

Mudman Public Company Limited and its subsidiaries
Report and interim consolidated financial statements
For the three-month and six-month periods ended
30 June 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 30 June 2017, the related consolidated statements of comprehensive income for the three-month and six-month periods ended 30 June 2017, and the related consolidated statements of changes in shareholders' equity and cash flows for the six-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: 11 August 2017

Mudman Public Company Limited and its subsidiaries

Statement of financial position

As at 30 June 2017

(Unit: Thousand Baht)

	Note	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>30 June 2017</u>	<u>31 December 2016</u>	<u>30 June 2017</u>	<u>31 December 2016</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		179,888	89,379	14,532	12,323
Trade and other receivables	3	51,183	67,304	16,196	14,463
Short-term loans to and interest receivable					
from related parties	2	-	-	186,974	145,067
Inventories	4	181,603	204,348	48	49
Other current assets	5	33,363	28,354	11,291	9,827
Total current assets		<u>446,037</u>	<u>389,385</u>	<u>229,041</u>	<u>181,729</u>
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	493,329	477,781	3,756	10,301
Goodwill		1,896,039	1,896,039	-	-
Leasehold rights	9	69,547	56,367	-	-
Intangible assets	10	850,288	884,999	617	896
Deferred tax assets		8,707	8,746	-	-
Deposits		105,366	98,268	675	2,275
Total non-current assets		<u>3,426,211</u>	<u>3,425,216</u>	<u>3,066,121</u>	<u>3,074,545</u>
Total assets		<u>3,872,248</u>	<u>3,814,601</u>	<u>3,295,162</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)

Mudman Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 June 2017

(Unit: Thousand Baht)

	Note	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>30 June 2017</u>	<u>31 December 2016</u>	<u>30 June 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	8,300	24,800	3,300	24,800
Trade and other payables	12	314,523	429,550	7,369	17,845
Current portion of long-term loans from financial institutions	13	88,149	173,334	-	-
Short-term loans from and interest payable to related parties	2	-	-	191,230	1,041,361
Income tax payable		7,089	11,540	-	-
Dividend payable		-	160,345	-	160,345
Other current liabilities		59,970	55,822	2,522	3,065
Total current liabilities		478,031	855,391	204,421	1,247,416
Non-current liabilities					
Long-term loans from financial institutions - net of current portion	13	281,256	871,755	-	-
Deferred tax liabilities		196,916	204,794	-	-
Provision for long-term employee benefits		41,255	40,895	16,453	16,527
Other non-current liabilities		30,279	26,643	-	-
Total non-current liabilities		549,706	1,144,087	16,453	16,527
Total liabilities		1,027,737	1,999,478	220,874	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 30 June 2017

(Unit: Thousand Baht)

	Note	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>30 June 2017</u>	<u>31 December 2016</u>	<u>30 June 2017</u>	<u>31 December 2016</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity					
Share capital	14				
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					
1,054,903,750 ordinary shares of Baht 1 each		1,054,904	843,923	1,054,904	843,923
(31 December 2016: 843,923,000 ordinary share of Baht 1 each)					
Share premium		1,953,348	1,099,077	1,953,348	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		(387,066)	(351,363)	54,906	38,201
Other components of shareholders' equity		<u>(161)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total shareholders' equity		<u>2,844,511</u>	<u>1,815,123</u>	<u>3,074,288</u>	<u>1,992,331</u>
Total liabilities and shareholders' equity		<u>3,872,248</u>	<u>3,814,601</u>	<u>3,295,162</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 30 June 2017

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

		Consolidated financial statements		Separate financial statements	
	<u>Note</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Profit or loss					
Revenues					
Sales and service income		680,641	716,210	5,606	5,986
Dividend income	2, 7	-	-	43,781	67,400
Management service income	2	-	-	24,482	28,511
Other income		<u>39,005</u>	<u>21,298</u>	<u>978</u>	<u>4,201</u>
Total revenues		<u>719,646</u>	<u>737,508</u>	<u>74,847</u>	<u>106,098</u>
Expenses					
Cost of sales and services		280,104	287,705	28,735	30,053
Selling expenses					
Amortisation of intangible assets acquired through business combination		16,759	17,724	-	-
Other selling expenses		350,726	352,516	3,009	2,004
Administrative expenses		<u>86,093</u>	<u>77,178</u>	<u>3,741</u>	<u>3,049</u>
Total expenses		<u>733,682</u>	<u>735,123</u>	<u>35,485</u>	<u>35,106</u>
Profit (loss) before finance cost and income tax expenses		(14,036)	2,385	39,362	70,992
Finance cost		<u>(6,541)</u>	<u>(14,070)</u>	<u>(5,657)</u>	<u>(13,973)</u>
Profit (loss) before income tax expenses		(20,577)	(11,685)	33,705	57,019
Tax income (expenses)	15	<u>447</u>	<u>(1,856)</u>	-	-
Profit (loss) for the period		<u>(20,130)</u>	<u>(13,541)</u>	<u>33,705</u>	<u>57,019</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		<u>(5)</u>	-	-	-
Other comprehensive income for the period		<u>(5)</u>	-	-	-
Total comprehensive income for the period		<u>(20,135)</u>	<u>(13,541)</u>	<u>33,705</u>	<u>57,019</u>
Earnings per share (Baht)					
Basic earnings (loss) per share	16	<u>(0.02)</u>	<u>(0.02)</u>	<u>0.03</u>	<u>0.07</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 six-month period ended 30 June 2017

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

		Consolidated financial statements		Separate financial statements	
	<u>Note</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Profit or loss					
Revenues					
Sales and service income		1,386,572	1,432,626	10,958	11,967
Dividend income	2, 7	-	-	43,781	67,400
Management service income	2	-	-	49,435	57,189
Other income		<u>70,664</u>	<u>41,958</u>	<u>1,627</u>	<u>7,015</u>
Total revenues		<u>1,457,236</u>	<u>1,474,584</u>	<u>105,801</u>	<u>143,571</u>
Expenses					
Cost of sales and services		565,459	577,515	55,462	58,026
Selling expenses					
Amortisation of intangible assets acquired through business combination		33,429	35,448	-	-
Other selling expenses		700,953	686,105	4,694	3,986
Administrative expenses		<u>168,920</u>	<u>159,103</u>	<u>7,109</u>	<u>5,237</u>
Total expenses		<u>1,468,761</u>	<u>1,458,171</u>	<u>67,265</u>	<u>67,249</u>
Profit (loss) before finance cost and income tax expenses		(11,525)	16,413	38,536	76,322
Finance cost		<u>(22,729)</u>	<u>(29,178)</u>	<u>(21,831)</u>	<u>(28,420)</u>
Profit (loss) before income tax expenses		(34,254)	(12,765)	16,705	47,902
Tax expenses	15	<u>(1,449)</u>	<u>(6,739)</u>	-	-
Profit (loss) for the period		<u>(35,703)</u>	<u>(19,504)</u>	<u>16,705</u>	<u>47,902</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		<u>(161)</u>	-	-	-
Other comprehensive income for the period		<u>(161)</u>	-	-	-
Total comprehensive income for the period		<u>(35,864)</u>	<u>(19,504)</u>	<u>16,705</u>	<u>47,902</u>
Earnings per share (Baht)					
Basic earnings (loss) per share	16	<u>(0.04)</u>	<u>(0.02)</u>	<u>0.02</u>	<u>0.06</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 six-month period ended 30 June 2017**

(Unit: Thousand Baht)

Consolidated financial statements							Other components of shareholders' equity	
				Retained earnings (deficit)		Exchange differences on translation of financial statements		
		Issued and paid-up share capital	Share premium	Surplus on business combination under common control	Appropriated - statutory reserve	Unappropriated	in foreign currency	Total
Balance as at 1 January 2016		843,923	1,099,077	212,356	-	(11,563)	-	2,143,793
Loss for the period		-	-	-	-	(19,504)	-	(19,504)
Other comprehensive income for the period		-	-	-	-	-	-	-
Total comprehensive income for the period		-	-	-	-	(19,504)	-	(19,504)
Balance as at 30 June 2016		843,923	1,099,077	212,356	-	(31,067)	-	2,124,289
Balance as at 1 January 2017		843,923	1,099,077	212,356	11,130	(351,363)	-	1,815,123
Loss for the period		-	-	-	-	(35,703)	-	(35,703)
Other comprehensive income for the period		-	-	-	-	-	(161)	(161)
Total comprehensive income for the period		-	-	-	-	(35,703)	(161)	(35,864)
Proceeds from share subscription		210,981	854,271	-	-	-	-	1,065,252
Balance as at 30 June 2017		1,054,904	1,953,348	212,356	11,130	(387,066)	(161)	2,844,511

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 six-month period ended 30 June 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	-	-	-	47,902	47,902
Balance as at 30 June 2016	<u>843,923</u>	<u>1,099,077</u>	<u>-</u>	<u>331,237</u>	<u>2,274,237</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	-	-	-	16,705	16,705
Proceeds from share subscription	<u>210,981</u>	<u>854,271</u>	<u>-</u>	<u>-</u>	<u>1,065,252</u>
Balance as at 30 June 2017	<u>1,054,904</u>	<u>1,953,348</u>	<u>11,130</u>	<u>54,906</u>	<u>3,074,288</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 six-month period ended 30 June 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				
Profit (loss) before tax	(34,254)	(12,765)	16,705	47,902
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Depreciation	79,615	67,561	877	889
Amortisation	44,242	45,363	336	687
Loss on disposal/written-off of building improvement and equipment and intangible assets	8,848	4,958	6,471	-
Reduction of inventory to net realisable value (reversal)	2,962	(2,235)	-	-
Long-term employee benefit expenses	3,849	4,298	1,112	1,252
Dividend income	-	-	(43,781)	(67,400)
Interest income	(432)	(240)	(764)	(4,614)
Interest expenses	20,729	29,178	19,831	28,420
Front-end fees	2,000	-	2,000	-
Profit from operating activities before changes in operating assets and liabilities	127,559	136,118	2,787	7,136
Operating assets (increase) decrease				
Trade and other receivables	16,121	18,443	(1,734)	8,515
Inventories	19,783	29,546	1	-
Other current assets	(3,163)	(1,497)	19	(274)
Deposits	(7,098)	(4,051)	1,600	-
Operating liabilities increase (decrease)				
Trade and other payables	(96,326)	(27,007)	(10,131)	1,596
Other current liabilities	237	7,903	(543)	(1,868)
Provision for long-term employee benefits	(3,489)	(365)	(1,186)	-
Other non-current liabilities	(487)	4,667	-	-
Cash flows from (used in) operating activities	53,137	163,757	(9,187)	15,105
Dividend received	-	-	43,781	67,400
Cash paid for income tax	(15,582)	(17,720)	(1,483)	(2,071)
Net cash flows from operating activities	37,555	146,037	33,111	80,434

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 six-month period ended 30 June 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 in short-term loans to related parties	-	-	(41,900)	(5,826)
Acquisition of building improvement and equipment	(111,108)	(55,016)	(1,171)	(1,064)
Proceeds from sales of equipment	322	300	3	-
Increase in intangible assets and leasehold rights	(22,711)	(6,992)	(57)	(353)
Cash received from interest income	428	248	757	307
Net cash flows used in investing activities	(132,988)	(61,483)	(42,368)	(6,936)
Cash flows from financing activities				
Decrease in short-term loans from				
financial institutions	(16,500)	(5,000)	(21,500)	(5,000)
Decrease in short-term loans from related parties	-	-	(848,573)	(38,900)
Repayment of long-term loans from financial institutions	(675,684)	(61,690)	-	-
Cash paid for liabilities under finance lease agreements	(3,745)	(2,466)	-	-
Proceeds from ordinary share offering	1,107,649	-	1,107,649	-
Cash paid for direct costs related to the share offering	(42,397)	-	(42,397)	-
Cash paid for front-end fees	(2,000)	-	(2,000)	-
Dividend paid	(160,345)	-	(160,345)	-
Cash paid for interest expenses	(20,875)	(29,279)	(21,368)	(28,955)
Net cash flows from (used in) financing activities	186,103	(98,435)	11,466	(72,855)
Decrease in translation adjustments	(161)	-	-	-
Net increase (decrease) in cash and cash equivalents	90,509	(13,881)	2,209	643
Cash and cash equivalents at beginning of period	89,379	108,270	12,323	7,826
Cash and cash equivalents at end of period	179,888	94,389	14,532	8,469
	-	-	-	-
Supplemental cash flows information :-				
Non-cash transactions				
Acquisition of assets through incurrence of liabilities	29,458	24,291	19	19

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 interim consolidated financial statements

For the three-month and six-month periods ended 30 June 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.

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.

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 30 June				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)					
Dividend income	-	-	43,781	67,400	Announced rate
Management service income	-	-	24,482	28,511	At the higher of the 3%-4% of sales and the cost plus margin of 5%
Rental income	-	-	408	807	Contract rate
Interest income	-	-	395	2,302	3.75% to 5.63% p.a.
Interest expenses	-	-	5,313	13,841	3.95% to 5.38% p.a.
<u>Transactions with related company</u>					
Rental expenses	-	1,762	-	1,762	Contract rate

(Unit: Thousand Baht)

	For the six-month periods ended 30 June				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)					
Dividend income	-	-	43,781	67,400	Announced rate
Management service income	-	-	49,435	57,189	At the higher of the 3%-4% of sales and the cost plus margin of 5%
Rental income	-	-	820	1,261	Contract rate
Interest income	-	-	593	4,588	3.75% to 5.63% p.a.
Interest expenses	-	-	18,040	28,156	3.95% to 5.38% p.a.
<u>Transactions with related company</u>					
Rental expenses	1,200	2,890	1,200	2,890	Contract rate

.....Director

.....Director

(Mr. Supasith Sukhanindr)

(Mr. Nadim X. Salhani)

As at 30 June 2017 and 31 December 2016, the balances of the accounts between the Company and those related parties are as follows:

	Consolidated financial statements		Separate financial statements	
	30 June 2017	31 December 2016 (Audited)	30 June 2017	31 December 2016 (Audited)
(Unit: Thousand Baht)				
Trade and other receivables - related parties (Note 3)				
Subsidiaries	-	-	15,450	13,607
Short-term loans to and interest receivable from related parties				
Subsidiaries	-	-	248,974	207,067
Less: Allowance for doubtful debts	-	-	(62,000)	(62,000)
	-	-	186,974	145,067
Rental deposit paid - related party				
Related company	-	1,000	-	1,000
Trade and other payables - related parties (Note 12)				
Parent company	4	4	-	-
Subsidiary	-	-	11	-
Related company (common director)	-	2,510	-	2,510
	4	2,514	11	2,510
Short-term loans from and interest payable to related parties				
Subsidiaries	-	-	191,230	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

.....Director

(Mr. Supasith Sukhanindr)

.....Director

(Mr. Nadim X. Salhani)

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 3.75 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 5.03 percent per annum (31 December 2016: 3.95 to 5.38 percent per annum) and the loans are repayable on demand.

Movements for the six-month period ended 30 June 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 30 June 2017
		Balance as at 31 December 2016	Increase during the period	Decrease during the period	
		(Audited)			
<u>Short-term loans and interest receivable</u>					
ABP Café (Thailand) Co., Ltd.	Subsidiary	-	18,643	(143)	18,500
Golden Scoop Co., Ltd.	Subsidiary	16,600	7,225	(518)	23,307
Greyhound Co., Ltd.	Subsidiary	190,467	30,400	(13,700)	207,167
		207,067	56,268	(14,361)	248,974
Less: Allowance for doubtful debts		(62,000)	-	-	(62,000)
Total		145,067	56,268	(14,361)	186,974
<u>Short-term loans and interest payable</u>					
Golden Donuts (Thailand) Co., Ltd.	Subsidiary	616,491	15,930	(476,064)	156,357
ABP Café (Thailand) Co., Ltd.	Subsidiary	88,000	6,372	(94,372)	-
Greyhound Café Co., Ltd.	Subsidiary	336,870	15,722	(317,719)	34,873
Total		1,041,361	38,024	(888,155)	191,230

.....Director

(Mr. Supasith Sukhanindr)

.....Director

(Mr. Nadim X. Salhani)

Directors and management's benefits

During the three-month and six-month periods ended 30 June 2017 and 2016, the Company and its subsidiaries had employee benefit expenses of their directors and management as below.

(Unit: Thousand Baht)

	For the three-month periods ended 30 June			
	Consolidated financial statements		Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Short-term employee benefits	20,458	19,604	11,043	12,018
Post-employment benefits	991	1,053	574	671
Total	<u>21,449</u>	<u>20,657</u>	<u>11,617</u>	<u>12,689</u>

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated financial statements		Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Short-term employee benefits	40,804	38,548	22,286	23,578
Post-employment benefits	1,975	2,106	1,150	1,327
Total	<u>42,779</u>	<u>40,654</u>	<u>23,436</u>	<u>24,905</u>

Guarantee obligations with related parties

The Company and its subsidiaries have outstanding guarantee obligations with its related parties, as described in Note 18.4 (a) and 18.4 (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	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
		(Audited)		(Audited)
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	40,902	58,884	725	838
Past due				
Up to 3 months	6,162	7,213	-	-
3 - 6 months	2,474	29	-	-
6 - 12 months	187	50	-	-
Over 12 months	5,453	5,483	-	-
Total	55,178	71,659	725	838
Less: Allowance for doubtful debts	(5,483)	(5,483)	-	-
Total trade receivables - unrelated parties, net	49,695	66,176	725	838
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	-	-	11,497	11,942
Past due				
Up to 3 months	-	-	878	1,520
3 - 6 months	-	-	1,513	-
6 - 12 months	-	-	1,144	-
Total trade receivables - related parties	-	-	15,032	13,462
Total trade receivables - net	49,695	66,176	15,757	14,300
<u>Other receivables</u>				
Other receivables - unrelated parties	1,488	1,128	21	18
Other receivables - related parties	-	-	418	145
Total other receivables	1,488	1,128	439	163
Total trade and other receivables - net	51,183	67,304	16,196	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 six-month period ended 30 June 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	<u>2,962</u>
Balance as at 30 June 2017	<u>12,515</u>

5. Other current assets

	(Unit: Thousand Baht)			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	30 June	31 December	30 June	31 December
	2017	2016	2017	2016
		(Audited)		(Audited)
Refundable corporate income tax	10,572	8,730	10,213	8,730
Undue value added tax	8,791	6,607	27	88
Prepaid expenses	12,197	6,759	1,042	1,000
Compensation for product claim	-	4,479	-	-
Others	1,803	1,779	9	9
Total	<u>33,363</u>	<u>28,354</u>	<u>11,291</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	
	30 June	31 December	30 June	31 December	30 June	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 has recognized dividend income received from its subsidiaries in the separate financial statements as follows.

Company's name	(Unit: Thousand Baht)			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2017	2016	2017	2016
Golden Donuts (Thailand) Co., Ltd.	17,100	43,500	17,100	43,500
ABP Café (Thailand) Co., Ltd.	-	13,400	-	13,400
Greyhound Café Co., Ltd.	26,681	10,500	26,681	10,500
Total	43,781	67,400	43,781	67,400

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.

.....Director

(Mr. Supasith Sukhanindr)

.....Director

(Mr. Nadim X. Salhani)

8. Building improvement and equipment

Movements of the building improvement and equipment accounts during the six-month period ended 30 June 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	477,781	10,301
Acquisitions during period	104,333	806
Disposals/written-off during period	(9,170)	(6,474)
Depreciation for the period	(79,615)	(877)
Net book value as at 30 June 2017	<u>493,329</u>	<u>3,756</u>

9. Leasehold rights

Movements of leasehold rights accounts as presented in consolidated financial statements during the six-month period ended 30 June 2017 are summarised below.

	(Unit: Thousand Baht)
Net book value as at 1 January 2017	56,367
Increase during period	18,566
Amortisation for the period	<u>(5,386)</u>
Net book value as at 30 June 2017	<u>69,547</u>

Subsidiaries have mortgaged leasehold rights with a total net book value as at 30 June 2017 amounting to Baht 34 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 six-month period ended 30 June 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	4,145	57
Amortisation for the period	<u>(38,856)</u>	<u>(336)</u>
Net book value as at 30 June 2017	<u>850,288</u>	<u>617</u>

.....Director

(Mr. Supasith Sukhanindr)

.....Director

(Mr. Nadim X. Salhani)

11. Short-term loans from financial institutions

As at 30 June 2017, these represent short-term loans from financial institutions under promissory notes which are subject to interest at a rate of 3.50 to 3.80 percent per annum (31 December 2016: 3.55 percent per annum). The credit facilities are guaranteed by the Company and its subsidiaries.

As at 30 June 2017, the short-term credit facilities of the Company and its subsidiaries which have not yet been drawn down amounted to Baht 37 million (31 December 2016: Baht 20 million).

12. Trade and other payables

	Consolidated financial statements		Separate financial statements	
	30 June 2017	31 December 2016 (Audited)	30 June 2017	31 December 2016 (Audited)
Trade payables - unrelated parties	136,327	204,443	2,011	2,296
Other payables - unrelated parties	58,262	53,750	1,538	1,402
Other payables - related parties	4	2,514	11	2,510
Payables for purchase of assets	17,678	36,233	19	384
Accrued expenses	102,252	132,610	3,790	11,253
Total	314,523	429,550	7,369	17,845

.....Director

(Mr. Supasith Sukhanindr)

.....Director

(Mr. Nadim X. Salhani)

13. Long-term loans

Movements of long-term loans as presented in consolidated financial statements during the six-month period ended 30 June 2017 are summarised below.

	(Unit: Thousand Baht)
Balance as at 1 January 2017	1,045,089
Less: Repayment during the period	<u>(675,684)</u>
Balance as at 30 June 2017	369,405
Less: Current portion	<u>(88,149)</u>
Long-term loans - net of current portion	<u><u>281,256</u></u>

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.

14. Share capital

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 direct costs attributable to the share offering amounting to Baht 42 million are presented as a deduction from the share premium on ordinary shares under the shareholders' equity.

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.

.....Director

(Mr. Supasith Sukhanindr)

.....Director

(Mr. Nadim X. Salhani)

15. 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 and six-month periods ended 30 June 2017 and 2016 are as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Current income tax:				
Interim corporate income tax charge	(3,875)	(7,340)	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	4,322	5,484	-	-
Tax income (expense) reported in the statements of comprehensive income	<u>447</u>	<u>(1,856)</u>	<u>-</u>	<u>-</u>

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Current income tax:				
Interim corporate income tax charge	(9,289)	(16,031)	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	7,840	9,292	-	-
Tax expense reported in the statements of comprehensive income	<u>(1,449)</u>	<u>(6,739)</u>	<u>-</u>	<u>-</u>

.....Director

(Mr. Supasith Sukhanindr)

.....Director

(Mr. Nadim X. Salhani)

16. 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 30 June			
	Consolidated financial statements		Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Profit (loss) for the period (Thousand Baht)	(20,130)	(13,541)	33,705	57,019
Weighted average number of ordinary shares (Thousand shares)	1,040,994	843,923	1,040,994	843,923
Earnings (loss) per share (Baht/share)	(0.02)	(0.02)	0.03	0.07

	For the six-month periods ended 30 June			
	Consolidated financial statements		Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Profit (loss) for the period (Thousand Baht)	(35,703)	(19,504)	16,705	47,902
Weighted average number of ordinary shares (Thousand shares)	943,008	843,923	943,008	843,923
Earnings (loss) per share (Baht/share)	(0.04)	(0.02)	0.02	0.06

.....Director

(Mr. Supasith Sukhanindr)

.....Director

(Mr. Nadim X. Salhani)

17. 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.

The following table presents revenue and profit (loss) information regarding the Company's and its subsidiaries' operating segments for the three-month and six-month periods ended 30 June 2017 and 2016.

(Unit: Million Baht)

	For the three-month periods ended 30 June					
	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	648	677	33	39	681	716
Operating result:						
Segment loss	(38)	(4)	(15)	(15)	(53)	(19)
Other income					39	21
Finance cost					(7)	(14)
Loss before income tax expenses					(21)	(12)
Tax income (expenses)					1	(2)
Loss for the period					<u>(20)</u>	<u>(14)</u>

(Unit: Million Baht)

	For the six-month periods ended 30 June					
	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	1,320	1,339	67	94	1,387	1,433
Operating result:						
Segment loss	(57)	(1)	(25)	(25)	(82)	(26)
Other income					71	42
Finance cost					(23)	(29)
Loss before income tax expenses					(34)	(13)
Tax expenses					(2)	(7)
Loss for the period					<u>(36)</u>	<u>(20)</u>

.....Director

(Mr. Supasith Sukhanindr)

.....Director

(Mr. Nadim X. Salhani)

18. Commitments and contingent liabilities

18.1 Capital commitments

As at 30 June 2017, the Company and its subsidiaries had capital commitments relating to the improvement of buildings and acquisition of equipments and franchise which are summarised below:

	(Unit: Million)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
	(Audited)		(Audited)	
Baht	9	21	-	2
US Dollar	0.1	-	-	-
British Pound	0.1	-	-	-
<i>Total (Million Baht)</i>	<i>14</i>	<i>21</i>	-	2

18.2 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	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
	(Audited)		(Audited)	
Payable:				
In up to 1 year	254	272	3	7
In over 1 and up to 5 years	402	412	13	34
In over 5 years	74	162	7	89

.....Director

(Mr. Supasith Sukhanindr)

.....Director

(Mr. Nadim X. Salhani)

18.3 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.

18.4 Guarantees

- (a) The Company and its subsidiaries have guaranteed bank credit facilities of its subsidiaries amounting to Baht 987 million.
- (b) The Company and its subsidiaries have guaranteed revolving credit facilities of the Group amounting to Baht 80 million.
- (c) As at 30 June 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.

19. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's authorised director on 11 August 2017.

.....Director

(Mr. Supasith Sukhanindr)

.....Director

(Mr. Nadim X. Salhani)