviewed annually. Any sales exceeding those limits require approval from the risk management committee.

The Group limits its exposure to credit risk from trade and other current receivables by establishing a maximum payment period of one month.

The following table provides information about the exposure to credit risk and ECLs for trade and other current receivables.

<i>At 31 December 2020</i>	Consolidated financial statements	
	Trade and other current receivables	Allowance for expected credit loss
	<i>(in thousand Baht)</i>	
Within credit terms	45,105	73
Overdue:		
1-90 days	22,222	109
91-180 days	999	457
181-270 days	785	1,045
271-365 days	1,426	2,026
More than 365 days	6,933	1,096
Total	77,470	5,616
<i>Less allowance for expected credit loss</i>	<i>(5,616)</i>	
Net	71,854	

<i>At 31 December 2020</i>	Separate financial statements	
	Trade and other current receivables	Allowance for expected credit loss
	<i>(in thousand Baht)</i>	
Within credit terms	22,553	-
Overdue:		
1-90 days	327	-
91-180 days	-	-
181-270 days	-	-
271-365 days	-	-
More than 365 days	30	-
Total	22,910	-

Loss rates are based on actual credit loss experience over the past 5 years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Zen Corporation Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

<i>Trade and other current receivables</i>	Consolidated financial statements <i>(in thousand Baht)</i>	Separate financial statements
<i>At 31 December 2019</i>		
Within credit terms	47,023	25,586
Overdue:		
Less than 3 months	42,554	686
3-6 months	8,788	2,473
6-12 months	7,982	-
More than 12 months	1,208	-
Total	107,555	28,745
<i>Less allowance for doubtful accounts</i>	<i>(1,055)</i>	<i>-</i>
Net	106,500	28,745

The normal credit term granted by the Group ranges from 7 days to 30 days.

<i>Movement of allowance for expected credit loss of trade and other current receivables</i>	Consolidated financial statements <i>(in thousand Baht)</i>	Separate financial statements
At 1 January 2020	1,055	-
Addition	4,608	-
Write-off	(47)	-
At 31 December 2020	5,616	-

(b.1.2) Cash and cash equivalent

The Group's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks and financial institutions with a rating of reliable assigned by Credit Rating Agency, for which the Group considers to have low credit risk.

(b.1.2) Guarantees

The Group's policy is to provide financial guarantees only for subsidiaries' liabilities and associates' liabilities.

(b.2) Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

The following table are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

		Separate financial statements			
		Maturity period			
	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years (in thousand Baht)	After 5 years	Total
<i>At 31 December 2019</i>					
<i>Financial liabilities</i>					
Lease liabilities	17.48	602	281	-	883
Loans payable - Related parties	1.05	150,690	-	-	150,690
Total		151,292	281	-	151,573

Zen Corporation Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

(b.3) Market risk

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because loan interest rates are mainly fixed. The Group is primarily exposed to interest rate risk from its short-term borrowings. The Group mitigates this risk by ensuring that the majority of its borrowings are at fixed interest rates.

26 Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

27 Commitments with non-related parties

	Consolidated financial statement		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<i>Capital commitments</i>				
Leasehold improvements	9,536	41,772	-	5,064
Office equipments	1,748	12,271	19	3,128
Intangible assets	1,414	2,231	1,172	2,117
Total	12,698	56,274	1,191	10,309
<i>Other commitments</i>				
Short-term lease commitments	15,265	-	1,622	-
Purchase orders for goods and supplies	35,165	48,707	738	1,187
Bank guarantees	800	600	-	-
Lease agreements	-	557,480	-	234,592
Service agreements	334,555	338,433	-	-
Other agreements	65,982	63,490	50,698	49,798
Total	451,767	1,008,710	53,058	285,577

The Group has the Marketing Support Agreement with 2 local companies for promotion and distribution of certain products of such companies in the group's and franchisees' restaurants for the period from 1 July 2019 to 31 December 2024. In consideration thereof, the Group is committed to perform promotion activities and comply with certain conditions as indicated in the agreement.

Zen Corporation Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

28 Events after the reporting period

Impact of COVID-19 Outbreak

As disclosed in note 5, the Group has elected to apply accounting guidance on temporary accounting relief measures for additional accounting options in response to impact from the situation of coronavirus pandemic (COVID-19). The guidance expired on 31 December 2020.

The COVID-19 pandemic continued subsequent to the expiration of the guidance as increasingly affected cases were found and spread all over Thailand. In response to the situation, Thailand has enacted measures to monitor and control the spread, encouraging people to keep social distancing, avoid crowded gathering and travel less. Meanwhile, according to information from the World Health Organization (WHO), vaccines for COVID-19 have become available and are being rolled out around the world. However, it is still not possible to predict for how long and to what extent the vaccines will provide protection and when the spread will be over.

As the situation is highly uncertain and fluid, it is currently not possible to determine the impact of the continued pandemic, government measures and roll out of the vaccination on the business of the Group. Management is closely monitoring the situation and managing to lessen the impact as much as possible.

Approval the payment of annual dividend for the year 2020 of the subsidiaries

At the Board of Directors Meeting held on 23 February 2021. The Board of Directors approved the subsidiaries to pay the annual dividend for the year 2020 to the Company in March 2021 as follows:

Subsidiaries	Dividend rate per share (Baht)	Amount (in thousand Baht)
Aka Interfood Company Limited	12.50	10,000
Zen Supply Chain Management Company Limited	1.50	1,050
Spice Synergy Company Limited	1.50	750
Total		11,800

29 Thai Financial Reporting Standards (TFRS) not yet adopted

The amendment to TFRS 16 provides an option for lessees not to assess whether COVID-19-related rent concessions are lease modifications, but to directly decrease the lease liability. The impact from the application of the option shall be adjusted to retained earnings on 1 January 2021 and no adjustments are to be made on comparative financial statements. Management is currently considering whether or not to elect to apply the option.

ZEN Corporation Group Public Company Limited

Section 4

Certification of Information Accuracy

Section 4

Certification of Information Accuracy

4. Securities Offering by Issuing Company

The Company has reviewed the information in this annual registration statement and hereby certifies that the aforementioned information is true, accurate, and complete and contains no false or misleading statements or no omission of any material facts that should have been stated therein. In addition, the Company hereby certifies that: (1) The financial statements and financial information accompanying the annual registration statement contains true, accurate, and complete information concerning the financial status, business operations, and cash flow of the Company and its subsidiaries.

(2) The Company sets up a proper disclosure system to ensure that the Company discloses all material parts of both the Company and its subsidiaries correctly and completely, as well as monitor compliance with such system. (3) The Company establishes a proper internal control system and monitor compliance with the system. The Company has informed the internal control system assessment to the audit committee of the Company, which covers deficiencies and significant changes to the internal control system, including any wrongdoing that may affect the financial reporting of the Company and its subsidiaries. In this regard, as proof that all documents are the same as the documents certified by the Company, I have assigned Mrs. Yupaphan Eksitikul or Mr. Steven David Horlider to sign every page of the documents. If any document does not contain Mrs. Yupaphan Ekasittikul's or Mr. Steven David Halliday's signature, I will deem that such document is not the information that I have certified as above.

Name	Position	Signature
Mr. Boonyong Tansakul	Director / Chairman of the Executive Committee / Risk Management Committee/ Marketing and Sustainable Development Committee / Chief Executive Officer/(Acting) Chief of Project Management and Business Development Officer	<i>Mr. Boonyong Tansakul</i>
Miss Jomkwan Chirathivat	Director / Executive Director / Marketing and Sustainable Development Committee / (Acting) Chief Intellectual Property Officer	<i>Miss Jomkwan Chirathivat</i>

Name	Position	Signature
<hr/>		
Grantee		
Mrs. Yupaphan Ekasittikul	Executive Director / Risk Management Committee / Chief Financial Officer / Accounting Director (Acting) / Finance Director (Acting)	<i>Mrs. Yupaphan Ekasittikul</i>
<hr/>		
Mr. Steven David Halliday	Director	<i>Mr. Steven David Halliday</i>
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Zen Corporation Group Public Company Limited

APPENDIX

Zen Corporation Group Public Company Limited

APPENDIX1

Details of Directors, Eexecutives , Controlling Person, The highest responsibility in accounting and finance, The person who directly responsible for accounting supervision and Company Secretary.

APPENDIX1 : Details of Directors, Executives , Controlling Person, The highest responsibility in accounting and finance, The person who directly responsible for accounting supervision and Company Secretary

APPENDIX1.1: Details of Directors, Executives , Controlling Person, The highest responsibility in accounting and finance, The person who directly responsible for accounting supervision and Company Secretary.

Name-Surname / Position (Date of appointment)	Age (Year)	Education / Training (IOD)	% Shareholding in the Company ⁽¹⁾	Family Relation between Directors and Executives	Other current position of director / executive positions		Work Experience			
					Other listed companies	Companies or Other position in other company doing business	Time period	Position	Company / Department name	Type of Business
Mr. Paitoon Taveebhol Chairman of the Board of Directors (December 1, 2014) Independent Director (September 3, 2018)	70	- Bachelor of Business Administration (Accounting), Ramkhamhaeng University, Thailand	-None-	-None-	4	-None-	2014 – Present	Chairman of the Board of Directors / Independent Director	Zen Corporation Group Public Company Limited	Holding Company of Food Business
		- Master of Business Administration (Finance), Kasetsart University, Thailand - Graduate Diploma Program in Auditing, Thammasat					2012 - Present	Independent Director / Chairman of Audit Committee / Chairman of Risk Policy Committee/No nomination and Remuneration Committee ⁽¹⁾	KCE Electronics Public Company Limited	Electronic component manufacturing and distribution business

Note ⁽¹⁾ Appointed position of the Nomination and Remuneration Committee in 2018

Name-Surname / Position (Date of appointment)	Age (Year)	Education / Training (IOD)	% Shareholding in the Company ⁽¹⁾	Family Relation between Directors and Executives	Other current position of director / executive positions		Work Experience			
					Other listed companie s	Companies or Other position in other company doing business	Time period	Position	Company / Department name	Type of Business
		University, Thailand - Director Accreditation Program (DAP) Thai Institute of Directors (IOD) Class of 4/2003 - Director Certification Program (DCP) Thai Institute of Directors (IOD) Class of 38/2003 - Audit Committee Program (ACP) Thai Institute of Directors (IOD) Class of 6/2005 - Role of Chairman Program (RCP) Thai Institute of Directors (IOD) Class of 11/2005					2012 - Present	Independent Director / Audit Committee	Easy Buy Public Company Limited	Credit service business
							2008 - Present	Chairman of the Nomination and Remuneration Committee / Independent Director / Audit and Corporate Governance Committee	Somboon Advance Technology Public Company Limited	Auto parts manufacturing business

		<ul style="list-style-type: none"> - Chartered Director Class (R-CDC) Thai Institute of Directors (IOD) Class of 3/2008 - Monitoring Fraud Risk - Management (MFM) Thai Institute of Directors (IOD) Class of 1/2009 - Monitoring the Quality of Financial Reporting (MFR) Thai Institute of Directors (IOD) Class of 11/2010 - Role of the Compensation Committee (RCC) Thai Institute of Directors (IOD) Class of 10/2010 - Monitoring the Internal Audit Function (MIA) Thai Institute of Directors (IOD) Class of 9/2010 - Monitoring the System of Internal Control and Risk Management (MIR) Thai Institute of Directors (IOD) Class of 9/2010 - Anti-Corruption for 					2002 - Present	Independent Director /Chairman of the Audit Committee /Chairman of the Risk Policy Committee	Central Pattana Public Company Limited	Real estate development business
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Name-Surname / Position (Date of appointment)	Age (Year)	Education / Training (IOD)	% Shareholding in the Company ⁽¹⁾	Family Relation between Directors and Executives	Other current position of director / executive positions		Work Experience			
					Other listed companie s	Companies or Other position in other company doing business	Time period	Position	Company / Department name	Type of Business
		Executive Program (ACEP) Thai Institute of Directors (IOD) Class of 2/2012 - DCP Reunion (M-DCP Re) Thai Institute of Directors (IOD) Class of 1/2012								
Mr. Sakkanon Chirathivat Director (December 1, 2014) Vice Chairman of the Board of Directors (June 1, 2018) Nomination and Remuneration Committee (May 13, 2015) Risk Management	43	- Bachelor of Architecture, University of Westminster, England - Master of Urban Design, AA School of Architecture, England - Master of Business Administration,Sasin Graduate Institute of Business Administration of Thailand	33.46	Being a sibling of Miss Jomkwan Chirathivat, who is a director and executive of the Group	-None-	13	2014 – Present	Vice Chairman of the Board of Directors / Nomination and Remuneration Committee/ Risk Management Committee	Zen Corporation Group Public Company Limited	Holding Company of Food Business
							2016 - Present	Director	Zen and Spicy Company Limited	Restaurant business
							2016 - Present	Director	Spice Synergy Company Limited	Service mark owner Restaurant brands

Name-Surname / Position (Date of appointment)	Age (Year)	Education / Training (IOD)	% Shareholding in the Company ⁽¹⁾	Family Relation between Directors and Executives	Other current position of director / executive positions		Work Experience			
					Other listed companie s	Companies or Other position in other company doing business	Time period	Position	Company / Department name	Type of Business
Committee (29 April 2019) Director of Subsidiaries ⁽³⁾		<ul style="list-style-type: none"> - Director Certification Program (DCP) Thai Institute of Directors (IOD) Class of 211/2015 - Ethical Leadership Program (ELP) Thai Institute of Directors (IOD) Class of 7/2017 					2016 - Present	Director	Food Active Company Limited	Wholesale business of other food products Which is not elsewhere classified
							2015 - Present	Director	AGB Family Holding Company Limited	A holding company that does not primarily invest in financial business
							2015 - Present	Director	AGB Siblings Holding Company Limited	A holding company that does not primarily invest in financial business
							2015- Present	Director	Zen Supply Chain Management Company Limited	Management business, procurement, purchase and delivery of raw materials
							2015 - Present	Director	Suan Saladaeng Company Limited	Real estate rental and operation business
							2013 - Present	Director	Tokyo Concepts Company Limited	Restaurant business

Name-Surname / Position (Date of appointment)	Age (Year)	Education / Training (IOD)	% Shareholding in the Company ⁽¹⁾	Family Relation between Directors and Executives	Other current position of director / executive positions		Work Experience			
					Other listed companie s	Companies or Other position in other company doing business	Time period	Position	Company / Department name	Type of Business
							2013 - Present	Director	Gyu Grill Group Company Limited	Restaurant business
							2013 - Present	Director	Aka Inter Foods Company Limited	Restaurant business
							2011 - Present	Director	Zen Restaurant Holding Company Limited	Restaurant business
							2006 - Present	Director	Terra Cottage Company Limited	Resort hotel business And apartments
							2006 - Present	Director	Canyon Cottage Company Limited	Hotel and Resort Business
							2014 - 2018	Chief Executive Officer	Zen Corporation Group Public Company Limited	Holding Company of Food Business

Name-Surname / Position (Date of appointment)	Age (Year)	Education / Training (IOD)	% Shareholding in the Company ⁽¹⁾	Family Relation between Directors and Executives	Other current position of director / executive positions		Work Experience			
					Other listed companies	Companies or Other position in other company doing business	Time period	Position	Company / Department name	Type of Business
Mr. Prawit Kijpaisalrattana Independent Director (12 December 2014) Chairman of the Audit Committee (12 December 2014) Chairman of the Nomination and Remuneration Committee (8 August 2562)	67	<ul style="list-style-type: none"> - Bachelor of Accounting, Thammasat University, Thailand - Master of Accounting, Thammasat University, Thailand - Board Nomination and Compensation Program (BNCP) Thai Institute of Directors (IOD) Class of 7/2019 - Director Accreditation Program (DAP) Thai Institute of Directors (IOD) Class of 120/2015 - Advanced Audit Committee Program (AACP) Thai Institute of Directors (IOD) Class of 	-None-	-None-	-None-	1	2014 - present	Independent Director/Chairman of the Audit Committee/Chairman of the Nomination and Remuneration Committee	Zen Corporation Group Public Company Limited	Holding Company of Food Business

Name-Surname / Position (Date of appointment)	Age (Year)	Education / Training (IOD)	% Shareholding in the Company ⁽¹⁾	Family Relation between Directors and Executives	Other current position of director / executive positions		Work Experience			
					Other listed companie s	Companies or Other position in other company doing business	Time period	Position	Company / Department name	Type of Business
		30/2018					2018 - present	Independent Director/Chairman of the Audit Committee	Thai Eastern Group Holdings Company Limited	Holding shares in other companies (Holding Company) operating rubber business Palm oil business Renewable energy business And other related businesses
							2015 - 2020	Director	Baan Suay Group (Suratthani) Public Company Limited	Real estate business
							2013 - 2014	Cooperative Chairman	Beef cattle cooperatives	Agricultural Cooperatives

Name-Surname / Position (Date of appointment)	Age (Year)	Education / Training (IOD)	% Shareholding in the Company ⁽¹⁾	Family Relation between Directors and Executives	Other current position of director / executive positions		Work Experience			
					Other listed companie s	Companies or Other position in other company doing business	Time period	Position	Company / Department name	Type of Business
Assoc.Prof.Dr. Wilert Puriwat Independent Director (13 May 2015) Chairman of the Marketing and Sustainable Development Committee (10 March 2016) Nomination and Remuneration Committee (8 August 2019)	53	<ul style="list-style-type: none"> - Bachelor's Degree in Finance and Banking Chulalongkorn University, Thailand - Master of Marketing, Thammasat University, Thailand - Master's Degree in Private and Public Management, Yale University, USA - Ph.D. in International Business, University of Oxford, England - Director Accreditation Program (DAP)Thai Institute of Directors (IOD), Class of 137/2017 	-None-	-None-	-None-	1	2015 - Present	Independent Director / Chairman of the Marketing and Sustainable Development Committee / Nomination and Remuneration Committee	Zen Corporation Group Public Company Limited	Holding Company of Food Business
							2019 - Present	Dean of Faculty of Commerce and Accountancy	Chulalongkorn University	University
							2018 - 2019	Audit Committee	Zen Corporation Group Public Company Limited	Holding shares in other companies (Holding Company) that operate a restaurant business and other related businesses

Name-Surname / Position (Date of appointment)	Age (Year)	Education / Training (IOD)	% Shareholding in the Company ⁽¹⁾	Family Relation between Directors and Executives	Other current position of director / executive positions		Work Experience			
					Other listed companie s	Companies or Other position in other company doing business	Time period	Position	Company / Department name	Type of Business
							2010 – 2019	Head of Marketing Department	Chulalongkorn University	University
							2010 - 2015	Consultant	Spa Haku Hodo Company Limited	Advertising service business
Mrs. Jotika Savanananda Independent Director (15 May 2018) Audit Committee (15 May 2018) Marketing and Sustainable Development Committee (29 April 2019)	60	<ul style="list-style-type: none"> - B.A. in Psychology, University of Minnesota, USA - M.S. in Psychology, University of San Francisco, USA - MBA (Finance and International Business), Sasin Graduate Institute of Business Administration, Chulalongkorn University - Director Certification 	-None-	-None-	1	7	2018 - Present	Independent Director / Audit Committee / Marketing and Sustainable Development Committee	Zen Corporation Group Public Company Limited	Holding Company of Food Business
							2018 – Present	Director	RFS Company Limited	Hospital support service business
							2017 - present	Consultant	Securities and Exchange Commission	Government agency

Name-Surname / Position (Date of appointment)	Age (Year)	Education / Training (IOD)	% Shareholding in the Company ⁽¹⁾	Family Relation between Directors and Executives	Other current position of director / executive positions		Work Experience			
					Other listed companie s	Companies or Other position in other company doing business	Time period	Position	Company / Department name	Type of Business
		Program (DCP) Thai Institute of Directors (IOD), Class of 73/2006 - Advanced Audit Committee Program (AACP) Thai Institute of Directors (IOD), Class of 18/2015 - Risk Management Committee Program (RMP) Thai Institute of Directors (IOD), Class of 6/2015 - Corporate Governance for Capital Market Intermediaries (CGI) Thai Institute of Directors (IOD) Class of 18/2017					2016 - Present	Sub-Committee	Securities and Exchange Commission	Government agency
							2015 - Present	Independent Director / Audit Committee / Nomination and Remuneration Committee	Central Pattana Public Company Limited	Real estate development business
							2015 - Present	Chairman of the Board	Talis Asset Management Company Limited	Asset Management Business
							2018 - present	Qualified University Council Member	Mahidol University Council	University
							2019 – Present	Qualified Director	Thailand Capital Market Development Fund	Promote the development of the capital market
							2019 – 2020	Qualified Director	Life Insurance Fund (Life Insurance Fund)	Insurance business

Name-Surname / Position (Date of appointment)	Age (Year)	Education / Training (IOD)	% Shareholding in the Company ⁽¹⁾	Family Relation between Directors and Executives	Other current position of director / executive positions		Work Experience			
					Other listed companie s	Companies or Other position in other company doing business	Time period	Position	Company / Department name	Type of Business
							2017 – 2020	Director / Audit Committee / Investment Committee	Life Insurance Fund (Life Insurance Fund)	Insurance business
							2018 - 2019	Nomination and Remuneration Committee	Zen Corporation Group Public Company Limited	Holding Company of Food Business
							2014 – 2018	Director / Chairman of the Audit Subcommittee / Nomination and Remuneration Committee	The Stock Exchange of Thailand	The Stock Exchange of Thailand
							2014 - 2017	Qualified Financial Director	The Office of Insurance Commission (OIC)	Government agency

Name-Surname / Position (Date of appointment)	Age (Year)	Education / Training (IOD)	% Shareholding in the Company ⁽¹⁾	Family Relation between Directors and Executives	Other current position of director / executive positions		Work Experience			
					Other listed companie s	Companies or Other position in other company doing business	Time period	Position	Company / Department name	Type of Business
							2014 - 2015	Director / Risk Management Committee / Nomination and Remuneration Committee	Government Housing Bank	State Enterprises
							2009 - 2014	Managing Director	SCB Asset Management Company Limited	Asset Management Business

Name-Surname / Position (Date of appointment)	Age (Year)	Education / Training (IOD)	% Shareholding in the Company ⁽¹⁾	Family Relation between Directors and Executives	Other current position of director / executive positions		Work Experience			
					Other listed companie s	Companies or Other position in other company doing business	Time period	Position	Company / Department name	Type of Business
Mr. Chavalit Chindavanig Independent Director (29 April 2562) Chairman of the Risk Management Committee (29 April 2562) Audit Committee (29 April 2562)	57	<ul style="list-style-type: none"> - Bachelor of Faculty of Engineering Mechanical Engineering Chulalongkorn University Thailand - Master of Business Administration Finance Eastern Michigan University USA - IT Governance and Cyber Resilience Program (ITG) Thai Institute of Directors (IOD), Class of 10/2019 - Certification Program Update (DCPU) Thai Institute of Directors (IOD), Class of 5/2015 - Corporate Governance for Capital Market 	-None-	-None-	1	2	2019 – present	Independent Director / Chairman of the Risk Management Committee / Audit Committee	Zen Corporation Group Public Company Limited	Holding Company of Food Business
							2019 - present	Independent Director / Audit Committee	Internet Thailand Public Company Limited	The company is a fully integrated provider of ICT infrastructure
							2018- present	Audit Committee	KKP Capital Public Company Limited	Holding shares in other companies (Holding Company) In the capital market business
							2012 - present	Director	KKP Capital Public Company Limited	Holding shares in other companies (Holding Company) In the capital market business

Name-Surname / Position (Date of appointment)	Age (Year)	Education / Training (IOD)	% Shareholding in the Company ⁽¹⁾	Family Relation between Directors and Executives	Other current position of director / executive positions		Work Experience			
					Other listed companie s	Companies or Other position in other company doing business	Time period	Position	Company / Department name	Type of Business
		Intermediaries (CGI) Thai Institute of Directors (IOD), Class of 4/2015 - Monitoring the System of Internal Control and Risk Management (MIR) Thai Institute of Directors (IOD), Class of 12/2012 - Monitoring the Quality of Financial Reporting (MFR) Thai Institute of Directors (IOD), Class of 15/2015 - Monitoring the Internal Audit Function (MIA) Thai Institute of Directors (IOD), Class of 11/2013 - Monitoring Fraud Risk					2016 - present	Audit Committee	Kiatnakin Phatra Bank Public Company Limited	Securities business
							2012- present	Director	Kiatnakin Phatra Bank Public Company Limited	Securities business
							2019 - 2020	Director	Limousine and Car Transport Company Limited	Holding shares in other companies (Holding Company) operating car rental business
							2012 - 2018	First Executive Vice President	Kiatnakin Bank Public Company Limited	Commercial banking business
							2007 – 2018	Head of Corporate Strategy Group / Member of the Risk Management Committee	Kiatnakin Bank Public Company Limited	Commercial banking business

Name-Surname / Position (Date of appointment)	Age (Year)	Education / Training (IOD)	% Shareholding in the Company ⁽¹⁾	Family Relation between Directors and Executives	Other current position of director / executive positions		Work Experience			
					Other listed companie s	Companies or Other position in other company doing business	Time period	Position	Company / Department name	Type of Business
		Management (MFM) Thai Institute of Directors (IOD), Class of 6/2013					2011 - 2017	Director / Audit Committee	Kiatnakin Phatra Asset Management Company Limited	Investment management business
		- Audit Committee Program (ACP) Thai Institute of Directors (IOD), Class of 37/2013					2009 - 2016	Director	KKTrade Securities Company Limited	Securities business
		- Director Certification Program (DCP) Thai Institute of Directors (IOD), Class of 76/2006					2010 - 2016	Audit Committee	KKTrade Securities Company Limited	Securities business
		- Director Accreditation Program (DAP) Thai Institute of Directors (IOD), Class of 21/2004					2009 - 2016	Director	Erawan Law Office Limited	Law firm

Name-Surname / Position (Date of appointment)	Age (Year)	Education / Training (IOD)	% Shareholding in the Company ⁽¹⁾	Family Relation between Directors and Executives	Other current position of director / executive positions		Work Experience			
					Other listed companies	Companies or Other position in other company doing business	Time period	Position	Company / Department name	Type of Business
Mr. Boonyong Tansakul Director (21 July 2016) Chairman of the Executive Committee (1 June 2018) Risk Management Committee (29 April 2019) Marketing and Sustainable Development Committee (29 April 2019) Chief Executive Officer (1 June 2018) (Acting) Chief of Project Management and Business Development Officer	55	<ul style="list-style-type: none"> - Bachelor of Science degree in Electrical Engineering King Mongkut's Institute of Technology Thonburi, Thailand - Certificate in Introductory Manufacturing Management, Sanno Institute of Management Thai Japanese Technological Promotion Association Thailand - Certificate of completion in Executive Development Program, Kellogg Graduate School of Management, 	-None-	-None-	-None-	8	2020 - Present	Chief of Project Management and Business Development Officer (Acting)	Zen Corporation Group Public Company Limited	Holding Company of Food Business
							2019 - Present	Risk Management Committee / Marketing and Sustainable Development Committee	Zen Corporation Group Public Company Limited	Holding Company of Food Business
							2018 - Present	Chairman of the Executive Committee / Chief Executive Officer	Zen Corporation Group Public Company Limited	Holding Company of Food Business
							2016 - Present	Director /	Zen Corporation Group Public Company Limited	Holding Company of Food Business

Name-Surname / Position (Date of appointment)	Age (Year)	Education / Training (IOD)	% Shareholding in the Company ⁽¹⁾	Family Relation between Directors and Executives	Other current position of director / executive positions		Work Experience			
					Other listed companie s	Companies or Other position in other company doing business	Time period	Position	Company / Department name	Type of Business
(1 October 2020) Director of Subsidiaries ⁽³⁾ Executive of Subsidiaries ⁽³⁾		Northwestern University, USA - Capital Market Academy Leadership Program Class 2015, The Securities and Exchange Commission, Thailand - Capital Market Academy Program (CMA) Class 13/2011, The Stock Exchange of Thailand - Director Certification Program (DCP) Class 96/2007, Thai Institute of Directors (IOD) - IOD Chartered Director Class 3/2008, Thai Institute of Directors (IOD) - Anti-Corruption for Executive Program (ACEP)					2019 - Present	Director of Nomination and Remuneration Committee	Thai Listed Companies Association	Non-profit Organization
							2020 - Present	Chief of Project Management and Business Development Group (Acting)	Zen Restaurant Holding Company Limited	Restaurant Business
							2018 - Present	Chief Executive Officer / Director	Zen Restaurant Holding Company Limited	Restaurant Business
							2020 - Present	Chief of Project Management and Business Development Group (Acting)	Aka Inter Foods Company Limited	Restaurant Business
							2018 - Present	Chief Executive Officer / Director	Aka Inter Foods Company Limited	Restaurant Business

Name-Surname / Position (Date of appointment)	Age (Year)	Education / Training (IOD)	% Shareholding in the Company ⁽¹⁾	Family Relation between Directors and Executives	Other current position of director / executive positions		Work Experience			
					Other listed companie s	Companies or Other position in other company doing business	Time period	Position	Company / Department name	Type of Business
		Class 2/2012, Thai Institute of Directors (IOD) - Executive Development Program (EDP) Class 4/2009, Thai Listed Companies Association					2020 - Present	Chief of Project Management and Business Development Group (Acting)	Gyu Grill Group Company Limited	Restaurant Business
							2018 - Present	Chief Executive Officer / Director	Gyu Grill Group Company Limited	Restaurant Business
							2020 - Present	Chief of Project Management and Business Development Group (Acting)	Spice Synergy Company Limited	Restaurant's Service Mark Holder
							2018 - Present	Chief Executive Officer / Director	Spice Synergy Company Limited	Restaurant's Service Mark Holder
							2020 - Present	Chief of Project Management and Business Development Group (Acting)	Tokyo Concept Company Limited	Restaurant Business

Name-Surname / Position (Date of appointment)	Age (Year)	Education / Training (IOD)	% Shareholding in the Company ⁽¹⁾	Family Relation between Directors and Executives	Other current position of director / executive positions		Work Experience			
					Other listed companie s	Companies or Other position in other company doing business	Time period	Position	Company / Department name	Type of Business
							2018 - Present	Chief Executive Officer / Director	Tokyo Concept Company Limited	Restaurant Business
							2020 - Present	Chief of Project Management and Business Development Group (Acting)	Zen and Spicy Company Limited	Restaurant Business
							2018 - Present	Chief Executive Officer / Director	Zen and Spicy Company Limited	Restaurant Business
							2020 - Present	Chief of Project Management and Business Development Group (Acting)	Zen Supply Chain Management Company Limited	Supply Chain Business
							2018 - Present	Chief Executive Officer / Director	Zen Supply Chain Management Company Limited	Supply Chain Business
							2013 – 2016	Managing Director	Singer Thailand Public Company Limited	Retail and Leasing Business

Name-Surname / Position (Date of appointment)	Age (Year)	Education / Training (IOD)	% Shareholding in the Company ⁽¹⁾	Family Relation between Directors and Executives	Other current position of director / executive positions		Work Experience			
					Other listed companie s	Companies or Other position in other company doing business	Time period	Position	Company / Department name	Type of Business
							2013 - 2015	Executive Vice President	Singer Asia Limited	Retail and Leasing Business
Miss Jomkwan Chirathivat Director (1 December 2014) Executive Director (14 August 2018) Marketing and Sustainable Development Committee (14 December 2020) (Acting) Chief Intellectual Property Officer (14 August 2018) Director of Subsidiaries ⁽³⁾	37	<ul style="list-style-type: none"> - Bachelor's Degree in Mass Communication Chulalongkorn University, Thailand - Fashion Portfolio Certificate, London College of Fashion, England - Director Accreditation Program (DAP) Thai Institute of Directors (IOD), Class of 116/2015 	33.46	Being a sibling of Mr. Sakkanon Chirathivat, who is Vice Chairman of the Board of Directors of the Group	-None-	12	2020 - Present	Marketing and Sustainable Development Committee	Zen Corporation Group Public Company Limited	Holding Company of Food Business
							2018 - Present	Executive Director/ (Acting) Chief Intellectual Property Officer	Zen Corporation Group Public Company Limited	Holding Company of Food Business
							2014 - Present	Director	Zen Corporation Group Public Company Limited	Holding Company of Food Business

Name-Surname / Position (Date of appointment)	Age (Year)	Education / Training (IOD)	% Shareholding in the Company ⁽¹⁾	Family Relation between Directors and Executives	Other current position of director / executive positions		Work Experience			
					Other listed companie s	Companies or Other position in other company doing business	Time period	Position	Company / Department name	Type of Business
Executive of Subsidiaries ⁽³⁾							2019 - Present	(Acting) Chief Intellectual Property Officer	Zen and Spicy Company Limited	Restaurant Business
							2016 - present	Director	Zen and Spicy Company Limited	Restaurant Business
							2018 - Present	(Acting) Chief Intellectual Property Officer	Spice Synergy Company Limited	Restaurant's Service Mark Holder
							2016 - present	Director /	Spice Synergy Company Limited	Restaurant's Service Mark Holder
							2015 - present	Director	AGB Family Holding Company Limited	A holding company that does not primarily invest in financial business
							2015 - present	Director	AGB Family Holding Company Limited	A holding company that does not primarily invest in financial business
							2019 - present	(Acting) Chief Intellectual Property Officer	Gyu Grill Group Company Limited	Restaurant Business

Name-Surname / Position (Date of appointment)	Age (Year)	Education / Training (IOD)	% Shareholding in the Company ⁽¹⁾	Family Relation between Directors and Executives	Other current position of director / executive positions		Work Experience			
					Other listed companie s	Companies or Other position in other company doing business	Time period	Position	Company / Department name	Type of Business
							2015 - present	Director	Gyu Grill Group Company Limited	Restaurant Business
							2019 - present	(Acting) Chief Intellectual Property Officer	Zen Supply Chain Management Company Limited	Supply Chain Business
							2015 - present	Director	Zen Supply Chain Management Company Limited	Supply Chain Business
							2015 - present	Director	Suan Saladaeng Company Limited	Real estate rental and operation business
							2019 - present	(Acting) Chief Intellectual Property Officer	Aka Inter Foods Company Limited	Restaurant Business
							2014 – Present	Director	Aka Inter Foods Company Limited	Restaurant Business
							2019 - present	(Acting) Chief Intellectual Property Officer	Zen Restaurant Holding Company Limited	Restaurant Business

Name-Surname / Position (Date of appointment)	Age (Year)	Education / Training (IOD)	% Shareholding in the Company ⁽¹⁾	Family Relation between Directors and Executives	Other current position of director / executive positions		Work Experience			
					Other listed companie s	Companies or Other position in other company doing business	Time period	Position	Company / Department name	Type of Business
							2011 – Present	Director	Zen Restaurant Holding Company Limited	Restaurant Business
							2019 - present	(Acting) Chief Intellectual Property Officer	Tokyo Concept Company Limited	Restaurant Business
							2011 – Present	Director / (Acting) Chief Intellectual Property Officer	Tokyo Concept Company Limited	Restaurant Business
							2006 – Present	Director	Terra Cotta Company Limited	Resort hotel business And apartments
							2006 – Present	Director	Canyon Cottage Company Limited	Hotel and Resort Business

Name-Surname / Position (Date of appointment)	Age (Year)	Education / Training (IOD)	% Shareholding in the Company ⁽¹⁾	Family Relation between Directors and Executives	Other current position of director / executive positions		Work Experience			
					Other listed companie s	Companies or Other position in other company doing business	Time period	Position	Company / Department name	Type of Business
Mr. Chittapon Vivaddhanakasem Director (1 December 2014) Executive Director (6 Mrach 2020) Risk Management Committee (14 December 2020) Chief People Officer (1 April 2020) Director of Subsidiaries ⁽³⁾	41	- Bachelor's Degree in General Management Assumption University, Thailand - - Master of Finance and Marketing, University of San Francisco - Director Accreditation Program (DAP) Thai Institute of Directors (IOD), Class 116/2015	1.44	-None-	-None-	9	2020 - Present	Executive Director/ Risk Management Committee / Chief People Officer	Zen Corporation Group Public Company Limited	Holding Company of Food Business
							2014 - Present	Director	Zen Corporation Group Public Company Limited	Holding Company of Food Business
							2018 - Present	Director	Ready Set Go Company Limited	Sports equipment business
							2020 - Present	Chief People Officer	Spice Synergy Company Limited	Restaurant's Service Mark Holder
							2016 - Present	Director	Spice Synergy Company Limited	Restaurant's Service Mark Holder
							2020 - Present	Chief People Officer	Zen and Spicy Company Limited	Restaurant Business

Name-Surname / Position (Date of appointment)	Age (Year)	Education / Training (IOD)	% Shareholding in the Company ⁽¹⁾	Family Relation between Directors and Executives	Other current position of director / executive positions		Work Experience			
					Other listed companie s	Companies or Other position in other company doing business	Time period	Position	Company / Department name	Type of Business
							2016 - Present	Director	Zen and Spicy Company Limited	Restaurant Business
							2020 - Present	Chief People Officer	Zen Supply Chain Management Company Limited	Supply Chain Business
							2015 - Present	Director	Zen Supply Chain Management Company Limited	Supply Chain Business
							2020 - Present	Chief People Officer	Zen Restaurant Holding Company Limited	Restaurant Business
							2014 - Present	Director	Zen Restaurant Holding Company Limited	Restaurant Business
							2020 - Present	Chief People Officer	Tokyo Concept Company Limited	Restaurant Business
							2014 - Present	Director	Tokyo Concept Company Limited	Restaurant Business

Name-Surname / Position (Date of appointment)	Age (Year)	Education / Training (IOD)	% Shareholding in the Company ⁽¹⁾	Family Relation between Directors and Executives	Other current position of director / executive positions		Work Experience			
					Other listed companie s	Companies or Other position in other company doing business	Time period	Position	Company / Department name	Type of Business
							2020 - Present	Chief People Officer	Gyu Grill Group Company Limited	Restaurant Business
							2013 - Present	Director	Gyu Grill Group Company Limited	Restaurant Business
							2020 - Present	Chief People Officer	Aka Inter Foods Company Limited	Restaurant Business
							2013 - Present	Director	Aka Inter Foods Company Limited	Restaurant Business
							2010 - Presen	Director	Haad Samran Company Limited	Hotel business
							2019 - 2020	Marketing and Sustainable Development Committee	Zen Corporation Group Public Company Limited	Holding Company of Food Business

Name-Surname / Position (Date of appointment)	Age (Year)	Education / Training (IOD)	% Shareholding in the Company ⁽¹⁾	Family Relation between Directors and Executives	Other current position of director / executive positions		Work Experience			
					Other listed companie s	Companies or Other position in other company doing business	Time period	Position	Company / Department name	Type of Business
Mr. Steven David Halliday Director (1 December 2014) Director of Subsidiaries ⁽¹⁾	41	<ul style="list-style-type: none"> - Bachelor of Mechanical Engineering, University of Southampton, England - Master of Engineering Business Management, University of Warwick, England - Master of Engineering Management, Chulalongkorn University, Thailand - Director Accreditation Program (DAP) Thai Institute of Directors (IOD), Class of 115/2015 	1.26	Husband of Miss. Suchanpa Balankura, the Group's executive	-None-	7	2014 - present	Director	Zen Corporation Group Public Company Limited	Holding Company of Food Business
							2016 - present	Director	Spicy Synergy Company Limited	Restaurant's Service Mark Holder
							2016 - present	Director	Zen and Spicy Company Limited	Restaurant Business
							2015 - present	Director	Aka Inters Foods Company Limited	Restaurant Business
							2015 - present	Director	Zen Supply Chain Management Company Limited	Supply Chain Business
							2014 - present	Director	Zen Restaurant Holding Company Limited	Restaurant Business

Name-Surname / Position (Date of appointment)	Age (Year)	Education / Training (IOD)	% Shareholding in the Company ⁽¹⁾	Family Relation between Directors and Executives	Other current position of director / executive positions		Work Experience			
					Other listed companie s	Companies or Other position in other company doing business	Time period	Position	Company / Department name	Type of Business
							2014 - present	Director	Gyu Grill Group Company Limited	Restaurant Business
							2014 - present	Director	Tokyo Concept Company Limited	Restaurant Business
							2010 - 2013	Vice President, Strategy Department	TMB Bank Public Company Limited	Commercial bank

Name-Surname / Position (Date of appointment)	Age (Year)	Education / Training (IOD)	% Shareholding in the Company ⁽¹⁾	Family Relation between Directors and Executives	Other current position of director / executive positions		Work Experience			
					Other listed companie s	Companies or Other position in other company doing business	Time period	Position	Company / Department name	Type of Business
Mr. Siruwat Chatchaval Director (24 August 2020) Marketing and Sustainable Development Committee (24 February 2020) Executive Director (6 Mrach 2020) Chief Commercial Officer_Thai Brand (25 Mrach 2020) Director of Subsidiaries ⁽¹⁾ Executive of Subsidiaries ⁽¹⁾	42	- Bachelor of Arts in Communication Design Rangsit University, Thailand - Global Mini MBA, Entrepreneurial Manager, Thammasat University, Thailand BrandKU EXT Certificate in Business Administration, Kasetsart University, Thailand - Director Accreditation Program (DAP) Thai Institute of Directors (IOD), Class of 169/2020	2.25	-None-	-None-	8	2020 - Present	Director / Executive Director / Marketing and Sustainable Development Committee / Chief Commercial Officer_Thai Brand	Zen Corporation Group Public Company Limited	Holding Company of Food Business
							2020 - Present	Director / Chief Commercial Officer_Thai Brand	Zen Restaurant Holding Company Limited	Restaurant Business
							2020 - Present	Director / Chief Commercial Officer_Thai Brand	Aka Inters Foods Company Limited	Restaurant Business
							2020 - Present	Director / Chief Commercial Officer_Thai Brand	Tokyo Concept Company Limited	Restaurant Business

Name-Surname / Position (Date of appointment)	Age (Year)	Education / Training (IOD)	% Shareholding in the Company ⁽¹⁾	Family Relation between Directors and Executives	Other current position of director / executive positions		Work Experience			
					Other listed companie s	Companies or Other position in other company doing business	Time period	Position	Company / Department name	Type of Business
							2020 - Present	Director / Chief Commercial Officer_Thai Brand	Gyu Grill Group Company Limited	Restaurant Business
							2020 - Present	Director / Chief Commercial Officer_Thai Brand	Zen Supply Chain Management Company Limited	Supply Chain Business
							2020 - Present	Director / Chief Commercial Officer_Thai Brand	Zen and Spicy Company Limited	Restaurant Business
							2020 - Present	Director / Chief Commercial Officer_Thai Brand	Spicy Synergy Company Limited	Restaurant's Service Mark Holder
							2016 - Present	Committee	Chef Best Company Limited	Business for property rental
							2018 - 2020	Risk Management Committee	Zen Corporation Group Public Company Limited	Holding Company of Food Business

Name-Surname / Position (Date of appointment)	Age (Year)	Education / Training (IOD)	% Shareholding in the Company ⁽¹⁾	Family Relation between Directors and Executives	Other current position of director / executive positions		Work Experience			
					Other listed companie s	Companies or Other position in other company doing business	Time period	Position	Company / Department name	Type of Business
							2009 - 2016	Chief Executive Officer	Crazy Spicy Group Company Limited	Restaurant franchise business
Mrs. Yupaphan Ekasittikul Executive Director (1 June 2018) Risk Management Committee (1 June 2018) Chief Financial Officer (1 June 2018) Accounting Director (Acting) (1 June 2018) Finance Director (Acting) (1 June 2018) Highest Authorized Person responsible for Accounting and Finance	53	<ul style="list-style-type: none"> - Bachelor of Accounting, Thammasat University, Thailand - Master of Accounting, Thammasat University, Thailand - Diploma in Advanced Accounting Examination Thammasat University, Thailand - Director Accreditation Program (DAP), Thai Institute of Directors (IOD), Class of 96/2012 - Board Reporting Program (BRP), Thai Institute of 	-None-	-None-	1	10	2018 - Present	Executive Director / Risk Management Committee / Chief Financial Officer / Chief Financial Officer / Accounting Director (Acting) / Finance Director (Acting)	Zen Corporation Group Public Company Limited	Holding Company of Food Business
							2020 - Present	Director	KIN DEE YU DEE 2020 Company Limited	Restaurant Business
							2019 - Present	Chief Financial Officer	Zen Restaurant Holding Company Limited	Restaurant Business

Name-Surname / Position (Date of appointment)	Age (Year)	Education / Training (IOD)	% Shareholding in the Company ⁽¹⁾	Family Relation between Directors and Executives	Other current position of director / executive positions		Work Experience			
					Other listed companie s	Companies or Other position in other company doing business	Time period	Position	Company / Department name	Type of Business
Executive in Subsidiaries ⁽¹⁾ Director of Associated ⁽²⁾		Directors (IOD), Class of 12/2013					2018 - Present	Chief Financial Officer	Aka Inters Foods Company Limited	Restaurant Business
		- Company Secretary Program (CSP), Thai Institute of Directors (IOD), Class of 53/2013					2018 - Present	Chief Financial Officer	Tokyo Concept Company Limited	Restaurant Business
		- Company Reporting Program (CRP), Thai Institute of Directors (IOD), Class of 9/2014					2018 - Present	Chief Financial Officer	Gyu Grill Group Company Limited	Restaurant Business
		- Effective Minutes Taking (EMT), Thai Institute of Directors (IOD), Class of 30/2014					2018 - Present	Chief Financial Officer	Zen Supply Chain Management Company Limited	Supply Chain Business
		- Anti-Corruption the Practical Guide (ACPG), Thai Institute of Directors (IOD), Class of 18/2015					2018 - Present	Chief Financial Officer	Zen and Spicy Company Limited	Restaurant Business
		- Risk Management Program for Corporate Leaders,					2018 - Present	Chief Financial Officer	Spicy Synergy Company Limited	Restaurant's Service Mark Holder
							2018 - Present	Independent Director / Audit Committee	Eastern Printing Public Company Limited	Publication Business
							2017 - Present	Director	Sithikul Associates Company Limited	Accounting services, bookkeeping, auditing

Name-Surname / Position (Date of appointment)	Age (Year)	Education / Training (IOD)	% Shareholding in the Company ⁽¹⁾	Family Relation between Directors and Executives	Other current position of director / executive positions		Work Experience			
					Other listed companie s	Companies or Other position in other company doing business	Time period	Position	Company / Department name	Type of Business
		Thai Institute of Directors (IOD), Class of 9/2017					2016 - 2017	Chief Financial Officer	Post Publishing Public Company Limited	Printing media business
							2012 - 2015	Deputy Managing Director	Erawan Sugar Company Limited	Sugar factory business
							2012 - 2014	Financial Accounting Director	TOA Paint (Thailand) Company Limited	Color production and distribution business And coating
							1997 - 2011	Financial Accounting Director	Central Restaurants Group Company Limited	Restaurant Business
Miss Patchneewan Tanprawat Executive Director (14 December 2020) Marketing and Sustainable	46	- Bachelor of chemical Engineer, King Mongkut's University of Technology Thonburi,Thailand - Master of Engineering Management University of	-None-	-None-	-None-	-None-	2020 - Present	Executive Director/ Marketing and Sustainable Development Committee/ Chief Marketing Officer	Zen Corporation Group Public Company Limited	Holding Company of Food Business

Name-Surname / Position (Date of appointment)	Age (Year)	Education / Training (IOD)	% Shareholding in the Company ⁽¹⁾	Family Relation between Directors and Executives	Other current position of director / executive positions		Work Experience			
					Other listed companie s	Companies or Other position in other company doing business	Time period	Position	Company / Department name	Type of Business
Development Committee (14 December 2020)		Technology,Sydney, Australia - Master of Business Administration University of Technology,Sydney, Australia					2020 - Present	Chief Marketing Officer	Zen Restaurant Holding Company Limited	Restaurant Business
Chief Marketing Officer (14 July 2020)							2020 - Present	Chief Marketing Officer	Aka Inters Foods Company Limited	Restaurant Business
Executive in Subsidiaries ⁽¹⁾							2020 - Present	Chief Marketing Officer	Tokyo Concept Company Limited	Restaurant Business
							2020 - Present	Chief Marketing Officer	Gyu Grill Group Company Limited	Restaurant Business
							2020 - Present	Chief Marketing Officer	Zen Supply Chain Management Company Limited	Supply Chain Business
							2020 - Present	Chief Marketing Officer	Zen and Spicy Company Limited	Restaurant Business
							2020 - Present	Chief Marketing Officer	Spicy Synergy Company Limited	Restaurant's Service Mark Holder
							2017 - 2020	Vice President of Marketing	MK Restaurant Group Public Company	Restaurant Business

Name-Surname / Position (Date of appointment)	Age (Year)	Education / Training (IOD)	% Shareholding in the Company ⁽¹⁾	Family Relation between Directors and Executives	Other current position of director / executive positions		Work Experience			
					Other listed companie s	Companies or Other position in other company doing business	Time period	Position	Company / Department name	Type of Business
							2014 - 2017	Senior Marketing Manager	yum restaurant international thailand Company Limited	Service restaurant business in Thailand
							2010 - 2014	Marketing Manager	MC THAI Company Limited	Food service in restaurants / restaurants / Fast food restaurant
Miss. Suchanpa Balankura Executive Director (6 March 2020) Chief Commercial Officer Japanese Brand (1 May 2020) Executive in Subsidiaries ⁽¹⁾	41	- Bachelor of business administration, Chulalongkorn University, Thailand - M.B.A.in Finance, University of Pittsburgh, USA	1.26	Wife of Mr. Steven David Halliday, a director of the Group	-None -	-None -	2020 - Present	Executive Director/ Chief Commercial Officer Japanese Brand	Zen Corporation Group Public Company Limited	Holding Company of Food Business
							2020 - Present	Chief Commercial Officer Japanese Brand	Zen Restaurant Holding Company Limited	Restaurant Business
							2020 - Present	Chief Commercial Officer Japanese Brand	Aka Inters Foods Company Limited	Restaurant Business

Name-Surname / Position (Date of appointment)	Age (Year)	Education / Training (IOD)	% Shareholding in the Company ⁽¹⁾	Family Relation between Directors and Executives	Other current position of director / executive positions		Work Experience			
					Other listed companie s	Companies or Other position in other company doing business	Time period	Position	Company / Department name	Type of Business
							2020 - Present	Chief Commercial Officer Japanese Brand	Tokyo Concept Company Limited	Restaurant Business
							2020 - Present	Chief Commercial Officer Japanese Brand	Gyu Grill Group Company Limited	Restaurant Business
							2020 - Present	Chief Commercial Officer Japanese Brand	Zen Supply Chain Management Company Limited	Supply Chain Business
							2020 - Present	Chief Commercial Officer Japanese Brand	Zen and Spicy Company Limited	Restaurant Business
							2020 - Present	Chief Commercial Officer Japanese Brand	Spicy Synergy Company Limited	Restaurant's Service Mark Holder
							2018 - 2020	General Manager Yakiniku & Cafe Brand	Zen Corporation Group Company Limited	Restaurant Business

Name-Surname / Position (Date of appointment)	Age (Year)	Education / Training (IOD)	% Shareholding in the Company ⁽¹⁾	Family Relation between Directors and Executives	Other current position of director / executive positions		Work Experience			
					Other listed companie s	Companies or Other position in other company doing business	Time period	Position	Company / Department name	Type of Business
							2016 - 2018	General Manager AKA,OTT,TSU	Zen Corporation Group Company Limited	Restaurant Business
							2010 - 2014	Brand Director – On the Table	Tokyo Concept Company Limited	Restaurant Business
Miss Kanlaya Chuaychoo Accounting Manager (14 December 2016) A person whom has been assigned to responsible accounting control	41	- Bachelor of Business Administration (Accounting), Srinakharintarawiroj University, Thailand - Master of Business Administration (Accounting), Ramkhamhang University, Thailand	-None-	-None -	-None -	-None -	2016 – Present	Senior Accounting Manager	Zen Corporation Group Public Company Limited	Holding Company of Food Business
							2012 – 2016	Accounting Assistant Manager	Mc Group Public Company Limited	Business, trade, fabrics, woven from synthetic fibers, elastic threads, nylon fibers, synthetic fibers

Name-Surname / Position (Date of appointment)	Age (Year)	Education / Training (IOD)	% Shareholding in the Company ⁽¹⁾	Family Relation between Directors and Executives	Other current position of director / executive positions		Work Experience			
					Other listed companie s	Companies or Other position in other company doing business	Time period	Position	Company / Department name	Type of Business
Miss Oraya Uesakul Corporate Secretary (24 July 2015)	55	<ul style="list-style-type: none"> - Bachelor of Business Administration (Money and Banking), Ramkhamhang University, Thailand - Master of Business Administration (M.B.A.- Finance), Western Michigan University, U.S.A. - Company Secretary Program (CSP), Thai Institute of Directors (IOD), Class 36/2010 - Effective Minute Taking (EMT), Thai Institute of Directors (IOD), Class 17/2010 	-None -	-None -	-None -	-None -	2020 – present	Committee of Thai Company Secretary Club	Thai Listed Companies Association	Thai Listed Companies Association
							2015 – present	Corporate Secretary	Zen Corporation Group Public Company Limited	Holding Company of Food Business
							2014 – 2015	Corporate Secretary	Mc Group Public Company Limited	Business, trade, fabrics, woven from synthetic fibers, elastic threads, nylon fibers, synthetic fibers
							2011 – 2013	Assistant Vice President for Accounting and Finance	Chemical Man Public Company Limited	Production and distribution of lime And continuous chemical products

Name-Surname / Position (Date of appointment)	Age (Year)	Education / Training (IOD)	% Shareholding in the Company ⁽¹⁾	Family Relation between Directors and Executives	Other current position of director / executive positions		Work Experience			
					Other listed companie s	Companies or Other position in other company doing business	Time period	Position	Company / Department name	Type of Business
							2010 – 2011	Corporate Secretary	Minor International Public Company Limited	Resort hotel business and apartments
							2000 – 2009	Financial director	Minor International Public Company Limited	Resort hotel business and apartments

Remark: ⁽¹⁾ Being a person approved by the Board of Directors to be a director and / or executive of a subsidiary

⁽²⁾ Being a person approved by the Board of Directors to be a director of a Associated

APPENDIX 1.2 : The position of director and executives in the Company, subsidiaries and associates

List of Directors	The Company or ZCG	Subsidiary							Associated
		ZRH	AKA	GGG	SYN	OTT	ZPC	ZSM	KIN DEE YU DEE 2020 Co., Ltd.
1. Mr. Paitoon Taveebhol	C, II	-	-	-	-	-	-	-	-
2. Mr. Sakkanon Chirathivat	I, V, VII	I	I	I	I	I	I	I	-
3. Mr. Prawit Kijpaisalrattana	I, II, III, V	-	-	-	-	-	-	-	-
4. Asst.Prof. Wilert Puriwat	I, II, VI	-	-	-	-	-	-	-	-
5. Mrs. Jotika Savanananda	I, II, III, VI	-	-	-	-	-	-	-	-
6. Mr. Chavalit Chindavanig	I, II, III, VII	-	-	-	-	-	-	-	-
7. Mr. Boonyong Tansakul	I, IV, VI, VII, X	I, X	I, X	I, X	I, X	I, X	I, X	I, X	-
8. Miss Jomkwan Chirathivat	I, IV, X	I, X	I, X	I, X	I, X	I, X	I, X	I, X	-
9. Mr. Chittapon Vivaddhanakasem	I, IV, VII	I, X	I, X	I, X	I, X	I, X	I, X	I, X	-
10. Mr. Steven David Halliday	I	I	I	I	I	I	I	I	-
11. Mr. Siruwat Chatchaval	I, IV, VI, X	I, X	I, X	I, X	I, X	I, X	I, X	I, X	-
12. Mrs. Yupaphan Ekasittikul	X, IV, VII	X	X	X	X	X	X	X	I
13. Miss Patchneewan Tanprawat	X, IV, VI	X	X	X	X	X	X	X	-
14. Miss. Suchanpa Balankura	X, IV	X	X	X	X	X	X	X	-

Remark:

C = Chairman of the Board

I = Director

II = Independent Director

III = Audit Committee

IV = Executive Committee

V = Nomination and Remuneration Committee

VI = Marketing and Sustainable Development Committee

VII = Risk Management Committee

X = Executive

APPENDIX 1.3 : The position of director and executives in related companies

Company list	List of Directors and Executives													
	Mr. Paiboon Taveebhol	Mr. Sakkanon Chirathivat	Mr. Prawit Kijpaisalrattana	Assoc.Prof.Dr. Wilert Puriwat	Mrs. Jotika Savanananda	Mr. Chavalit Chindavanig	Mr. Boonyong Tansakul	Miss Jomkwan Chirathivat	Mr. Chittapon Vivadhanakasem	Mr. Steven David Haliday	Mr. Siruwat Chatchaval	Mrs. Yupaphan Ekasittikul	Miss Patchneewan Tanprawat	Miss. Suchanpa Balankura
KCE Electronics Public Company Limited	I, II, III, V, VII	-	-	-	-	-	-	-	-	-	-	-	-	-
Easy Buy Public Company Limited	I, II, III	-	-	-	-	-	-	-	-	-	-	-	-	-
Somboon Advance Technology Public Company Limited	I, II, III, V	-	-	-	-	-	-	-	-	-	-	-	-	-
Central Pattana Public Company Limited	I, II, III, VII	-	-	-	I, II, III, V	-	-	-	-	-	-	-	-	-
AGB Family Holding Company Limited	-	I	-	-	-	-	-	I	-	-	-	-	-	-
AGB Siblings Holding Company Limited	-	I	-	-	-	-	-	I	-	-	-	-	-	-
Terra Cotta Company Limited	-	I	-	-	-	-	-	I	-	-	-	-	-	-
Canyon Cottage Company Limited	-	I	-	-	-	-	-	I	-	-	-	-	-	-
Food Active Company Limited	-	I	-	-	-	-	-	-	-	-	-	-	-	-
Suan Saladaeng Company Limited	-	I	-	-	-	-	-	I	-	-	-	-	-	-

Company list	List of Directors and Executives													
	Mr. Paitoon Taveebhol	Mr. Sakkanon Chirathivat	Mr. Prawit Kijpaisalrattana	Assoc.Prof.Dr. Wilert Puriwat	Mrs. Jotika Savanananda	Mr. Chavalit Chindavanig	Mr. Boonyong Tansakul	Miss Jomkwan Chirathivat	Mr. Chittapon Vivaddhanakasem	Mr. Steven David Halliday	Mr. Siruwat Chatchaval	Mrs. Yupaphan Ekasittikul	Miss Patchneewan Tanprawwat	Miss. Suchanpa Balankura
Thai Eastern Group Holdings Company Limited	-	-	I, II, III	-	-	-	-	-	-	-	-	-	-	-
RFS Company Limited	-	-	-	-	I	-	-	-	-	-	-	-	-	-
Talis Asset Management Company Limited	-	-	-	-	C	-	-	-	-	-	-	-	-	-
Haad Samran Company Limited	-	-	-	-	-	-	-	-	I	-	-	-	-	-
Ready Set Go Company Limited	-	-	-	-	-	-	-	-	I	-	-	-	-	-
Sithikul Associates Company Limited	-	-	-	-	-	-	-	-	-	-	-	I	-	-
Eastern Printing Public Company Limited	-	-	-	-	-	-	-	-	-	-	-	I, II, III	-	-
Chef Best Company Limited	-	-	-	-	-	-	-	-	-	-	I	-	-	-

Remark:

C = Chairman of the Board

I = Director

II = Independent Director

III = Audit Committee

IV = Executive Committee

V = Nomination and Remuneration Committee

VI = Marketing and Sustainable Development Committee

VII = Risk Management Committee

VIII = Risk Policy Committee

IX = Investment Committee

X = Executive

Zen Corporation Group Public Company Limited

APPENDIX 2

Details of the Directors of the Subsidiary

APPENDIX 2 : Details of the Directors of the Subsidiary

List of Directors	Subsidiary						
	ZRH	AKA	GGG	SYN	OTT	ZPC	ZSM
1. Mr. Boonyong Tansakul	C,I, X	C,I, X	C,I, X	C,I, X	C,I, X	C,I, X	C,I, X
2. Mr. Sakkanon Chirathivat	I	I	I	I	I	I	I
3. Miss Jomkwan Chirathivat	I, X	I, X	I, X	I, X	I, X	I, X	I, X
4. Mr. Chittapon Vivaddhanakasem	I, X	I, X	I, X	I, X	I, X	I, X	I, X
5. Mr. Steven David Halliday	I	I	I	I	I	I	I
6. Mr. Siruwat Chatchaval	I, X	I, X	I, X	I, X	I, X	I, X	I, X

Note:

C = Chairman of the Board

I = Directors

X = Executive

Zen Corporation Group Public Company Limited

APPENDIX 3

Details about Head of Internal Audit and Head of Operations (Compliance)

APPENDIX 3 : 3.1 Details about Head of Internal Audit

The Company assigned Mr. Supong Limthong to be the Head of Internal Audit. The details of the Head of Internal Audit as follows:

Head of Internal Audit	Age (Year)	Education / Training	Time period	Company	Position
Mr. Suphong Limthong	63	<ul style="list-style-type: none"> - Education Bachelor of Business Administration Ramkhamhaeng University - Master of Business Administration Kasetsart University - Training Anti-Corruption the Practical Guide (ACPG) Class of 34/2016 - How to Develop a Risk Management Plan (HRP) Class of 17/2018 - Director Accreditation Program (DAP) Class of 159/2019 	2014- Present	Zen Corporation Group Public Company Limited	Internal Audit Director
			2008 – 2013	RaJa Ferry Port Public Company Limited	Internal Audit Executive
			1999 – 2003	CPL Group Public Company Limited	Audit Executive
			1190 – 254	CIMB Thai Bank Public Company Limited	Branch Administrator / Director of Admissions
			1980 – 1989	Bangkok Bank Public Company Limited	Internal auditors

The company hired P&L IT Audit Company Limited (Outsource) Is an audit service provider of internal control systems general control of information systems which has been assigned to Mr. Sakchai Tangprasert be the internal audit supervisor in the general control of information systems. with details of the Head of Internal Audit as follows

Head of Internal Audit	Age (Year)	Education / Training	Time period	Company	Position
Mr. Sakchai Tangprasert	40	Educational <ul style="list-style-type: none"> - Doctor of Philosophy (Ph.D.) Information Technology. King Mongkut's University of Technology Thonburi - Master of Science Program in Information Information Technology. Khon Kaen University (The research is excellent) - Bachelor of Science Computer Science Udon Thani Rajabhat University Certification examine <ul style="list-style-type: none"> - International Register of Certificated Auditor ISO/IEC 27001:2013 (IRCA) by The British Standards Institution 2016 - Internal Quality Audit ISO 9001:2000 by United registrar of systems (URS): Thailand 2006 - Training Certified in Risk and Information Systems Control (CRISC) - ISO/IEC 27001 Information Security Management (ISMS) 	2013 – Present	P&L IT Audit Company Limited / The business provides IT auditing, audits, internal audits and consultancy services.	Executive Director

Head of Internal Audit	Age (Year)	Education / Training	Time period	Company	Position
		<ul style="list-style-type: none">- ISO 9001:2000 Internal Quality Management lecturer experience- IT Risk Management with COSO-ERM (Enterprise Risk Management)- Internal Control for Information Technology Security Controls with COBIT 5 Framework In Enterprises- ISO 27001:2013 Implementation Guide.- Business Continuity Management (BCM)- (Internal Control in Information Security Management Systems: ISMS, ISO/IEC 27001)- Information Security System Management for corporate executives- Information Technology Risk Prevention and cyber for the operator			

APPENDIX 3 : 3.2 Details about Head of Operations (Compliance)

The Company assigned Mr. Songwut Boakhem to be the Head of Operations (Compliance) as follows:

Head of Operations	Age (Year)	Education / Training	Time period	Company	Position
Mr. Songwut Boakhem	66	<ul style="list-style-type: none"> - Bachelor of Business Accounting ,Thammasat University - Bachelor of Business Master of Laws,Thammasat University - Master of Business Master of Business Administration Kasetsart University 	2018-Present	Zen Corporation Group Public Company Limited	Head of Management Office / Director SOP & Office Service Center (Acting)
			2017-2018	RHB Securities (Thailand) Public Company Limited	Legal Director
			2014-2017	Suetrong Property Company Limited Group	Legal Manager
			2010-2013	CIMB Thai Bank Public Company Limited	Executive Vice President Business support Line
			2007-2010	Sathorn Asset Management Company Limited (subordinate to CIMB Thai Bank Public Company Limited)	Managing Director
			1999-2007	BankThai Public Company Limited	Executive Vice President Business

Head of Operations	Age (Year)	Education / Training	Time period	Company	Position
			1190-1999	United Bank Public Company Limited	Senior Director Credit Quality and Legal Development Department
			2517-2533	Bangkok Bank Public Company Limited	Section Chief / Senior Auditor

Zen Corporation Group Public Company Limited

APPENDIX 4

Assets for business operation and Details about the appraisal items

APPENDIX 4: Assets for business operation and Details about the appraisal items**1. Assets for business operation**

Details of assets used in business operation It appears in Section 1.1, page 41, item 4.

2. Details about the appraisal items

- None -

Zen Corporation Group Public Company Limited

APPENDIX5

Policy and practice of corporate governance and business ethics Full version that the company
has made

APPENDIX 5:	Policy and practice of corporate governance and business ethics Full version that the company has made
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Good Corporate Governance Policy

Of

ZEN Corporation Group Public Company Limited and Its Subsidiaries

- | | |
|-----------|--|
| Section 1 | Rights of Shareholders |
| Section 2 | Equitable Treatment of Shareholders |
| Section 3 | Roles of Stakeholders |
| Section 4 | Disclosure of Information and Transparency |
| Section 5 | Responsibilities of the Board of Directors |

Section 1

Rights of Shareholders

1. Shareholder meetings

1. Zen Corporation Group Public Company Limited ("the Company") shall support all shareholders and the institutional shareholders to attend the shareholders' meetings.

2. The Company shall send documents stating the date, time, location, and agenda of a meeting, as well as explanations and reasons for each agenda, all information related to matters that need to be decided at a meeting, in an invitation letter of the shareholders' meeting or in an attachment of meeting agenda. All shareholders shall be notified at least 28 days in advance, and the details shall be available on the Company website <http://www.zengroup.co.th>.

3. The Company shall give shareholders an opportunity to submit questions regarding the meeting agenda to the Board of Directors in advance, from the date of the Company providing the details about the invitation letter of the shareholders' meeting and related documents on the Company website up to 7 days before the date of the shareholders' meeting. The shareholders may submit questions via the Company website or via fax or email of the Company Secretary. The Company shall notify the rules of the submission in advance through the news system of the Stock Exchange of Thailand ("SET") in the invitation letter of the shareholders' meeting and on the Company website <http://www.zengroup.co.th>.

4. The Company shall facilitate shareholders to fully exercise their rights to attend the meeting and vote. A meeting shall be held on working days, and its location shall be in Bangkok or its perimeter with convenient transportation for shareholders. It shall also provide sufficient personnel and technology for document verification and provide duty stamps for the proxies.

5. The Company shall nominate at least one independent director as a proxy from shareholders who are unable to attend the meeting with a power of attorney in the form where shareholders can specify the voting direction.

2. Actions on the day of the shareholders' meeting

1. The Company shall arrange to use ballots and/or technology for the shareholders' meeting, shareholder registration voting on important agenda such as connected transactions, acquisition or disposition of assets, and vote counts and voting display for transparency and accountability and enable the meeting to be conducted quickly, accurately, and precisely.

2. The Company shall require the directors and the senior management of the Company to attend the shareholders' meeting and answering questions at the shareholders' meeting.
3. The Company shall allow the shareholders to vote separately in accordance with the sub-transactions in each proposed agenda, such as the voting agenda for the election of individual directors.
4. The Company shall arrange an independent person(s) to count or check the votes in the shareholders' meeting, and the voting results shall be disclosed to the meeting and recorded in the minutes of the meeting.
5. The Chairman of the meeting shall manage the time appropriately and encourage the shareholders with an opportunity to express their opinions and ask questions related to the meeting according to the agenda.

3. Preparation of meeting minutes and the disclosure of the resolutions of the shareholders' meeting

1. The Company shall prepare the minutes of the shareholders' meeting within 14 days from the meeting date with the clarification of voting procedures, a method of displaying the scores to the meeting before conducting the meeting, an opportunity for shareholders to raise issues or raise questions, answering important issues, inquiries, clarifications, opinions, and voting methods, including the number of votes in approval or disapproval, or abstention of all agendas, as well as the names of the directors who attend the meeting and the directors who take leave. The minutes of the meeting shall be sent to the Stock Exchange of Thailand in accordance with the regulations and published on the Company website to be available to check and reference.
2. The Company shall disclose to the public the voting results of each agenda in the next shareholders' meeting on the Company website.

Section 2

Equitable Treatment of Shareholders

1. Provision of Information before the Shareholders' Meeting

1. The Company shall inform the schedule of the shareholders' meeting along with the agenda and opinions of the Board of Directors to the SET and publish it on the Company website at least 28 days before the date of the shareholders' meeting.

2. The Company shall inform shareholders of various rules for the meeting, voting process, voting rights for each type of share in the invitation letter.

3. The Company shall make the invitation letter to the shareholders' meeting in both Thai and English.

2. Protection of Rights of Minority Shareholders

1. The shareholders have the right to propose the Company matters to be included in the agenda of the shareholders' meeting in accordance with the rules stipulated by the Company, which are disclosed on the Company website at [http:// www.zengroup.co.th](http://www.zengroup.co.th), by December 31 of every year.

2. The shareholders may nominate persons to be elected as directors in accordance with the rules stipulated by the Company, which are disclosed on the Company website at <http://www.zengroup.co.th>, by December 31 of every year.

3. The executive shareholders shall not add an agenda item to the meeting or change important information without notifying the shareholders at least 21 days before the meeting date.

3. Prevention of Internal Information

1. The Company shall provide knowledge to the directors and executives of the Company, including those with management positions in the accounting or finance department who are department managers or higher or equivalent (according to the definition of the Capital Market Supervisory Board and the Stock Exchange of Thailand) regarding the obligation to report the Company's securities holdings under Section 59 and the penalty under Section 275 of the Securities and Exchange Act B.E. 2535 (the "Securities Act"), including reporting of acquisition or disposal of the Company's securities under Section 246 and the penalty under Section 298 of the Securities Act.

2. (a) Directors and executives, including those with management positions in the accounting or finance department who are department managers or higher or equivalent are obliged to prepare and disclose their stock holding reports issued by the Company, including spouses or people who live together as husband

and wife and children who are not legal age and (b) a juristic person in which the persons under (a) hold more than 30% of the total voting rights of the juristic person and the combined shareholding is the largest proportion of that juristic person under the Notification of the Office of the Securities and Exchange Commission and Section 59 of the Securities and Exchange Act within seven working days from the reporting obligation and within three working days every time there is a change with buying, selling, transferring or accepting the transfer of securities, through the Company's Secretary in order to be submitted to the Office of the Securities and Exchange Commission at all times. The Company's Secretary shall summarize the report of securities holding and changes in securities holding to the Board of Directors meeting for acknowledgment on a regular basis every six months, and the directors and senior management shall notify the Board or the person assigned by the Board and trading the shares of the Company at least one day in advance before trading.

3. The directors and executives, including those with management positions in the accounting or finance department who are department managers or higher or equivalent, and relevant workers who have received internal information regarding the financial statements, financial status or results of operations of the Company, including other important internal information, shall not buy, sell, offer to buy or sell, or solicit other people to buy, sell, offer to buy or sell shares or other securities (if any) of the Company, either directly or indirectly within the period prior to the disclosure of the financial statements or the financial status and operating results of the Company until the Company has disclosed the information to the public. The Company shall notify the directors and executives in writing to refrain from the above actions for at least 30 days in advance of public disclosure, and they should wait for at least 24 hours after the information has been made public before performing the above actions.

4. The directors, executives, officers and employees of the Company and its subsidiaries, including those who are assumed to acknowledge or possess information within the Securities Act shall not use the Company's and its subsidiaries' internal information that has or may have an effect on the price change of the Company's securities, and that has not been made public, which they have known due to their position or status for the purpose of buying, selling, offering to buy or sell, or solicit other people to buy, sell, offer to buy or sell shares or other securities (if any) of the Company, either directly or indirectly, and whether such actions are done for the benefit of themselves or others, or shall not reveal such facts for others to do so as to whether they gain benefits or not.

5. The Company's and its subsidiaries' directors, executives, officers and employees, including those who are assumed to acknowledge or possess information within the Securities Act shall not disclose internal or confidential information of the Company and its subsidiaries, including confidential information of business partners of the Company and its subsidiaries, which they have known due to their performance of duties to third parties even though the disclosure of the said information does not cause damage to the Company, its subsidiaries or partners.

6. The directors, executives, officers and employees of the Company and its subsidiaries, including those who are assumed to acknowledge or possess information within the Securities Act shall keep confidential and/or internal information of the Company and its subsidiaries and the directors, executives, officers and employees of the Company and its subsidiaries, including those who are assumed to acknowledge or possess information within the Securities Act shall not use confidential information and/or internal information of the Company and its subsidiaries to benefit other companies.

7. The directors, executives, officers and employees of the Company and its subsidiaries, including those who are assumed to acknowledge or possess information within the Securities Act shall be responsible for complying with the guidelines for using the internal information of the Securities Act and the Public Limited Companies Act, and other relevant rules.

4. Stake in directors

Company Code of Ethics stipulates that the directors, executives, and employees of the Company and its subsidiaries to cope with conflicts of interest by adhering to the benefits of the Company as a key point. The Company has set up a system to oversee connected transactions in accordance with the Notification of the Capital Market Supervisory Board and required that directors and executives to disclose information regarding to their own interests and those involved in consideration of any agenda in which their directors or executives have a stake, and they shall inform the interests before considering that agenda and record it in the minutes of the meeting. The directors or executives with interests in any agenda shall not participate in the decision of the agenda and shall leave the meeting room in that agenda.

Section 3

The Role of Stakeholders

The Company and its subsidiaries place importance on the treatment of all groups of stakeholders and take into account legal rights or agreements. It shall not violate the rights of stakeholders such as customers, employees, shareholders or investors, business partners, creditors, society, communities in which the Company is located, including government sectors, auditors, and competitors for financial stability and sustainability of the business. Therefore, the Company and its subsidiaries also take into consideration the participation of interested parties and shall disclose important, relevant information to those interested parties sufficiently, including carrying out the process and channels for receiving and managing the complaints of the interested parties by disclosing processes and channels on the Company website and the annual report. All stakeholders of the Company are as follows:

1. Customers

The Company and its subsidiaries are committed to providing customers with maximum satisfaction with development of quality products and services to meet the needs of customers as much as possible at a fair price, providing accurate information about the operations and products of the Company and its subsidiaries, as well as maintaining communication channels with customers by regularly listening to customer feedback.

2. Employees

The Company and its subsidiaries shall focus on the development of employees' knowledge and capabilities with provision of opportunities for employees thoroughly and consistently and consider employees as valuable resources for the organization and important for growth and profitability of the Company and its subsidiaries along with provision of care and quality work environments for employees, focusing on health and safety, and shall treat all employees with fairness in order to gain fair returns when compared to similar businesses.

3. Shareholders

The Company and its subsidiaries are committed to the operation and shall perform their duties with honesty, transparency, and fairness, and use knowledge, expertise, and experience in management by taking into account the best interests of the shareholders with good returns and ongoing growth, as well as to report the situation of the Company and its subsidiaries continuously, completely, transparently, reliably, and give every shareholder equal rights.

4. Business Partners and Creditors

The Company and its subsidiaries deem that it is important to encourage business partners and creditors of the Company fully to understand the Company's business. In addition, in order to maintain a clear, lasting, and trustworthy relationship, the Company and its subsidiaries shall strictly comply with the terms and conditions of the agreements, as well as providing complete and accurate financial information to business partners and creditors of the Company. It also sets a policy not to demand, accept, or pay any dishonest benefits to business partners and creditors of the Company.

5. Society, Community, and Environment

The Company and its subsidiaries pay attention to and place importance to safety to society, environment, and quality of life of people involved in all operations of the Company and also provides supervision for compliance with laws and regulations in accordance with the spirit of the law and regulations of responsible departments. In addition, the Company seeks to raise awareness of responsibility to the community, society, and environment among employees at all levels, including ongoing evaluation and monitoring.

6. Competitors

The Company and its subsidiaries shall treat competitors in a fair and ethical manner and operate the business with the purpose of development and market progress, which is beneficial to the industry as a whole without seeking the confidential information of dishonest or inappropriate competitors.

7. Business Partners

The Company and its subsidiaries shall comply with trade conditions and agreements, aiming to treat trade partners based on fairness and consider mutual benefits. It also sets the rules to select partners by providing detailed information to all partners and shall not discourage anyone partner from competing in a business competition and provide a management and monitoring system to ensure that all agreements and contracts are fulfilled, including a process for on-time payment to partners in accordance with the agreed payment terms.

In addition, the Company and its subsidiaries shall conduct a partner evaluation annually and inform the evaluation results and recommendations to enable partners to continuously improve their quality of products and services. At the same time, it allows the partners to submit complaints.

Section 4

Section 4 Disclosure of Information and Transparency

The Board of Directors are committed to ensuring the disclosure of important information relating to the Company and its subsidiaries, including financial and non-financial information is accurate, complete, timely, transparent, through easy access channels, fair and reliable, and also strictly complies with relevant laws, regulations, and regulations. The main principles of information disclosure are as follows:

1. The disclosed information shall be accurate, sufficient, clear, timely, and not to cause any misunderstanding in the material contents.
2. It shall comply with regulations regarding disclosure of information correctly and completely.
3. The Company shall authorize an assigned person(s) to disclose important information that has not been disclosed to the public only.
4. In the case of information that affects the trading prices and the investment decision, the Company shall disclose to the public without delay through the SET.
5. Disclosures are made through various channels, such as reporting to the SET and/or the Office of the Securities and Exchange Commission or on the Company website.

Section 5

Board responsibilities

1. Board of Directors Structure

1. The Company has set up its Board of Directors to consist of at least five directors as specified by the shareholders' meeting, but no more than 12 and at least 1 in 3 independent directors but not less than 3, and the remaining members are executive directors and non-executive directors. It has also set the structure of the Board to consist of various qualifications in terms of skills, experience, gender and specific talents that are beneficial to the Company with dissemination of policies on the diverse qualifications of the directors, including the number of years holding the position of each director in the annual report and on the Company website.

2. The directors shall be qualified and shall not be under any prohibition under the Public Company Limited Act and shall not have characteristics that indicate lack of appropriateness to be entrusted to the management of a public-owned business under the law and the Notification of the Securities and Exchange Commission and in the selection of new directors, it shall also consider from the Director Pool database.

3. To strengthen the Board of Directors and enable the directors to devote their time to perform duties in the Company, the Company requires that the directors be able to hold their position of no more than five registered companies.

4. To enable management in the Company's business to achieve effective results, the Company has guidelines in the case of the Chief Executive Officer, and the senior management of the Company will take a position of not more than five companies in which the Company invests and the company in which the directors hold their position shall not have a conflict of interest and shall not be a competitor of the Company. Directorship in other companies shall be proposed for approval by the Board of Directors, and they shall be prohibited from working in any other company other than companies that the Company invests in.

5. The Company requires qualifications of independent directors in accordance with the Notification of the Capital Market Supervisory Board, except for the matters of shares that the Company has stipulated to be stricter. The shares shall not be more than 0.5 percent of the Company's paid-up capital, and the shares held by related persons shall also be counted. The term of office for the independent directors shall be no more than nine years

6. The Company requires the Chairman of the Board and the Chief Executive Officer to be different persons in order to be able to independently carry out the audit for balance the work of the management by dividing duties and responsibilities for each as follows:

(1) The Chairman is responsible for overseeing the meetings of the Board of Directors to be efficient and shall ensure provision of an important and necessary meeting agenda for the Company's business operations, especially in the strategic plan, allocate time for the management to present clear information, record the minutes of the meeting correctly, including overseeing the corporate governance of the Company to be in line with the stipulated policies. It also serves as the Chairman of the shareholders' meeting.

(2) The Chief Executive Officer is responsible for overseeing the management as assigned by the Board of Directors, preparing the policy, business strategy guidelines, goals, work plans, and annual budgets of the Company and its subsidiaries to propose to the Board of Directors for approval as well as carry out operations in accordance with the policy, business strategy guidelines, goals, work plans, and annual budgets of the Company and its subsidiaries as approved by the Board of Directors.

7. The Company has established its Secretary to provide legal advice, rules, and regulations that the Board of Directors should acknowledge and to perform in overseeing the activities of the Directors, as well as

coordinating the implementation of the resolutions of the Board of Directors. The Company Secretary shall hold a bachelor's degree in law or accounting or have passed training courses related to the performance of duties of the Company Secretary. The Company has specified the appropriate qualifications of the Company Secretary and disclose the qualifications and experience of the Company Secretary in the annual report and on the Company website and allow the Company Secretary to participate in training and knowledge development.

2. Establishment of Sub-Committees

The Board of Directors has appointed five sub-committees as follows

1. Audit Committee
2. Risk Management Committee
3. Sustainable Marketing and Marketing Committee
4. Nomination and Remuneration Committee
5. Board of Executive Directors

Each sub-committee shall perform its duties as assigned by the Board of Directors, which has the power to notify the management to attend the meeting to clarify or prepare the report to present as deemed appropriate.

Each sub-committee consists of the component, term of office, and duties in accordance with the charter, which can be summarized as follows:

1) Audit Committee: consists of at least three independent directors appointed by the Board of Directors, of which at least one shall have knowledge in accounting, finance, and shall have qualifications regarding independence under the Notification of the Capital Market Supervisory Board. The Audit Committee is responsible for overseeing the Company to prepare sufficient and accurate financial reports, reviewing the internal control system and effective internal audit, as well as supervising compliance with relevant laws, selecting and appointing an auditor(s), and considering connected transactions or transactions that may have conflicts of interest to ensure compliance with the criteria.

2) Risk Management Committee: consists of at least three directors and executives of the Company, who shall be appointed by the Board of Directors.

3) Sustainable Marketing and Marketing Committee: consists of at least three directors of the Company and independent directors appointed by the Board of Directors, and an independent director shall be the Chairman of the Marketing and Sustainable Development Committee.

4) Nomination and Remuneration Committee: consists of at least three directors appointed by the Board of Directors, and an independent director shall be the Chairman of the Nomination and Remuneration Committee. The Nomination and Remuneration Committee shall be consist of more than half of independent directors.

5) Board of Executive Directors: consists of some of the Company's directors and may consist of one or more other persons, as deemed and appointed by the Board of Directors.

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

1. Duties and responsibilities of the Board of Directors shall be as stipulated by law, memorandum of association, articles of association, and resolutions of the shareholders' meeting, which include the following actions:

(1) To stipulate the vision, mission, policy, strategy and financial goals for the Company and its subsidiaries, as well as to consider and approve the policy and operation direction that the management proposes, and to supervise the management to proceed in accordance with the vision, mission, policy, strategy and financial goals, with the purpose to increase economic value for shareholders by taking into account all interested parties involved.

(2) To review the Board of Directors Charter at least once per year

(3) To set the structure and define the Company's and its subsidiaries' processes to ensure that operations are in accordance with the rules, regulations, board resolutions, resolutions of the shareholders' meeting, with honesty and carefulness.

(4) To set the structure and define the Company's and its subsidiaries' processes for a sound risk management system, supervision and inspection, and internal control.

(5) To monitor and evaluate the management of the Company and its subsidiaries to achieve the strategic plan under the budget approved by the Board of Directors.

(6) To oversee the preparation of accounts and keep accounts and related documents, including the disclosure of appropriate information to shareholders and the general public.

(7) To inspect and ensure that the Company and its subsidiaries have complied with the Code of Ethics and anti-corruption policy set by the Board of Directors and determine the Company's and its subsidiaries' policies in corporate governance and social responsibility.

(8) To appoint a person to be a director or executive of a subsidiary company in proportion to his/her shareholding in the subsidiary company and provide a clear scope of duties and responsibilities of the appointed directors and executives, which include setting a clear framework for exercise discretion and allowing the voting in the Board of Directors' meeting on important matters to be approved by the Board of Directors, and also conduct management control in accordance with the Company policy and transactions to be legal, which includes the disclosure of financial status, information, performance, connected transactions and the acquisition or disposal of significant assets.

However, the delegation of authority and responsibility of the Board of Directors shall not be made in a power of attorney or sub-authorization which allows the Board of Directors or a delegate from the Board of Directors to approve transactions in which they or persons with potential conflicts of interest (as defined in the Notification of the Securities and Exchange Commission or Notification of the Capital Market Supervisory Board) may have a conflict of interest or may receive benefits in any manner or may have a conflict of interest with the Company or its subsidiaries, except for approval of items in accordance with the policies and criteria approved by the shareholders' meeting or the Board of Directors of the Company.

2. In the principles of the good corporate governance of the Company, apart from conducting business in accordance with the law, objectives, and regulations, as well as the resolutions of the shareholders' meeting, the Board of Directors also has the authority, duties, and responsibilities of the Board of Directors as shown in the Board of Directors Charter.

4. Board Meeting and Receipt of Documents

The Board of Directors operates through a meeting of the Board of Directors as follows:

1. The Company shall schedule a meeting of the Board of Directors in advance for the whole year, and the Company Secretary shall inform each director of the schedule.

2. The Board of Directors shall schedule a meeting at least six times a year and at least once within three months.

3. The Chairman of the Board of Directors and the Chief Executive Officer jointly consider and select matters for the agenda of the Board of Directors' meeting and allow each director to propose matters that are beneficial to the Company.

4. Each meeting of the Board of Directors shall have a clear meeting agenda and sufficient and complete meeting documents that shall be submitted to the Board of Directors at least seven days in advance of the meeting date.

5. All directors shall attend every meeting of the Board of Directors and the shareholders, except in the case of necessity.

6. The Chairman of the Board shall allocate sufficient time for the management to propose the matters and to allow the directors to thoroughly discuss the important issues. The Chairman of the Board shall promote careful discretion, and every director shall pay attention to every matter and issue brought to the meetings, including corporate governance issues.

7. The minimum quorum at the time that the Board of Directors is passing a resolution shall not be less than 2 in 3 of the total number of directors.

8. In the case that the Chairman is not an independent director, the Board of Directors shall appoint one of the independent directors to consider the agenda of the meeting in order to be in accordance with the principles of good corporate governance for registered companies.

9. The Company has a policy for non-executive directors to have a meeting among themselves as necessary in order to discuss various issues regarding management that is of interest to the management without the management team and to inform the Chief Executive Officer of the meeting results.

10. The Company has the policy to encourage senior executives to attend the meeting of the Board of Directors.

11. All directors have access to additional necessary information from the Chief Executive Officer, the Company Secretary, or other assigned executives within the specified policy scope and, if necessary, they may provide independent opinions from consultants.

12. Board of Directors shall assign the Company Secretary to make the minutes completely and accurate, and the minutes shall be clear with the meeting results and the opinions of the Board for reference.

5. Board Self Assessment

The Board of Directors requires the evaluation of the Board of Directors' performance annually to consider the work and issues for further improvement.

The Company has the evaluation process of the Board of Directors as follows

1. The Board of Directors arranges for annual self-performance evaluation for the directors to jointly consider their work and issues for further improvement. The evaluation of the Board of Directors shall rely on the guidelines of evaluation suggested by the Stock Exchange of Thailand, and it shall carry out additional improvements to suit the company's business operations.

2. The Board of Directors arranges for the evaluation of the Chief Executive Officer to compare with the operating results. The Board of Directors shall evaluate in the evaluation form, and the Board of Directors shall assign the Chairman of the Board to inform the evaluation results to the Chief Executive Officer and the Board of Directors.

6. Directors' Remuneration

To prevent the conflict of interests of the Company, the Nomination and Remuneration Committee is responsible for determining and proposing to the Board for approval. Then, the shareholders may give approval to the work of the Board of Directors with the following rules and regulations:

1. The Committee shall consider the remuneration of the directors by comparing it with the companies in the same industry, company performance, and responsibilities of the directors. The consideration of the remuneration of directors is under the approval of the shareholders' meeting, and the shareholders have the right to consider the criteria and policies for determining remuneration for the directors every year. The Board of Directors has to propose the directors' remuneration for the shareholders to consider as the agenda of the annual general meeting of shareholders.

2. Executive remuneration shall be in accordance with the principles and policies determined by the Board of Directors, which are connected to the Company's operation and the performance of each executive.

3. Board of Directors and the senior management shall report on the directors' remuneration and rationale in the annual report and financial statements of the Company.

7. Development of Directors and Executives

1. The Company and its subsidiaries shall promote and facilitate the training and education of relevant parties in the corporate governance system of the Company and its subsidiaries, such as directors, audit committee, executives, and the Company Secretary, in order to continuously improve operations.

2. The Company and its subsidiaries shall arrange an orientation and arrange documents and information useful for the performance of the duties of the new directors.

3. The Board shall set a plan to develop the potential of executives from the level of Chief Executive Officer to the director level by assigning the management to create a succession plan and a report to the Board of Directors

Code of Conduct

Zen Corporation Group Public Company Limited and its subsidiaries

Vol. 1, 2018

1. Scope

The Code of Conduct of Zen Corporation Group Public Company Limited (the Company”) applies to directors, executives, employees of the Company and its subsidiaries.

2. Policy

The Company has the policy to conduct business in a lawful manner and compliance with requirements to respect the rights of employees, business partners and all related groups of the Company and its subsidiaries.

3. The Company s Code of Conduct consists of:

3.1 Compliance with rules, regulations, notifications and orders of the Company and its subsidiaries

Directors, executives, all employees of the Company and its subsidiaries have duties and responsibilities to acknowledge, understand, and comply with the Code of Conduct, rules, regulations, notifications and orders of the Company and its subsidiaries and supervisors, as follows:

3.1.1. They shall support and strictly comply with the Company s and its subsidiaries policies, regulations, orders, agreements, notifications or circular letters;

3.1.2. They shall perform their duties with honesty and fairness, as well as reporting events that may cause damage to the Company s and its subsidiaries reputation and assets;

3.1.3. They shall be polite and respect colleagues;

3.1.4. They shall perform duties with determination and diligence and maintain regulations and good governance of the Company and its subsidiaries to be a good example make the company and its subsidiaries progress and operate in a proper manner;

3.1.5. They shall strictly maintain the interests and confidentiality of the Company, its subsidiaries and customers or in connection with any activity that must not be disclosed. Dissemination of news related to the business, finance, and individuals of the Company and its subsidiaries shall be done only in a proper and authorized manner and with prudence and efficiency. All related parties agree to keep the above information confidential.

If such information is disclosed or sent to others or used for any matter other than performance of duties for the Company and its subsidiaries, a violator agrees to be responsible for a compensation of civil damages to the Company and its subsidiaries in all respects;

3.1.6. They shall maintain and prevent the Company and its subsidiaries' assets from being damaged or lost, either from an individual or from any disaster, as far as possible;

3.1.7. They shall conduct management by adhering to morality and ethics, enhance morality and ethics at all levels of the Company and its subsidiaries, and monitor and resolve conflicts of interest that may arise in the Company and its subsidiaries by taking the benefits of the Company and its subsidiaries as a priority;

3.1.8. They shall supervise subordinates closely without prejudice or bias;

3.1.9. They shall prepare to work as a team and be open-minded to others' opinions;

3.1.10. They shall comply with and support and supervise all employees to strictly comply with the rules, disciplines and regulations of the Company and its subsidiaries for using computer systems, computer data, computer traffic information of the Company and its subsidiaries to make the use of computers of the Company and its subsidiaries efficiently and in accordance with the computer law, copyright law, or other applicable law, and prevent damage to the reputation and image of the Company and its subsidiaries or subject to civil and/or criminal prosecution.

3.2 Restrictions

Directors, executives, and all employees of the Company and its subsidiaries should refrain from performing or behaving in a manner that may lead to the detriment of the Company, its subsidiaries and themselves.

3.2.1. They shall not spend time working for the Company and its subsidiaries to do something else or take personal advantage;

3.2.2. They shall not operate a business of the same condition and in competition with the business of the Company and its subsidiaries, whether it is for personal gain or for others, or being a shareholder with management dominance which may damage the Company and its subsidiaries, either directly or indirectly;

3.2.3. They shall not behave in a manner which may damage the Company's and its subsidiaries' position and honor;

3.2.4. They shall not be deliberately or with the intention of making or using false statements or conceal any fact that should be reported to the Company and its subsidiaries;

3.2.5. They shall not work with negligence or perform any act which is inappropriate for the performance of their duties;

3.2.6. They shall not conceal or misrepresent any fact in order to obtain benefits of themselves or others, which may damage to the Company and its subsidiaries, either directly or indirectly;

3.2.7. They shall not prevent or take any action that impedes the legitimate performance of authorized personnel in the Company and its subsidiaries or issue any order for employees to act in a wrongful or unethical manner;

3.2.8. They shall not engage in any breach of civil and/or criminal law that will harm themselves or others, including the Company and its subsidiaries, whether on purpose or not;

3.2.9. They shall not disclose their own or others wages or salaries, rates of salary increase, whether on purpose or not;

3.2.10. They shall not ask for or agree to receive property or any other benefit from business partners, competitors or any other persons engaging in business with the Company and its subsidiaries or a reception that proves to be more than appropriate, except for traditional gifts or normal business entertainment or business promotion expenses that bring a reputation for trade for exchange according to custom. In case that those items or benefits are worth more than 3,000 baht, they must immediately notify their supervisor at the Department-Director level or higher.

3.2.11. They shall not give a bribe and/or perform any acts that cause damage to the Company and its subsidiaries and/or corruption, either directly or through a third party, and/or misrepresent their influence and/or authority on a business partner's agent, which constitutes a conflict of the Company's and its subsidiaries policy;

3.2.12. They shall not add, remove or amend any records or information in any way in order to change, alter or distort financial positions or performance of the Company and its subsidiaries and to misrepresent their accounting record status for any purpose;

3.2.13. They shall not be a person with insolvency or for any reason under the law to be presumed to be insolvent and/or ordered by the court to be bankrupt under the law;

3.2.14. They shall not perform any act that fails to protect the intellectual property information of the Company and its subsidiaries or obtained from performance of duties of employees. In addition, the intellectual property of the Company and its subsidiaries shall not be reproduced, adapted or used for personal benefit or for the benefit of others without permission from the Company and its subsidiaries;

3.2.15. They shall not imitate the Company's and its subsidiaries' performance and intellectual property and/or of others for their own benefit or others;

3.2.16. They shall not perform any act which is wrongful exploitation for themselves or others;

3.2.17. They shall not solicit or ask for support from a business partner (if it is necessary to seek such support for the benefit of the Company and its subsidiaries, departments shall consult with a purchasing agency to be responsible for the implementation);

3.2.18. They shall not perform any act which facilitates any person to seek, benefit, or access or disrupt the computer system, computer data, traffic computer information of the Company and its subsidiaries without authorization or permission from the Company and its subsidiaries, or intentionally encourage, support, or allow it to occur or exist in the course of an act of service provider under the computer law, copyright law, other relevant laws;

3.2.19. They shall not buy, sell, transfer, and receive the Company's and its subsidiaries securities by leveraging inside information that has not yet been disclosed for the benefit of themselves or others;

3.2.20. They shall not bring any items, equipment or assets of the Company and its subsidiaries for personal gain or for the benefit of others

4. Ethical punishment

Any persons accused of violating or failing to comply with this Code of Conduct shall be subject to punishment according to their level of one or several offenses and the Company's and its subsidiaries Regulations

In this regard, a supervisor or the Disciplinary Committee shall have the power to consider punishment under this Notification. For the punishment in the event of serious disciplinary offenses or punishment from suspension, the punishment shall be considered by the Disciplinary Committee only.

Zen Corporation Group Public Company Limited

APPENDIX 6

Report of the Audit Committee

เอกสารแนบ 6: รายงานคณะกรรมการตรวจสอบ

Report of the Audit Committee 2020

Dear Shareholders

The Audit Committee of ZEN Corporation Group Public Company Limited comprises of 3 knowledgeable independent directors, consisting of

Mr. Prawit Kijpaisalrattana	Chairman of the Audit Committee
Mrs. Jotika Savanananda	Member of the Audit Committee
Mr. Chavalit Chindavanig	Member of the Audit Committee

The Audit Committee has fulfilled its duties and carried out all the responsibilities stipulated in the charter of the Audit Committee and as assigned by the Board of Directors without limitation in obtaining information for performing its duties. The Audit Committee focuses on the implementation of the principles of corporate governance in accordance with the rules and best practices set by the Securities and Exchange Commission and the Stock Exchange of Thailand.

In 2020, the Audit Committee held 9 meeting, with all 3 members attending in each meeting. In these meetings, the Audit Committee discussed with the management team, auditor, risk management committee, and internal audit department in relevant matters. Its main activities can be summarized as follows:

1. **Financial Report** To review the Company's quarterly and annual financial statements by taking into account the significant items, suitability of accounting policies used, disclosure of information supplementary to the financial statements, completeness and accuracy of the disclosure in the notes to financial statements and the auditor's observations. The Audit Committee requested for the auditor's opinion on the accuracy and completeness of the financial statements, disclosure of information, including adjusting important entries, in which the auditor gave a consistent opinion that the financial statements and financial disclosures were sufficient and appropriate in accordance with generally accepted accounting standards.
2. **Internal Control and Risk Management** To review the internal control system and corporate governance to ensure that the Company's operations achieved the objectives. The Audit Committee continuously reviewed both the audit reports of the independent external auditor responsible for auditing the general control system regarding information technology and also the reports of the internal audit department of the Company, which were continuously followed up and reviewed. The suggestions on internal control system can be used by the management to prevent such events from recurring. This reasonably ensures that the Company has a good and sufficient internal control system in order for identifying weaknesses and significantly preventing fraud or unusual operations.

3. **Anti-Corruption Supervision** The Audit Committee recognizes the importance of corporate compliance and reviewing the anti-fraud and corruption guidelines by supervising the expansion of the anti-fraud and corruption practices of the management to its subsidiaries and trading partners to create a balance such as the guidelines for accepting and giving gifts. On 21 August 2018, Thailand's Private Sector Collective Action Coalition Against Corruption had a resolution to approve ZEN Corporation Group Public Company Limited as its member.
4. **Internal Audit Supervision** The Audit Committee reviewed the scope of operation, duties, responsibilities, personnel adequacy, personnel knowledge and competency development, and also supervised the internal audit to ensure that the internal audit activity and the role as a consultant of the internal audit department regarding internal control systems, risk management systems and corporate governance are independent, effective and efficient. In addition, the Audit Committee also approved the internal audit plan for the year 2020, which was established in accordance with the strategic direction of the Company and was risk-based by focusing on auditing the effectiveness of operations which were the important preventive control points, including fraud prevention audit.
5. **Compliance with Rules and Regulations** The Audit Committee reviewed the operations of the company to be in accordance with the Securities and Exchange Act, rules and regulations of the Securities and Exchange Commission, the Stock Exchange of Thailand and other laws related to the Company's businesses. The Audit Committee gave an opinion that the Company strictly complied with the said laws and regulations.
6. **Connected Transactions or Potential Conflicts of Interest** The Audit Committee reviewed, supervised, and gave an opinion on the connected transactions or potential conflicts of interest on a quarterly basis based on reasonability, transparency and adequate information disclosure for the best interest of the Company.

The Audit Committee gave an opinion that the management decided to make the aforementioned transaction for the benefit of the Company, as it normally did with external parties with normal trading conditions at a reasonable price and comparable to the reference price of the market in that business.
7. **Auditor** The Audit Committee selected, appointed and proposed the remuneration of the auditor for the year 2021 by considering the qualifications of the auditor, skills, knowledge, abilities and experience in auditing, independence of the auditor in accordance with the ethics of accounting professionals and the requirements of the Securities and Exchange Commission, the quality of auditing work for the past year and the appropriateness of audit fees. The Audit Committee therefore had a resolution to propose to the Board of Directors for

approval in the shareholders' meeting to appoint an auditor from KPMG Phoomchai Audit Company Limited as an auditor for the year 2021.

8. **Self-assessment** The Audit Committee evaluated its performance using self-assessment as group or as individual according to the guidelines of the Stock Exchange of Thailand. The results showed that the Audit Committee performed its duties and responsibilities as specified in the Audit Committee Charter by adhering to the accuracy, prudence, transparency, sufficient independence and fairness without restrictions on access to information from executives, employees and relevant parties, as well as providing constructive comments and suggestions for the equal benefit of all stakeholders.

In conclusion, the audit committee is of an opinion that the Board of Directors, the Executive Committee, and the management of the Company have ethics and a commitment to perform their duties in order to achieve the Company's goals with quality, professionalism, keeping up with the changes by attaching great importance to operations under an efficient, transparent corporate governance system. In addition, the Company has concise, sufficient and appropriate risk management and internal control systems.

(Mr. Prawit Kijpaisalrattana)

Chairman of the Audit Committee

Zen Corporation Group Public Company Limited