

Mudman Public Company Limited and its subsidiaries
Report and consolidated interim financial statements
For the three-month period ended 31 March 2017

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Mudman Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Mudman Public Company Limited and its subsidiaries as at 31 March 2017, the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of Mudman Public Company Limited for the same period. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*.

Sirirat Sricharoensup
Certified Public Accountant (Thailand) No. 5419

EY Office Limited
Bangkok: 12 May 2017

Mudman Public Company Limited and its subsidiaries

Statement of financial position

As at 31 March 2017

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2017	31 December 2016	31 March 2017	31 December 2016
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		72,821	89,379	4,155	12,323
Trade and other receivables	3	47,821	67,304	12,645	14,463
Short-term loans to and interest receivable					
from related parties	2	-	-	160,667	145,067
Inventories	4	195,576	204,348	53	49
Other current assets	5	28,568	28,354	11,762	9,827
Total current assets		344,786	389,385	189,282	181,729
Non-current assets					
Restricted bank deposits	6	2,935	3,016	-	-
Investments in subsidiaries	7	-	-	3,061,073	3,061,073
Building improvement and equipment	8	488,328	477,781	8,600	10,301
Goodwill		1,896,039	1,896,039	-	-
Leasehold rights	9	54,257	56,367	-	-
Intangible assets	10	867,387	884,999	788	896
Deferred tax assets		8,292	8,746	-	-
Deposits		99,787	98,268	1,275	2,275
Total non-current assets		3,417,025	3,425,216	3,071,736	3,074,545
Total assets		3,761,811	3,814,601	3,261,018	3,256,274

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

.....Director

(Mr. Supasith Sukhanindr)

.....Director

(Mr. Nadim X. Salhani)

Mudman Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 March 2017

(Unit: Thousand Baht)

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>31 March 2017</u>	<u>31 December 2016</u>	<u>31 March 2017</u>	<u>31 December 2016</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	11	225,391	24,800	190,000	24,800
Trade and other payables	12	396,674	429,550	6,319	17,845
Current portion of long-term loans from financial institutions	13	180,238	173,334	-	-
Short-term loans from and interest payable to related parties	2	-	-	1,071,058	1,041,361
Income tax payable		16,024	11,540	-	-
Dividend payable		-	160,345	-	160,345
Other current liabilities		55,019	55,822	2,413	3,065
Total current liabilities		873,346	855,391	1,269,790	1,247,416
Non-current liabilities					
Long-term loans from financial institutions - net of current portion	13	821,512	871,755	-	-
Deferred tax liabilities		200,823	204,794	-	-
Provision for long-term employee benefits		39,319	40,895	15,897	16,527
Other non-current liabilities		27,417	26,643	-	-
Total non-current liabilities		1,089,071	1,144,087	15,897	16,527
Total liabilities		1,962,417	1,999,478	1,285,687	1,263,943

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

.....Director

(Mr. Supasith Sukhanindr)

.....Director

(Mr. Nadim X. Salhani)

Mudman Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 March 2017

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>31 March 2017</u>	<u>31 December 2016</u>	<u>31 March 2017</u>	<u>31 December 2016</u>
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity				
Share capital				
Registered				
1,054,903,750 ordinary shares of Baht 1 each	<u>1,054,904</u>	<u>1,054,904</u>	<u>1,054,904</u>	<u>1,054,904</u>
Issued and fully paid				
843,923,000 ordinary shares of Baht 1 each	843,923	843,923	843,923	843,923
Share premium	1,099,077	1,099,077	1,099,077	1,099,077
Surplus on business combination under common control				
	212,356	212,356	-	-
Retained earnings (deficit)				
Appropriated - statutory reserve	11,130	11,130	11,130	11,130
Unappropriated	(366,936)	(351,363)	21,201	38,201
Other components of shareholders' equity	<u>(156)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total shareholders' equity	<u>1,799,394</u>	<u>1,815,123</u>	<u>1,975,331</u>	<u>1,992,331</u>
Total liabilities and shareholders' equity	<u>3,761,811</u>	<u>3,814,601</u>	<u>3,261,018</u>	<u>3,256,274</u>
	-	-	-	-

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

.....Director

(Mr. Supasith Sukhanindr)

.....Director

(Mr. Nadim X. Salhani)

(Unaudited but reviewed)

Mudman Public Company Limited and its subsidiaries
Statement of comprehensive income
For the three-month period ended 31 March 2017

(Unit: Thousand Baht except earnings per share expressed in Baht)

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Profit or loss:					
Revenues					
Sales and service income		705,931	716,416	5,352	5,981
Management service income	2	-	-	24,953	28,678
Other income		31,659	20,660	649	2,814
Total revenues		<u>737,590</u>	<u>737,076</u>	<u>30,954</u>	<u>37,473</u>
Expenses					
Cost of sales and services		285,355	289,810	26,727	27,973
Selling expenses					
Amortisation of intangible assets acquired through business combination		16,670	17,724	-	-
Other selling expenses		350,227	333,589	1,685	1,982
Administrative expenses		82,827	81,926	3,368	2,187
Total expenses		<u>735,079</u>	<u>723,049</u>	<u>31,780</u>	<u>32,142</u>
Profit (loss) before finance cost and income tax expenses		2,511	14,027	(826)	5,331
Finance cost		(16,188)	(15,108)	(16,174)	(14,448)
Loss before income tax expenses		<u>(13,677)</u>	<u>(1,081)</u>	<u>(17,000)</u>	<u>(9,117)</u>
Income tax expenses	14	(1,896)	(4,882)	-	-
Loss for the period		<u>(15,573)</u>	<u>(5,963)</u>	<u>(17,000)</u>	<u>(9,117)</u>
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>					
Exchange differences on translation of financial statements in foreign currency		(156)	-	-	-
Other comprehensive income for the period		<u>(156)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period		<u>(15,729)</u>	<u>(5,963)</u>	<u>(17,000)</u>	<u>(9,117)</u>
Earnings per share (Baht)					
Basic loss per share	15	<u>(0.02)</u>	<u>(0.01)</u>	<u>(0.02)</u>	<u>(0.01)</u>

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

.....Director
(Mr. Supasith Sukhanindr)

.....Director
(Mr. Nadim X. Salhani)

(Unaudited but reviewed)

Mudman Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the three-month period ended 31 March 2017

(Unit: Thousand Baht)

	Consolidated financial statements						Other components of	
	Issued and paid-up share capital		Surplus on business combination under common control	Retained earnings (deficit)		shareholders' equity	Exchange differences on translation of financial statements in foreign currency	Total
	share capital	Share premium	common control	Appropriated - statutory reserve	Unappropriated	in foreign currency		
Balance as at 1 January 2016	843,923	1,099,077	212,356	-	(11,563)	-	-	2,143,793
Loss for the period	-	-	-	-	(5,963)	-	-	(5,963)
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	(5,963)	-	-	(5,963)
Balance as at 31 March 2016	843,923	1,099,077	212,356	-	(17,526)	-	-	2,137,830
Balance as at 1 January 2017	843,923	1,099,077	212,356	11,130	(351,363)	-	-	1,815,123
Loss for the period	-	-	-	-	(15,573)	-	-	(15,573)
Other comprehensive income for the period	-	-	-	-	-	(156)	(156)	(156)
Total comprehensive income for the period	-	-	-	-	(15,573)	(156)	(156)	(15,729)
Balance as at 31 March 2017	843,923	1,099,077	212,356	11,130	(366,936)	(156)	(156)	1,799,394

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

.....Director
(Mr. Supasith Sukhanindr)

.....Director
(Mr. Nadim X. Salhani)

(Unaudited but reviewed)

Mudman Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity (continued)
For the three-month period ended 31 March 2017

(Unit: Thousand Baht)

	Separate financial statements				
	Issued and paid-up		Retained earnings		Total
	share capital	Share premium	Appropriated - statutory reserve	Unappropriated	
Balance as at 1 January 2016	843,923	1,099,077	-	283,335	2,226,335
Total comprehensive income for the period	-	-	-	(9,117)	(9,117)
Balance as at 31 March 2016	<u>843,923</u>	<u>1,099,077</u>	<u>-</u>	<u>274,218</u>	<u>2,217,218</u>
Balance as at 1 January 2017	843,923	1,099,077	11,130	38,201	1,992,331
Total comprehensive income for the period	-	-	-	(17,000)	(17,000)
Balance as at 31 March 2017	<u>843,923</u>	<u>1,099,077</u>	<u>11,130</u>	<u>21,201</u>	<u>1,975,331</u>

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

.....Director

(Mr. Supasith Sukhanindr)

.....Director

(Mr. Nadim X. Salhani)

(Unaudited but reviewed)

Mudman Public Company Limited and its subsidiaries

Cash flow statement

For the three-month period ended 31 March 2017

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Cash flows from operating activities				
Loss before tax	(13,677)	(1,081)	(17,000)	(9,117)
Adjustments to reconcile loss before tax to net cash provided by (paid from) operating activities:				
Depreciation	39,171	33,240	423	441
Amortisation	21,484	22,588	165	342
Loss on disposal/written-off of building improvement and equipment and intangible assets	3,912	4,226	2,071	-
Reduction of inventory to net realisable value (reversal)	166	(24)	-	-
Long-term employee benefit expenses	1,797	2,149	556	626
Interest income	(11)	(11)	(198)	(2,286)
Interest expenses	14,188	15,108	14,174	14,448
Front-end fees	2,000	-	2,000	-
Profit from operating activities before changes in operating assets and liabilities	69,030	76,195	2,191	4,454
Operating assets (increase) decrease				
Trade and other receivables	19,482	17,921	1,817	7,877
Inventories	8,606	31,769	(4)	7
Other current assets	938	(3,188)	(1,115)	117
Deposits	(1,519)	(2,847)	1,000	-
Operating liabilities increase (decrease)				
Trade and other payables	(35,055)	(52,367)	(11,140)	(623)
Other current liabilities	(2,221)	817	(652)	(1,766)
Provision for long-term employee benefits	(3,373)	(365)	(1,186)	-
Other non-current liabilities	(125)	5,202	-	-
Cash flows from (used in) operating activities	55,763	73,137	(9,089)	10,066
Cash paid for income tax	(2,088)	(2,713)	(819)	(1,137)
Net cash flows from (used in) operating activities	53,675	70,424	(9,908)	8,929

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

.....Director

(Mr. Supasith Sukhanindr)

.....Director

(Mr. Nadim X. Salhani)

(Unaudited but reviewed)

Mudman Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the three-month period ended 31 March 2017

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Cash flows from investing activities				
(Increase) decrease in restricted bank deposits	81	(23)	-	-
(Increase) decrease in short-term loans to related parties	-	-	(15,600)	1,074
Acquisition of building improvement and equipment	(47,393)	(19,397)	(1,180)	(488)
Proceeds from sales of equipment	47	157	3	-
Increase in intangible assets and leasehold rights	(1,762)	(3,927)	(57)	(353)
Cash received from interest income	19	26	198	150
Net cash flows from (used in) investing activities	(49,008)	(23,164)	(16,636)	383
Cash flows from financing activities				
Increase in short-term loans from financial institutions	200,592	-	165,200	-
Increase in short-term loans from related parties	-	-	20,000	-
Repayment of long-term loans from financial institutions	(43,339)	(30,930)	-	-
Cash paid for liabilities under finance lease agreements	(1,654)	(1,254)	-	-
Cash paid for interest expenses	(14,323)	(15,269)	(4,479)	(131)
Cash paid for front-end fees	(2,000)	-	(2,000)	-
Dividend paid	(160,345)	-	(160,345)	-
Net cash flows from (used in) financing activities	(21,069)	(47,453)	18,376	(131)
Decrease in translation adjustments	(156)	-	-	-
Net increase (decrease) in cash and cash equivalents	(16,558)	(193)	(8,168)	9,181
Cash and cash equivalents at beginning of period	89,379	108,270	12,323	7,826
Cash and cash equivalents at end of period	72,821	108,077	4,155	17,007
	-	-	-	-
Supplemental cash flows information :-				
Non-cash transactions				
Acquisition of assets through incurrence of liabilities	42,516	26,684	-	279

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

.....Director

(Mr. Supasith Sukhanindr)

.....Director

(Mr. Nadim X. Salhani)

Mudman Public Company Limited and its subsidiaries
Notes to consolidated interim financial statements
For the three-month period ended 31 March 2017

1. General information

1.1 Corporate information

Mudman Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its parent company is Sub Sri Thai Public Company Limited. The Company is principally engaged in investment holding, management service for related companies and distribution of food. The registered office of the Company is at 209/1 KKP Tower B, 25th Floor, Sukhumvit 21 Road, Klongtoey Nua, Wattana, Bangkok.

1.2 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2016) "Interim Financial Reporting", with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

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

1.3 Basis of consolidation

These consolidated financial statements include the financial statements of Mudman Public Company Limited and its subsidiaries and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2016. There were no changes in the composition of the group during the current period.

.....Director

(Mr. Supasith Sukhanindr)

.....Director

(Mr. Nadim X. Salhani)

1.4 New financial reporting standards

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

TAS 27 (revised 2016) Separate Financial Statements

This revised standard stipulates an additional option to account for investments in subsidiaries, joint ventures and associates in separate financial statements under the equity method, as described in TAS 28 (revised 2016) Investments in Associates and Joint Ventures. However, the entity is to apply the same accounting treatment for each category of investment. If an entity elects to account for such investments using the equity method in the separate financial statements, it has to adjust the transaction retrospectively.

This standard does not have any significant impact on the Company's and its subsidiaries' financial statements because the management has decided to continue accounting for such investments under the cost method in the separate financial statements.

1.5 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2016.

.....Director

(Mr. Supasith Sukhanindr)

.....Director

(Mr. Nadim X. Salhani)

2. Related party transactions

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

(Unit: Thousand Baht)

	For the three-month periods ended 31 March				Pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Management service income	-	-	24,953	28,678	At the higher of the 3%-4% of sales and the cost plus margin of 5%
Rental income	-	-	412	454	Contract rate
Interest income	-	-	198	2,286	3.80% to 5.63% p.a.
Interest expenses	-	-	12,727	14,315	3.95% to 5.38% p.a.
<u>Transactions with related company</u>					
Rental expenses	1,200	1,129	1,200	1,129	Contract rate

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March	31 December	31 March	31 December
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
		(Audited)		(Audited)
Trade and other receivables - related parties (Note 3)				
Subsidiaries	-	-	11,931	13,607
Short-term loans to and interest receivable from related parties				
Subsidiaries	-	-	222,667	207,067
Less: Allowance for doubtful debts	-	-	(62,000)	(62,000)
	-	-	160,667	145,067

.....Director

(Mr. Supasith Sukhanindr)

.....Director

(Mr. Nadim X. Salhani)

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2017	31 December 2016 (Audited)	31 March 2017	31 December 2016 (Audited)
Rental deposit paid - related party				
Related company	-	1,000	-	1,000
Trade and other payables - related parties (Note 12)				
Parent company	2	4	-	-
Subsidiary	-	-	2	-
Related company (common director)	-	2,510	-	2,510
	2	2,514	2	2,510
Short-term loans from and interest payable to related parties				
Subsidiaries	-	-	1,071,058	1,041,361
Dividend payable				
Parent company	-	128,808	-	128,808
Related company (common director)	-	14,957	-	14,957
Directors, employees and related persons	-	12,802	-	12,802
	-	156,567	-	156,567

Short-term loans to and interest receivable from related parties

These represent short-term loans and interest receivable under promissory note. Interest is charged at 3.80 to 5.63 percent per annum (31 December 2016: 3.80 to 5.63 percent per annum). The loans have no collateral and are repayable on demand.

Short-term loans from and interest payable to related parties

These represent short-term loans and interest payable under promissory note. Interest is charged at 3.95 to 5.38 percent per annum (31 December 2016: 3.95 to 5.38 percent per annum) and the loans are repayable on demand.

.....Director

(Mr. Supasith Sukhanindr)

.....Director

(Mr. Nadim X. Salhani)

Movements for the three-month period ended 31 March 2017 of loan to and loan from related parties are as follows:

(Unit: Thousand Baht)

Loan to / Loan from	Related by	Separate financial statements			
		Balance as at 31 December 2016 (Audited)	Increase during the period	Decrease during the period	Balance as at 31 March 2017
<u>Short-term loans and interest receivable</u>					
Golden Scoop Co., Ltd.	Subsidiary	16,600	2,198	(298)	18,500
Greyhound Co., Ltd.	Subsidiary	190,467	13,700	-	204,167
		207,067	15,898	(298)	222,667
Less: Allowance for doubtful debts		(62,000)	-	-	(62,000)
Total		145,067	15,898	(298)	160,667
<u>Short-term loans and interest payable</u>					
Golden Donuts (Thailand) Co., Ltd.	Subsidiary	616,491	12,298	(3,030)	625,759
ABP Café (Thailand) Co., Ltd.	Subsidiary	88,000	6,156	-	94,156
Greyhound Café Co., Ltd.	Subsidiary	336,870	14,273	-	351,143
Total		1,041,361	32,727	(3,030)	1,071,058

Directors and management's benefits

During the three-month periods ended 31 March 2017 and 2016, the Company and its subsidiaries had employee benefit expenses of their directors and management as below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Short-term employee benefits	23,059	18,944	18,562	11,560
Post-employment benefits	984	1,053	576	656
Total	24,043	19,997	19,138	12,216

Guarantee obligations with related parties

The Company and its subsidiaries have outstanding guarantee obligations with its related parties, as described in Note 17.4 (a) and 17.4 (b) to the interim financial statements.

.....Director

(Mr. Supasith Sukhanindr)

.....Director

(Mr. Nadim X. Salhani)

3. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2017	31 December 2016 (Audited)	31 March 2017	31 December 2016 (Audited)
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	43,106	58,884	697	838
Past due				
Up to 3 months	4,241	7,213	-	-
3 - 6 months	196	29	-	-
6 - 12 months	16	50	-	-
Over 12 months	5,457	5,483	-	-
Total	53,016	71,659	697	838
Less: Allowance for doubtful debts	(5,483)	(5,483)	-	-
Total trade receivables - unrelated parties, net	47,533	66,176	697	838
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	-	-	9,153	11,942
Past due				
Up to 3 month	-	-	1,513	1,520
3 - 6 months	-	-	1,143	-
Total trade receivables - related parties	-	-	11,809	13,462
Total trade receivables - net	47,533	66,176	12,506	14,300
<u>Other receivables</u>				
Other receivables - unrelated parties	288	1,128	17	18
Other receivables - related parties	-	-	122	145
Total other receivables	288	1,128	139	163
Total trade and other receivables - net	47,821	67,304	12,645	14,463

.....Director

(Mr. Supasith Sukhanindr)

.....Director

(Mr. Nadim X. Salhani)

4. Reduction of inventory to net realisable value

Movement in the reduction of inventory to net realisable value account during the three-month period ended 31 March 2017 is summarised below.

	(Unit: Thousand Baht)
Balance as at 1 January 2017	9,553
Reduction of inventory to net realisable value increased during the period	166
Balance as at 31 March 2017	<u>9,719</u>

5. Other current assets

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	31 March	31 December	31 March	31 December
	2017	2016	2017	2016
		(Audited)		(Audited)
Refundable corporate income tax	9,888	8,730	9,548	8,730
Undue value added tax	6,293	6,607	133	88
Prepaid expenses	9,871	6,759	1,161	1,000
Compensation for product claim	-	4,479	-	-
Others	2,516	1,779	920	9
Total	<u>28,568</u>	<u>28,354</u>	<u>11,762</u>	<u>9,827</u>

6. Restricted bank deposits

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

.....Director

(Mr. Supasith Sukhanindr)

.....Director

(Mr. Nadim X. Salhani)

7. Investments in subsidiaries

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

Company's name	Paid-up capital		Shareholding percentage		Cost	
	31 March	31 December	31 March	31 December	31 March	31 December
	2017	2016	2017	2016	2017	2016
			(%)	(%)		(Audited)
Golden Donuts (Thailand) Co., Ltd.	300,000	300,000	100	100	842,447	842,447
ABP Café (Thailand) Co., Ltd.	40,000	40,000	100	100	382,147	382,147
Golden Scoop Co., Ltd.	125,000	125,000	100	100	125,000	125,000
Greyhound Café Co., Ltd.	10,784	10,784	100	100	1,492,606	1,492,606
Greyhound Co., Ltd.	96,990	96,990	100	100	361,194	361,194
Total					3,203,394	3,203,394
Less: Allowance for impairment loss on investment					(142,321)	(142,321)
Investments in subsidiaries - net					3,061,073	3,061,073

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

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

8. Building improvement and equipment

Movements of the building improvement and equipment accounts during the three-month period ended 31 March 2017 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2017	477,781	10,301
Acquisitions during period	53,676	796
Disposals/written-off during period	(3,958)	(2,074)
Depreciation for the period	(39,171)	(423)
Net book value as at 31 March 2017	488,328	8,600

.....Director

(Mr. Supasith Sukhanindr)

.....Director

(Mr. Nadim X. Salhani)

9. Leasehold rights

Movements of leasehold rights accounts as presented in consolidated financial statements during the three-month period ended 31 March 2017 are summarised below.

	(Unit: Thousand Baht)
Net book value as at 1 January 2017	56,367
Amortisation for the period	<u>(2,110)</u>
Net book value as at 31 March 2017	<u><u>54,257</u></u>

Subsidiaries have mortgaged leasehold rights with a total net book value as at 31 March 2017 amounting to Baht 35 million (31 December 2016: Baht 36 million), as collateral for long-term loans from financial institutions.

10. Intangible assets

Movements of the intangible assets accounts during the three-month period ended 31 March 2017 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>
Net book value as at 1 January 2017	884,999	896
Increase during period	1,762	57
Amortisation for the period	<u>(19,374)</u>	<u>(165)</u>
Net book value as at 31 March 2017	<u><u>867,387</u></u>	<u><u>788</u></u>

11. Short-term loans from financial institutions

As at 31 March 2017, these represent short-term loans from financial institutions under promissory notes which are subject to interest at a rate of 3.55 to 3.80 percent per annum (31 December 2016: 3.55 percent per annum). The credit facilities are secured by the pledge of share certificates of a subsidiary and bank deposits of its parent company and guarantee provided by the Company, its parent company, its subsidiaries and its director.

As at 31 March 2017, the short-term credit facilities of the Company and its subsidiaries which have not yet been drawn down amounted to Baht 95 million (31 December 2016: Baht 20 million).

.....Director

(Mr. Supasith Sukhanindr)

.....Director

(Mr. Nadim X. Salhani)

12. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016
		(Audited)		(Audited)
Trade payables - unrelated parties	191,321	204,443	1,941	2,296
Other payables - unrelated parties	56,480	53,750	2,355	1,402
Other payables - related parties	2	2,514	2	2,510
Payables for purchase of assets	38,546	36,233	-	384
Accrued expenses	110,325	132,610	2,021	11,253
Total	396,674	429,550	6,319	17,845

13. Long-term loans

Movements of long-term loans as presented in consolidated financial statements during the three-month period ended 31 March 2017 are summarised below.

(Unit: Thousand Baht)

Balance as at 1 January 2017	1,045,089
Less: Repayment during the period	(43,339)
Balance as at 31 March 2017	1,001,750
Less: Current portion	(180,238)
Long-term loans - net of current portion	821,512

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

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

.....Director

(Mr. Supasith Sukhanindr)

.....Director

(Mr. Nadim X. Salhani)

14. Income tax

Interim corporate income tax was calculated on profit before income tax for the period, using the estimated effective tax rate for the year.

The income tax expenses for the three-month periods ended 31 March 2017 and 2016 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Current income tax:				
Interim corporate income tax charge	(5,414)	(8,690)	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	3,518	3,808	-	-
Income tax expense reported in the statements of comprehensive income	<u>(1,896)</u>	<u>(4,882)</u>	<u>-</u>	<u>-</u>

15. Earnings per share

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

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

	For the three-month periods ended 31 March			
	Consolidated financial statements		Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Loss for the period (Thousand Baht)	(15,573)	(5,963)	(17,000)	(9,117)
Weighted average number of ordinary shares (Thousand shares)	843,923	843,923	843,923	843,923
Loss per share (Baht/share)	(0.02)	(0.01)	(0.02)	(0.01)

16. Segment information

The Company and its subsidiaries are organised into business units based on its products and services. During the current period, the Company and its subsidiaries have not changed the organisation of their reportable segments.

.....Director

(Mr. Supasith Sukhanindr)

.....Director

(Mr. Nadim X. Salhani)

(Unaudited but reviewed)

The following table presents revenue and profit (loss) information regarding the Company's and its subsidiaries' operating segments for the three-month periods ended 31 March 2017 and 2016.

	(Unit: Million Baht)					
	Food and beverage segment		Garment segment		Consolidated financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Revenue						
Sales and service income	672	661	34	55	706	716
Operating result:						
Segment profit (loss)	(19)	4	(10)	(11)	(29)	(7)
Other income					31	21
Finance cost					(16)	(15)
Loss before income tax expenses					(14)	(1)
Income tax expenses					(2)	(5)
Loss for the period					(16)	(6)

17. Commitments and contingent liabilities

17.1 Capital commitments

As at 31 March 2017, the Company and its subsidiaries had capital commitments of approximately Baht 37 million (31 December 2016: Baht 21 million), relating to the improvement of buildings and acquisition of equipments.

17.2 Operating lease and service commitments

The Company and its subsidiaries have entered into several lease agreements in respect of the lease of building space and related services. The terms of the agreements are generally between 1 year and 28 years. Certain rental and service charges are calculated at a percentage of actual sales which have a minimum guaranteed amount as stipulated in the agreements.

Future minimum lease payments required under these operating leases and services contracts were as follows.

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	31 March <u>2017</u>	31 December <u>2016</u>	31 March <u>2017</u>	31 December <u>2016</u>
Payable:				
In up to 1 year	251	272	3	7
In over 1 and up to 5 years	371	412	12	34
In over 5 years	71	162	8	89

.....Director

(Mr. Supasith Sukhanindr)

.....Director

(Mr. Nadim X. Salhani)

17.3 Franchise agreements

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

17.4 Guarantees

- (a) The Company and its subsidiaries have guaranteed bank credit facilities of its subsidiaries amounting to Baht 1,235 million.
- (b) The Company and its subsidiaries have guaranteed revolving credit facilities of the Group amounting to Baht 355 million.
- (c) As at 31 March 2017, there were outstanding bank guarantees of approximately Baht 7 million (31 December 2016: Baht 5 million) issued by banks on behalf of the subsidiaries. These included letters of guarantee to guarantee rental payment and electricity use.

17.5 Commitment on financial advisory service fee

The Company entered into financial advisory service and underwriting agreements to appoint the securities companies as its financial advisor for the purpose of its application to the Office of the Securities and Exchange Commission for permission to make an initial public offering of its shares, to list the Company's new shares on the Stock Exchange of Thailand, and as underwriter for the sale of its shares through the initial public offering. As at 31 March 2017, under the agreements the Company was committed to paying financial advisory service fee and underwriting fee at the rates stipulated in the agreements.

.....Director

(Mr. Supasith Sukhanindr)

.....Director

(Mr. Nadim X. Salhani)

18. Events after the reporting period

During 29 - 31 March 2017, the Company made an offer to the shareholders of its parent company to purchase 41 million ordinary shares with a par value of Baht 1 each, at a price of Baht 5.25 per share, or for a total of Baht 217 million. In addition, during 3 - 5 April 2017, the Company made an Initial Public Offering of 170 million ordinary shares with a par value of Baht 1 each, at a price of Baht 5.25 per share, or for a total of Baht 890 million. The Company received payment of this share capital increment and registered the increase of its issued and paid-up share capital from Baht 844 million (844 million ordinary shares with a par value of Baht 1 per share) to Baht 1,055 million (1,055 million ordinary shares with a par value of Baht 1 per share) with the Ministry of Commerce on 7 April 2017.

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

19. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company’s authorised director on 12 May 2017.

.....Director

(Mr. Supasith Sukhanindr)

.....Director

(Mr. Nadim X. Salhani)