

Mudman Public Company Limited and its subsidiaries  
Report and interim consolidated financial statements  
For the three-month and nine-month periods ended  
30 September 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 September 2017, the related consolidated statements of comprehensive income for the three-month and nine-month periods ended 30 September 2017, and the related consolidated statements of changes in shareholders' equity and cash flows for the nine-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: 10 November 2017

Mudman Public Company Limited and its subsidiaries

Statement of financial position

As at 30 September 2017

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	Note	30 September 2017	31 December 2016	30 September 2017	31 December 2016
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		177,296	89,379	5,550	12,323
Trade and other receivables	3	59,688	67,304	17,886	14,463
Short-term loans to and interest receivable					
from related parties	2	-	-	177,968	145,067
Inventories	4	167,695	204,348	43	49
Other current assets	5	35,191	28,354	12,293	9,827
<b>Total current assets</b>		<b>439,870</b>	<b>389,385</b>	<b>213,740</b>	<b>181,729</b>
<b>Non-current assets</b>					
Restricted bank deposits	6	2,918	3,016	-	-
Investments in subsidiaries	7	-	-	3,061,073	3,061,073
Building improvement and equipment	8	493,303	477,781	3,469	10,301
Goodwill		1,896,039	1,896,039	-	-
Leasehold rights	9	67,998	56,367	-	-
Intangible assets	10	835,865	884,999	453	896
Deferred tax assets		6,242	8,746	-	-
Deposits		112,979	98,268	1,628	2,275
<b>Total non-current assets</b>		<b>3,415,344</b>	<b>3,425,216</b>	<b>3,066,623</b>	<b>3,074,545</b>
<b>Total assets</b>		<b>3,855,214</b>	<b>3,814,601</b>	<b>3,280,363</b>	<b>3,256,274</b>

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 September 2017

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2017	31 December 2016	30 September 2017	31 December 2016
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short-term loans from financial institutions	11	15,000	24,800	15,000	24,800
Trade and other payables	12	329,416	429,550	7,807	17,845
Current portion of long-term loans from financial institutions	13	87,645	173,334	-	-
Short-term loans from and interest payable to related parties	2	-	-	173,505	1,041,361
Income tax payable		5,373	11,540	-	-
Dividend payable		-	160,345	-	160,345
Other current liabilities		60,487	55,822	2,242	3,065
<b>Total current liabilities</b>		<b>497,921</b>	<b>855,391</b>	<b>198,554</b>	<b>1,247,416</b>
<b>Non-current liabilities</b>					
Long-term loans from financial institutions - net of current portion	13	259,448	871,755	-	-
Deferred tax liabilities		192,643	204,794	-	-
Provision for long-term employee benefits		23,255	40,895	10,534	16,527
Other non-current liabilities		27,222	26,643	-	-
<b>Total non-current liabilities</b>		<b>502,568</b>	<b>1,144,087</b>	<b>10,534</b>	<b>16,527</b>
<b>Total liabilities</b>		<b>1,000,489</b>	<b>1,999,478</b>	<b>209,088</b>	<b>1,263,943</b>

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 September 2017

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	Note	30 September 2017	31 December 2016	30 September 2017	31 December 2016
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Shareholders' equity</b>					
Share capital	14				
Registered					
1,054,903,750 ordinary shares of Baht 1 each		1,054,904	1,054,904	1,054,904	1,054,904
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		(375,353)	(351,363)	51,893	38,201
Other components of shareholders' equity		(1,660)	-	-	-
<b>Total shareholders' equity</b>		<b>2,854,725</b>	<b>1,815,123</b>	<b>3,071,275</b>	<b>1,992,331</b>
<b>Total liabilities and shareholders' equity</b>		<b>3,855,214</b>	<b>3,814,601</b>	<b>3,280,363</b>	<b>3,256,274</b>
		-	-	-	-

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 comprehensive income**  
**For the three-month period ended 30 September 2017**

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

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
<b>Profit or loss</b>					
<b>Revenues</b>					
Sales and service income		701,477	737,160	6,671	6,869
Dividend income	2, 7	-	-	-	62,519
Management service income	2	-	-	18,492	27,097
Other income		33,580	25,215	853	5,261
<b>Total revenues</b>		<b>735,057</b>	<b>762,375</b>	<b>26,016</b>	<b>101,746</b>
<b>Expenses</b>					
Cost of sales and services		291,317	302,676	27,864	31,620
Selling expenses					
Amortisation of intangible assets acquired through business combination		16,849	17,813	-	-
Other selling expenses		339,095	352,952	2,088	2,017
Administrative expenses		82,852	80,173	2,427	2,435
Allowance for doubtful debts		-	-	-	62,000
Impairment loss on assets		-	154,931	-	142,321
<b>Total expenses</b>		<b>730,113</b>	<b>908,545</b>	<b>32,379</b>	<b>240,393</b>
<b>Profit (loss) before finance cost and income tax</b>		<b>4,944</b>	<b>(146,170)</b>	<b>(6,363)</b>	<b>(138,647)</b>
Finance cost		(4,622)	(13,721)	(2,404)	(13,783)
<b>Profit (loss) before income tax</b>		<b>322</b>	<b>(159,891)</b>	<b>(8,767)</b>	<b>(152,430)</b>
Tax income (expenses)	15	(3,206)	28,320	-	-
<b>Profit (loss) for the period</b>		<b>(2,884)</b>	<b>(131,571)</b>	<b>(8,767)</b>	<b>(152,430)</b>
<b>Other comprehensive income</b>					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>					
Exchange difference on translation of financial statement in foreign currency		(1,499)	-	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods		(1,499)	-	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial gain		16,193	-	5,754	-
Less: Income tax effect	15	(1,596)	-	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		14,597	-	5,754	-
<b>Other comprehensive income for the period</b>		<b>13,098</b>	<b>-</b>	<b>5,754</b>	<b>-</b>
<b>Total comprehensive income for the period</b>		<b>10,214</b>	<b>(131,571)</b>	<b>(3,013)</b>	<b>(152,430)</b>
<b>Earnings per share (Baht)</b>					
Basic earnings (loss) per share	16	(0.003)	(0.16)	(0.01)	(0.18)

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 comprehensive income**  
**For the nine-month period ended 30 September 2017**

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

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
<b>Profit or loss</b>					
<b>Revenues</b>					
Sales and service income		2,088,049	2,169,786	17,629	18,836
Dividend income	2, 7	-	-	43,781	129,919
Management service income	2	-	-	67,927	84,286
Other income		104,244	67,173	2,480	12,276
<b>Total revenues</b>		<b>2,192,293</b>	<b>2,236,959</b>	<b>131,817</b>	<b>245,317</b>
<b>Expenses</b>					
Cost of sales and services		856,776	880,191	83,326	89,646
Selling expenses					
Amortisation of intangible assets acquired through business combination		50,278	53,261	-	-
Other selling expenses		1,040,048	1,039,057	6,782	6,003
Administrative expenses		251,772	239,276	9,536	7,672
Allowance for doubtful debts		-	-	-	62,000
Impairment loss on assets		-	154,931	-	142,321
<b>Total expenses</b>		<b>2,198,874</b>	<b>2,366,716</b>	<b>99,644</b>	<b>307,642</b>
<b>Profit (loss) before finance cost and income tax</b>		<b>(6,581)</b>	<b>(129,757)</b>	<b>32,173</b>	<b>(62,325)</b>
Finance cost		(27,351)	(42,899)	(24,235)	(42,203)
<b>Profit (loss) before income tax</b>		<b>(33,932)</b>	<b>(172,656)</b>	<b>7,938</b>	<b>(104,528)</b>
Tax income (expenses)	15	(4,655)	21,581	-	-
<b>Profit (loss) for the period</b>		<b>(38,587)</b>	<b>(151,075)</b>	<b>7,938</b>	<b>(104,528)</b>
<b>Other comprehensive income</b>					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>					
Exchange difference on translation of financial statement in foreign currency		(1,660)	-	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods		(1,660)	-	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial gain		16,193	-	5,754	-
Less: Income tax effect	15	(1,596)	-	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		14,597	-	5,754	-
<b>Other comprehensive income for the period</b>		<b>12,937</b>	<b>-</b>	<b>5,754</b>	<b>-</b>
<b>Total comprehensive income for the period</b>		<b>(25,650)</b>	<b>(151,075)</b>	<b>13,692</b>	<b>(104,528)</b>
<b>Earnings per share (Baht)</b>					
Basic earnings (loss) per share	16	(0.04)	(0.18)	0.01	(0.12)

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 nine-month period ended 30 September 2017**

(Unit: Thousand Baht)

<b>Consolidated financial statements</b>							Other components of shareholders' equity	
					Exchange differences on translation of financial statements			
Issued and paid-up share capital	Share premium	Surplus on business combination under common control	Retained earnings (deficit) Appropriated - statutory reserve		Unappropriated	in foreign currency	Total	
<b>Balance as at 1 January 2016</b>	843,923	1,099,077	212,356	-	(11,563)	-	2,143,793	
Loss for the period	-	-	-	-	(151,075)	-	(151,075)	
Other comprehensive income for the period	-	-	-	-	-	-	-	
Total comprehensive income for the period	-	-	-	-	(151,075)	-	(151,075)	
<b>Balance as at 30 September 2016</b>	<b>843,923</b>	<b>1,099,077</b>	<b>212,356</b>	<b>-</b>	<b>(162,638)</b>	<b>-</b>	<b>1,992,718</b>	
<b>Balance as at 1 January 2017</b>	843,923	1,099,077	212,356	11,130	(351,363)	-	1,815,123	
Loss for the period	-	-	-	-	(38,587)	-	(38,587)	
Other comprehensive income for the period	-	-	-	-	14,597	(1,660)	12,937	
Total comprehensive income for the period	-	-	-	-	(23,990)	(1,660)	(25,650)	
Proceeds from share subscription (Note 14)	210,981	854,271	-	-	-	-	1,065,252	
<b>Balance as at 30 September 2017</b>	<b>1,054,904</b>	<b>1,953,348</b>	<b>212,356</b>	<b>11,130</b>	<b>(375,353)</b>	<b>(1,660)</b>	<b>2,854,725</b>	

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 nine-month period ended 30 September 2017**

(Unit: Thousand Baht)

	<b>Separate financial statements</b>				
	Issued and paid-up		Retained earnings		Total
	share capital	Share premium	Appropriated - statutory reserve	Unappropriated	
<b>Balance as at 1 January 2016</b>	843,923	1,099,077	-	283,335	2,226,335
Loss for the period	-	-	-	(104,528)	(104,528)
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(104,528)	(104,528)
<b>Balance as at 30 September 2016</b>	<u>843,923</u>	<u>1,099,077</u>	<u>-</u>	<u>178,807</u>	<u>2,121,807</u>
<b>Balance as at 1 January 2017</b>	843,923	1,099,077	11,130	38,201	1,992,331
Profit for the period	-	-	-	7,938	7,938
Other comprehensive income for the period	-	-	-	5,754	5,754
Total comprehensive income for the period	-	-	-	13,692	13,692
Proceeds from share subscription (Note 14)	210,981	854,271	-	-	1,065,252
<b>Balance as at 30 September 2017</b>	<u>1,054,904</u>	<u>1,953,348</u>	<u>11,130</u>	<u>51,893</u>	<u>3,071,275</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 nine-month period ended 30 September 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>
<b>Cash flows from operating activities</b>				
Profit (loss) before tax	(33,932)	(172,656)	7,938	(104,528)
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities				
Depreciation	116,486	103,931	1,335	1,329
Amortisation	66,455	68,009	509	902
Loss on disposal/written-off of building improvement and equipment and intangible assets	9,204	6,397	6,471	-
Allowance for doubtful debts	-	-	-	62,000
Impairment loss on assets	-	154,931	-	142,321
Reduction of inventory to net realisable value (reversal)	8,598	(968)	-	-
Long-term employee benefit expenses	2,327	6,447	948	1,878
Dividend income	-	-	(43,781)	(129,919)
Interest income	(539)	(269)	(1,207)	(6,989)
Interest expenses	25,351	42,899	22,235	42,203
Profit from operating activities before changes in operating assets and liabilities	193,950	208,721	(5,552)	9,197
Operating assets (increase) decrease				
Trade and other receivables	7,615	18,149	(3,424)	9,772
Inventories	28,055	28,554	6	5
Other current assets	(4,149)	(3,608)	(330)	(150)
Deposits	(14,711)	(2,996)	647	-
Operating liabilities increase (decrease)				
Trade and other payables	(95,472)	9,339	(9,855)	4,050
Other current liabilities	613	11,614	(824)	(2,870)
Provision for long-term employee benefits	(3,774)	(777)	(1,186)	-
Other non-current liabilities	(1,182)	5,956	-	-
Cash flows from (used in) operating activities	110,945	274,952	(20,518)	20,004
Dividend received	-	-	43,781	129,919
Cash paid for income tax	(24,745)	(33,374)	(2,136)	(3,044)
<b>Net cash flows from operating activities</b>	<b>86,200</b>	<b>241,578</b>	<b>21,127</b>	<b>146,879</b>

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 nine-month period ended 30 September 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>
<b>Cash flows from investing activities</b>				
Decrease in restricted bank deposits	98	7	-	-
Increase in short-term loans to related parties	-	-	(32,900)	(6,324)
Acquisition of building improvement and equipment	(135,413)	(90,012)	(1,162)	(1,108)
Proceeds from sales of equipment	1,787	594	3	-
Increase in intangible assets and leasehold rights	(28,709)	(8,839)	(66)	(352)
Cash received from interest income	533	275	1,206	375
<b>Net cash flows used in investing activities</b>	<b>(161,704)</b>	<b>(97,975)</b>	<b>(32,919)</b>	<b>(7,409)</b>
<b>Cash flows from financing activities</b>				
Decrease in short-term loans from				
financial institutions	(9,800)	(25,000)	(9,800)	(5,000)
Decrease in short-term loans from related parties	-	-	(868,282)	(80,600)
Repayment of long-term loans from financial institutions	(697,996)	(92,864)	-	-
Cash paid for liabilities under finance lease agreements	(5,968)	(3,662)	-	-
Proceeds from increase in share capital	1,107,649	-	1,107,649	-
Cash paid for direct costs related to the share offering	(42,397)	-	(42,397)	-
Dividend paid	(160,345)	-	(160,345)	-
Cash paid for interest expenses	(25,498)	(43,065)	(21,806)	(49,853)
<b>Net cash flows from (used in) financing activities</b>	<b>165,645</b>	<b>(164,591)</b>	<b>5,019</b>	<b>(135,453)</b>
<b>Decrease in translation adjustments</b>	<b>(2,224)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>87,917</b>	<b>(20,988)</b>	<b>(6,773)</b>	<b>4,017</b>
Cash and cash equivalents at beginning of period	89,379	108,270	12,323	7,826
<b>Cash and cash equivalents at end of period</b>	<b>177,296</b>	<b>87,282</b>	<b>5,550</b>	<b>11,843</b>
	-	-	-	-
<b>Supplemental cash flows information :-</b>				
Non-cash transactions				
Acquisition of assets through incurrence of liabilities	43,497	30,643	200	503

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 nine-month periods ended 30 September 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, 25<sup>th</sup> 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 September				Pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	
<b><u>Transactions with subsidiaries</u></b>					
(eliminated from the consolidated financial statements)					
Dividend income	-	-	-	62,519	Announced rate
Management service income	-	-	18,492	27,097	At the higher of the 3%-4% of sales and the cost plus margin of 5%
Rental income	-	-	408	575	Contract rate
Interest income	-	-	418	2,375	3.75% to 5.63% p.a.
Interest expenses	-	-	2,263	13,692	3.95% to 5.38% p.a.
<b><u>Transactions with related company</u></b>					
Rental expenses	-	1,762	-	1,762	Contract rate

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September				Pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	
<b><u>Transactions with subsidiaries</u></b>					
(eliminated from the consolidated financial statements)					
Dividend income	-	-	43,781	129,919	Announced rate
Management service income	-	-	67,927	84,286	At the higher of the 3%-4% of sales and the cost plus margin of 5%
Rental income	-	-	1,228	1,836	Contract rate
Interest income	-	-	1,011	6,963	3.75% to 5.63% p.a.
Interest expenses	-	-	20,303	41,848	3.95% to 5.38% p.a.
<b><u>Transactions with related company</u></b>					
Rental expenses	1,200	4,652	1,200	4,652	Contract rate

.....Director

(Mr. Supasith Sukhanindr)

.....Director

(Mr. Nadim X. Salhani)

(Unaudited but reviewed)

As at 30 September 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	
	30 September 2017	31 December 2016 (Audited)	30 September 2017	31 December 2016 (Audited)
<b>Trade and other receivables - related parties (Note 3)</b>				
Subsidiaries	-	-	17,078	13,607
<b>Short-term loans to and interest receivable from related parties</b>				
Subsidiaries	-	-	239,968	207,067
Less: Allowance for doubtful debts	-	-	(62,000)	(62,000)
	-	-	177,968	145,067
<b>Rental deposit paid - related party</b>				
Related company	-	1,000	-	1,000
<b>Trade and other payables - related parties (Note 12)</b>				
Parent company	6	4	-	-
Subsidiary	-	-	-	-
Related company (common director)	-	2,510	53	2,510
	6	2,514	53	2,510
<b>Short-term loans from and interest payable to related parties</b>				
Subsidiaries	-	-	173,505	1,041,361
<b>Dividend payable</b>				
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 nine-month period ended 30 September 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	Increase during the period	Decrease during the period	Balance as at 30 September 2017
		(Audited)			
<u>Short-term loans and interest receivable</u>					
ABP Café (Thailand) Co., Ltd.	Subsidiary	-	18,813	(8,812)	10,001
Golden Scoop Co., Ltd.	Subsidiary	16,600	10,499	(4,299)	22,800
Greyhound Co., Ltd.	Subsidiary	190,467	30,400	(13,700)	207,167
		207,067	59,712	(26,811)	239,968
Less: Allowance for doubtful debts		(62,000)	-	-	(62,000)
<b>Total</b>		<b>145,067</b>	<b>59,712</b>	<b>(26,811)</b>	<b>177,968</b>
<u>Short-term loans and interest payable</u>					
Golden Donuts (Thailand) Co., Ltd.	Subsidiary	616,491	17,908	(476,065)	158,334
ABP Café (Thailand) Co., Ltd.	Subsidiary	88,000	6,372	(94,372)	-
Greyhound Café Co., Ltd.	Subsidiary	336,870	28,023	(349,722)	15,171
<b>Total</b>		<b>1,041,361</b>	<b>52,303</b>	<b>(920,159)</b>	<b>173,505</b>

.....Director

(Mr. Supasith Sukhanindr)

.....Director

(Mr. Nadim X. Salhani)

Directors and management's benefits

During the three-month and nine-month periods ended 30 September 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 September			
	Consolidated financial statements		Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Short-term employee benefits	20,863	20,679	11,015	12,220
Post-employment benefits	82	1,060	439	677
Total	<u>20,945</u>	<u>21,739</u>	<u>11,454</u>	<u>12,897</u>

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated financial statements		Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Short-term employee benefits	61,667	59,227	33,301	35,798
Post-employment benefits	2,057	3,166	1,589	2,004
Total	<u>63,724</u>	<u>62,393</u>	<u>34,890</u>	<u>37,802</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 September 2017	31 December 2016 (Audited)	30 September 2017	31 December 2016 (Audited)
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	403	884	7	8
Past due				
Up to 3 months	70	13	-	-
3 - 6 months	50	9	-	-
6 - 12 months	89	0	-	-
Over 12 months	69	83	-	-
Total	281	659	7	8
Less: Allowance for doubtful debts	483)	483)	-	-
Total trade receivables - unrelated parties, net	798	176	7	8
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	-	-	752	942
Past due				
Up to 3 months	-	-	91	20
3 - 6 months	-	-	0	-
6 - 12 months	-	-	55	-
Total trade receivables - related parties	-	-	078	462
Total trade receivables - net	798	176	865	300
<u>Other receivables</u>				
Other receivables - unrelated parties	90	28	1	8
Other receivables - related parties	-	-	-	5
Total other receivables	90	28	1	3
Total trade and other receivables - net	688	304	886	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 nine-month period ended 30 September 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>8,598</u>
Balance as at 30 September 2017	<u><u>18,151</u></u>

**5. Other current assets**

	(Unit: Thousand Baht)			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	30 September	31 December	30 September	31 December
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
		(Audited)		(Audited)
Refundable corporate income tax	410	'30	,866	'30
Undue value added tax	.33	i07	8	8
Prepaid expenses	,391	'59	i70	i00
Compensation for product claim	-	.79	-	-
Others	i57	'79	9	9
Total	<u><u>,191</u></u>	<u><u>,354</u></u>	<u><u>,293</u></u>	<u><u>i27</u></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 September	31 December	30 September	31 December	30 September	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					<u>3,061,073</u>	<u>3,061,073</u>

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	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Golden Donuts (Thailand) Co., Ltd.	-	29,100	17,100	72,600
ABP Café (Thailand) Co., Ltd.	-	10,720	-	24,120
Greyhound Café Co., Ltd.	-	22,699	26,681	33,199
Total	-	<u>62,519</u>	<u>43,781</u>	<u>129,919</u>

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 nine-month period ended 30 September 2017 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2017	477,781	10,301
Acquisitions during period	142,678	978
Disposals/written-off during period	(10,991)	(6,475)
Depreciation for the period	(116,486)	(1,335)
Translation adjustment during the period	321	-
Net book value as at 30 September 2017	<u>493,303</u>	<u>3,469</u>

**9. Leasehold rights**

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

	(Unit: Thousand Baht)
Net book value as at 1 January 2017	56,367
Increase during period	19,592
Amortisation for the period	(8,205)
Translation adjustment during the period	244
Net book value as at 30 September 2017	<u>67,998</u>

Subsidiaries have mortgaged leasehold rights with a total net book value as at 30 September 2017 amounting to Baht 32 million (31 December 2016: Baht 36 million), as collateral for long-term loans from financial institutions.

.....Director

(Mr. Supasith Sukhanindr)

.....Director

(Mr. Nadim X. Salhani)

**10. Intangible assets**

Movements of the intangible assets accounts during the nine-month period ended 30 September 2017 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2017	884,999	896
Increase during period	9,116	66
Amortisation for the period	(58,250)	(509)
Net book value as at 30 September 2017	<u>835,865</u>	<u>453</u>

**11. Short-term loans from financial institutions**

As at 30 September 2017, these represent short-term loans from financial institutions under promissory notes which are subject to interest at a rate of 3.50 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 September 2017, the short-term credit facilities of the Company and its subsidiaries which have not yet been drawn down amounted to Baht 30 million (31 December 2016: Baht 20 million).

**12. Trade and other payables**

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	30 September 2017	31 December 2016	30 September 2017	31 December 2016
		(Audited)		(Audited)
Trade payables - unrelated parties	138,108	204,443	1,842	2,296
Other payables - unrelated parties	45,895	53,750	235	1,402
Other payables - related parties	6	2,514	53	2,510
Payables for purchase of assets	31,717	36,233	200	384
Accrued expenses	113,690	132,610	5,477	11,253
Total	<u>329,416</u>	<u>429,550</u>	<u>7,807</u>	<u>17,845</u>

.....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 nine-month period ended 30 September 2017 are summarised below.

	(Unit: Thousand Baht)
Balance as at 1 January 2017	1,045,089
Less: Repayment during the period	(697,996)
Balance as at 30 September 2017	<u>347,093</u>
Less: Current portion	(87,645)
Long-term loans - net of current portion	<u><u>259,448</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 nine-month periods ended 30 September 2017 and 2016 are as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<b>Current income tax:</b>				
Interim corporate income tax charge	(6,609)	(7,484)	-	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	3,403	35,804	-	-
<b>Tax income (expense) reported in the statements of comprehensive income</b>	<u>(3,206)</u>	<u>28,320</u>	<u>-</u>	<u>-</u>

	(Unit: Thousand Baht)			
	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<b>Current income tax:</b>				
Interim corporate income tax charge	(15,898)	(23,515)	-	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	11,243	45,096	-	-
<b>Tax income (expense) reported in the statements of comprehensive income</b>	<u>(4,655)</u>	<u>21,581</u>	<u>-</u>	<u>-</u>

.....Director

(Mr. Supasith Sukhanindr)

.....Director

(Mr. Nadim X. Salhani)

The amount of income tax relating to each component of other comprehensive income for the three-month and nine-month periods ended 30 September 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>
Deferred tax on actuarial gain	596)	-	-	-

## 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 September			
	Consolidated financial statements		Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
		(Restated)		(Restated)
Profit (loss) for the period (Thousand Baht)	(2,884)	(131,571)	(8,767)	(152,430)
Weighted average number of ordinary shares (Thousand shares)	1,054,904	843,923	1,054,904	843,923
Earnings (loss) per share (Baht/share)	(0.003)	(0.16)	(0.01)	(0.18)

  

	For the nine-month periods ended 30 September			
	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)	(38,587)	(151,075)	7,938	(104,528)
Weighted average number of ordinary shares (Thousand shares)	980,717	843,923	980,717	843,923
Earnings (loss) per share (Baht/share)	(0.04)	(0.18)	0.01	(0.12)

.....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 nine-month periods ended 30 September 2017 and 2016.

(Unit: Million Baht)

	For the three-month periods ended 30 September					
	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>
<b>Revenue</b>						
Sales and service income	667	693	35	44	702	737
<b>Operating result:</b>						
<b>Segment loss</b>	(18)	(2)	(11)	(14)	(29)	(16)
Other income					34	25
Impairment loss on assets					-	(155)
Finance cost					(5)	(14)
<b>Loss before income tax</b>					-	(160)
Tax income (expenses)					(3)	28
<b>Loss for the period</b>					(3)	(132)

(Unit: Million Baht)

	For the nine-month periods ended 30 September					
	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>
<b>Revenue</b>						
Sales and service income	1,987	2,032	101	138	2,088	2,170
<b>Operating result:</b>						
<b>Segment loss</b>	(74)	(3)	(37)	(39)	(111)	(42)
Other income					104	67
Impairment loss on assets					-	(155)
Finance cost					(27)	(43)
<b>Loss before income tax</b>					(34)	(173)
Tax income (expenses)					(5)	22
<b>Loss for the period</b>					(39)	(151)

.....Director

(Mr. Supasith Sukhanindr)

.....Director

(Mr. Nadim X. Salhani)

**18. Commitments and contingent liabilities****18.1 Capital commitments**

As at 30 September 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 September 2017	31 December 2016	30 September 2017	31 December 2016
		(Audited)		(Audited)
Baht	9	21	-	2
US Dollar	0.1	-	-	-
British Pound	0.8	-	-	-
<i>Total (Million Baht)</i>	48	21	-	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 September 2017	31 December 2016	30 September 2017	31 December 2016
		(Audited)		(Audited)
Payable:				
In up to 1 year	253	272	3	7
In over 1 and up to 5 years	380	412	13	34
In over 5 years	62	162	6	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 September 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 10 November 2017.

.....Director

(Mr. Supasith Sukhanindr)

.....Director

(Mr. Nadim X. Salhani)