

(Translation)
Information Memorandum

MK Restaurant Group Public Company Limited (M)

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Listing Date 15 August 2013 (First Trading Day: 15 August 2013)

Listing Securities Ordinary shares of 905,850,000 shares at par value 1 baht per share total 905.85 million baht. Initial Public Offering shares total 185,850,000 shares or equivalent to 20.5% of the number of total outstanding shares after IPO.

Capital 15 August 2013 (First Trading Day)
Registered Capital: Ordinary Shares of 925.85 million baht
Paid-up Capital: Ordinary Shares of 905.85 million baht

Secondary Market The Stock Exchange of Thailand (SET)

Offering Price 49 Baht per share

Offering Date 5 – 7 August 2013

Use of Proceeds

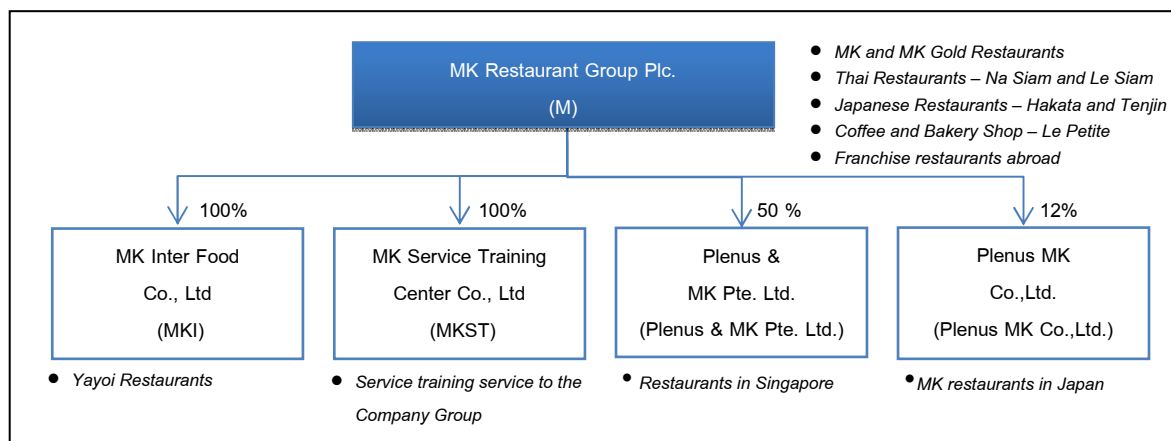
Use of Proceeds	IPO Proceeds (Million)	Period
1. Construction of the new central kitchen in Bang Na (CK5)	1,000	within 2013
2. Loan repayment - construction of new office	320	within 2013
3. Outlet expansion	600	within 2013
4. Reserve for future outlet expansion	7,187	within 2016

The Allotment of Surplus - None -

Type of Business and Operation

MK Restaurant Group Plc. and its subsidiaries operates the restaurant business “MK Suki” and Japanese restaurant “Yayoi” which obtained a franchise right from Japan. It also operates other restaurants such has 2 Japanese restaurants - “Hakata” and “Tenjin”, Thai restaurant “Na Siam” and “Le Siam”, the coffee and bakery shop “Le Petite” and the training center. Business operation and types of goods and services of the Company group are as follow:

The structure of the Company and its subsidiaries



Products

As at 31 March 2013, MK Restaurants Group Plc. and its subsidiaries operate the main businesses as follows

Types of Service	Name of Restaurant	Trademarks	No. of Branches
Sukiyaki Restaurant	MK Restaurant		353
	MK Gold Restaurant		6
Japanese Restaurant	Yayoi		95
	Hakata		1
	Tenjin		1
Thai Restaurant	Na Siam		1
	Le Siam		2
Coffee and Bakery Shop	Le Petite		1
Catering and Delivery	MK Restaurant / Yayoi		-

Types of Service	Name of Restaurant	Trademarks	No. of Branches
Foreign Restaurant	Yayoi (Singapore)		3
Franchise	MK Restaurant (Japan)		33
	MK Restaurant (Vietnam)		1
Training Center	N/A	N/A	N/A

1) Suki-yaki restaurant in Thailand

Suki-yaki restaurant is a key channel and a major restaurant which generates the highest revenue. The Company has 2 types of the restaurant – MK Restaurant (MK Suki) and MK Gold Restaurant (MK Gold). MK Suki focuses on mass customers (Mass Customization) such as families, friends, students, and office workers which have moderate-to-high income whereas MK Gold focuses on more specific group of customers (Specialty Restaurant) such as MK Suki's customers, friends, or business workers that would like to have MK Gold to serve their customers as a welcome place for guests or for special occasions.

As at 31 March 2013, there are in total 359 outlets of suki restaurants operated by the Company; 353 of MK Suki outlets and 6 of MK Gold outlets.

1.1) MK Suki Restaurants

MK Suki operated by the Company. The main dishes offered are suki-yaki food such as varieties of meat, fishballs and fresh vegetables over 100 items. In addition, there are some other food to offer such as dimsum (salapao bun, dumplings) and A La Carte dishes such as MK roasted duck, honey roasted pork, steamed rib eye with salted soya bean sauce, stew meat in Hong Kong style, noodles, dumpling soup, fresh fruits, desserts, ice cream and beverages.

As 31 March 2013, there are 353 branches of MK Suki nationwide. The majority of the outlets are located in department stores, modern trades and community malls such as BIGC, Tesco Lotus, Central, Robinson, The Mall, Major and Esplanade which target the moderate-to-high income customers. The branches are divided into regions as follow.

Regions	No. of Outlets
Bangkok Metropolitan	167
Central	28
Northern	19
North eastern	44
Eastern	39
Southern	40
Western	16
Total	353

1.2) MK Gold Restaurants

As at 31 March 2013, there are 6 outlets of MK Gold and are located in Central Business Districts such as Siam Paragon Department Store, Central World Department Store, Sala Daeng Road, Esplanade Shopping Mall, Ekkamai Road and Jungceylon Phuket.

2) Japanese Restaurant Business

Yayoi Restaurants

Japanese restaurant business under “Yayoi” (Yayoi) trademark operated by MK subsidiary, MK Interfood Co., Ltd. The operation is under the franchise right granted by Plenus Co., Ltd., Japan.

Yayoi restaurant is decorated with bright atmosphere, friendliness, rendered services under a concept of “Serve Ron, Aroi Rew” or “Hot served food, quick tasty meal” and focuses on quick services but with high quality.

As at 31 March 2013, the Company has 95 outlets of Yayoi nationwide as follow.

Regions	No. of Outlets
Bangkok Metropolitan	61
Central	8
Northern	3
North Eastern	8
Eastern	8
Southern	4
Western	3
Total	95

Hakata and Tenjin Restaurants

In October 2012, the Company started running 2 new Japanese restaurants – ramen restaurant (“Hakata”) located in Siriraj Hospital and teppanyaki restaurant (“Tenjin”) located in The Scene Town in Town, Soi Lardprao 94. At the end of 2012, Hakata and Tenjin have 1 outlet each.

The Company will donate profits after all expenditure of Hakata Restaurant to Siriraj Hospital as part of its CSR (Corporate Social Responsibility) activities.

3) Thai Restaurant Business

Na Siam and Le Siam offer general Thai food in the Thai atmosphere decoration. As MK is originated from Thai restaurant, the founder intends to keep the Thai restaurants as a remembrance of the first restaurant located in Siam Square.

As at 31 March 2013, Na Siam has 1 outlet in Central City Bangna and Le Siam has 2 outlets at the same location as MK Gold on Sala Daeng Road, Bangkok and at Jungceylon, Phuket.

4) Coffee and Bakery Shop Business

In September 2012, the Company opened a coffee and bakery shop named “Le Petite” in Siriraj hospital. The business name and trademark were developed by the Company. As a part of the Company’s CSR activities, the Company will distribute profits after all expenses to Siriraj hospital.

As at 31 March 2013, the Company has 1 outlet of Le Petite.

5) Catering and delivery Business

Catering and delivery business is operated by the Company and its subsidiaries. Customers can make a call to order food from MK Suki and Yayoi at 0-2248-5555 (Bangkok and metropolitan area) 038-374-484 and 038-286-557 (Pattaya and nearby) and 053-214-111 (Chiangmai) from 10.00 am. to 9.00 pm. In addition, the Company offers catering service offsite (food catering only or with electric pots).

6) Restaurant business abroad

Joint Venture

The Company foresees the potential of business expansion through foreign countries with well-known and strong brand of “MK Restaurants” including the potential of its long-time business partner, Plenus Co., Ltd., Japan. Plenus Co., Ltd. received the franchise right to open outlets under trademark “MK Restaurants” in Japan since 1994 and also granted the franchise right of Yayoi to MKI in 2011. The Company and Plenus Co., Ltd consequently engaged in a joint venture agreement to set up Plenus & MK Pte. Ltd. to operate restaurants in Singapore under the trademarks of the Company and Plenus Co., Ltd.

Franchise

The Company granted MK Suki’s franchise rights to foreign companies such as Plenus Co., Ltd., Japan, Global Investment Gate Joint-Stock Company, Vietnam and PT Master Kuliner, Indonesia in order to operate the business under trade name and trademark “MK Restaurants”.

As at 31 March 2013 the Company has 33 MK outlets in Japan, 1 MK outlet in Vietnam and 3 Yayoi outlets in Singapore.

Country	No. of MK stores	No. of Yayoi stores	Operated by
Japan	33	-	Plenus MK Co., Ltd. (the Company owns 12% of shares / obtains the franchise right from the Company)
Singapore	-	3	Plenus & MK Pte. Ltd. (the Company owns 50% of shares / Joint Venture)
Vietnam	1	-	Global Investment Gate Joint-Stock Company (not a related party / obtains the franchise right from the Company).

7) Service training business






Service training business of the Company is operated by the subsidiary, MKST. The training service is provided to the Company's and a subsidiary's employees.

Revenue Structure


	Pro-forma Consolidated Financial Statements*				Consolidated Financial Statements					
	2010		2011		2012		Jan-Mar 2012		Jan-Mar 2013	
	Mil.Baht	%	Mil.Baht	%	Mil.Baht	%	Mil.Baht	%	Mil.Baht	%
MK Suki/Mk Gold	8,206	90.4	9,610	88.8	11,263	85.7	2,564	85.8	2,894	84.7
Yayoi	714	7.9	1,031	9.5	1,595	12.1	364	12.2	451	13.2
Na Siam and Le Siam	50	0.6	58	0.5	68	0.5	18	0.6	19	0.6
Franchise	12	0.1	6	0.1	8	0.1	2	0.1	4	0.1
Restaurants abroad ¹	-	-	3	0.0	49	0.4	7	0.2	16	0.5
Tenjin and Hakata	-	-	-	-	3	0.0	-	-	3	0.1
Le Petite	-	-	-	-	1	0.0	-	-	1	0.0
Total Sales	8,983	99.0	10,708	98.9	12,987	98.8	2,954	98.9	3,389	99.2
Other incomes	95	1.0	117	1.1	154	1.2	34	1.1	27	0.8
Total Revenue	9,078	100.0	10,824	100.0	13,141	100.0	2,988	100.0	3,416	100.0

*In 2011 the Company has prepared pro-forma financial statements for the year ended 31 December 2010 and 2011 for the first time by assuming that the 2 subsidiaries and the joint venture entity (Plenus & MK Pte. Ltd.) have always been the subsidiaries and joint venture entity of the Company. This due to the Board of Directors Meeting on 26 June 2011 passed the resolution to approve the Company to acquire shares of MK Interfood Co.,Ltd. and MK Service Training Center Co.,Ltd. from MK Worldwide Co.,Ltd. and the Company has entered into share purchase agreement dated 30 June 2011. The share acquisition is considered a business combination under common control.

Targeted Customers

Restaurants of MK Group	Targeted Customers
	Family, Office Employee, Student and Teenager (moderate income)
	Family and Office Employee (moderate – high income)
	Office Employee, Student and Teenager (moderate income)
	Family, Office Employee, Student and Teenager (moderate income)
	Family, Office Employee, Student and Teenager (moderate income)
	Family and Office Employee (moderate – high income)
	Family and Office Employee (moderate – high income)

¹ Yayoi Restaurants in Singapore

Restaurants of MK Group	Targeted Customers
	Family, Office Employee, Student and Teenager (moderate income)

Distribution Channels

The Company has 3 distribution channels: 1) Restaurant outlets 2) Take-home and 3) Home Delivery providing services in Bangkok Metropolitan Region, Chonburi and Chiang Mai.

Procurement of Products

Procurement of products can be separated to 2 major parts: central kitchen and restaurant outlets as follow.

I. Central Kitchen

At present the Company has a central kitchen located on Bangna-Trad Road KM 18, Bang Chalong, Bangplee, Samut Prakan (Bangna kitchen –CK4) with utilized areas of 12,476 square meters. The central kitchen is a center for raw materials sourcing, quality control, food preparation, and food distribution

The company has the former central kitchen (Navankorn - CK3) that was flooded during flood crisis in 2011. The Company has fixed CK3 and transformed it to a distribution center. CK 3 is located at Navanakorn industrial estate, Soi Navanakorn Krongkarn in 3rd zone, Phahonyothin Road, Klong Nueng, Khlong Luang, Pathum Thaini and has 4,100 square meters of utilized areas.

5 Steps of goods and services procurement are as follow.

1) Raw Material Procurement

As most of the Company's raw materials are raw foods such as meats, eggs, vegetables, fruits and rice that produced in the country. It is necessary for the Company to order raw materials everyday so that the raw materials stay fresh. The central kitchen will receive purchasing orders from all outlets via online system everyday to combine orders and send to suppliers.

Purchasing Department is responsible for selecting producers and suppliers according to the quality of materials and relevant licenses such as licenses granted from Thailand's Food and Drug Administration (FDA), GMP and HACCP. Moreover, suppliers and manufacturers must be able to produce materials according to product specification and delivery products at the ordered amount on time. For procurement policy, the Company considers at least 2 suppliers when making an order and perform suppliers annual review emphasizing on quality of raw materials, source of production and quality of service.

2) Quality Assurance

Quality control starts at producer's and suppliers' factory, condition of transportation trucks, drivers' attires, condition of the delivery carts entering into the central kitchen and raw material packaging. There are quality controllers responsible for 3 main tasks: 1) Checking accuracy of type and amount of delivered products 2) Selecting raw materials to check the expiry date, freshness, color, scent, weight and size of the raw materials as specified and 3) Testing in laboratory to find contamination or residue to ensure that every types of raw materials are of good quality and safe. The Company has received licenses regarding Hazard Analysis Critical Control Point: HACCP, Good Manufacturing Practices: GMP and ISO 9000 to certify that its central kitchen is operating at international standards.

3) Food Preparation and Cooking

The central kitchen is a center of preparing and cooking food. It can be divided into 5 parts as follow.

Cleaning Kitchen	Duck Kitchen	Japanese Kitchen	Dimsum Kitchen	Dessert Kitchen
Cut vegetables, clean out chemicals and dirt then put into plastic bag ready for storage	Prepare fresh ducks, roasted honeyed pork, crispy pork and gravy sauce before sending to outlets	Prepare Japanese food such as Japanese hamburger, Tempura, Ton Katsu Pork and Gyoza.	Prepare Dimsum such as spring roll, fried spring roll, fried taro and shrimp dumpling.	Prepare traditional desserts such as black sesame dumpling in ginger tea, stuffed water chestnut in syrup, red bean in syrup, and ginkgo in syrup.

4) Raw Material Storage in the Central Kitchen

When the Company finishes preparing and cooking semi-finished foods and finished foods, they will be stored in the storage rooms at freezing temperature of (-14) – (-20) °C, chilling temperature of 0 – 4 °C and/or room temperature of 20 °C depends on the products. All products are clearly labeled the to source of origin, producers and date of production. In addition, the Company uses First In First Out system to manage inventories and also stored them by category in order to save time and energy for logistics purposes.

5) Distribution

The Company distributes all food materials to MK Suki and Yayoi outlets nationwide. As of 31 March 2013, the Company owns 159 of temperature-controlled trucks to distribute the food materials to 7 regions such as Bangkok Metropolitan, Central, Eastern, Western, North Eastern, Northern, and Southern. The frequency of the distribution can be divided into 2 types; everyday for Bangkok and Metropolitan area and surrounding provinces and twice-a-week for other provinces that take more than 3-hour drive. The Company plans the distribution at a regular basis including route planning to cover every outlets and arrive each outlet at a scheduled time.

II. Restaurants

MK Suki and Yayoi outlets are responsible for making order from central kitchen, storing food, preparing and cook food, servicing customers and custody of cash.

1) Purchases order from the central kitchen

At the end of the day, the restaurant will check the inventory prior to making an order via online system to the central kitchen. The orders must be in line with daily statistics (Monday-Sunday) weekly statistics (week 1-4) to ensure that the amount ordered is appropriate and conform to the customer behavior so that the inventory management is done with efficiency and the food always remains fresh.

2) Food Storage at the Outlets

When each outlet receives food materials from the central kitchen, the Company will count ordered items according to purchasing orders for accuracy and record the information into the computer database. Thus, the Company is able to keep track of raw materials cost and ending inventory at each outlet. Then, the Company will store raw materials in freezers, chillers, or at room temperature storage depend on the materials by using First-In-First-Out system and store them in category for convenience.

3) Food Preparation and Cooking

When food orders come to the central kitchen via online system, the preparing and cooking processes will be divided into sub-kitchen. Suki kitchen is responsible for a soup preparation, putting meats, fish balls, tofu, and vermicelli into trays, putting fresh vegetables into plates and store in chillers. Duck kitchen in the front of the restaurant is responsible for roasting the duck including preparing roasted duck, roasted BBQ pork with honey, fried crispy pork and noodles. Dim Sum kitchen is responsible for preparing Dim sum such as Chinese bun, steamed dumpling, steamed shrimp dumpling, spring roll, fried spring roll, and fried taro. Drinking kitchen is responsible for preparing water, juices and desserts.

Yayoi has steps of preparation divided into sub-kitchen as well. Roast kitchen will prepare roasted fish, hamburger and roasted meat and pork. Deep fried kitchen will prepare tempura, Ton Katsu, and Chicken Karake. Soup kitchen is responsible for preparing ramen such as Soba, Udon and Suki yaki. Sushi kitchen is responsible for preparing sushi and California rolls. Japanese kitchen is responsible for preparing Bento Box, curry rice, soup and salad. Drinking kitchen is responsible for preparing water, juice and desserts to the customers.

Every staff will follow the steps above to make sure the food and service are delivered at the same standards. Quality control staff will visit each outlet for quality inspection of the work procedures on a regular basis.

4) Customer Service

It is mandatory for every staff to pass the training courses before stationing at the outlets. The staff will learn the Company's culture and serving standards from greeting and welcoming customers, presenting the menu, receiving the orders with PDA gadgets for fast and accurate orders. In addition, the Quality Control Department will do a surprise visit at least 6 times a year for each outlet and also, the mocking customers visit the outlets on a regular basis and give scores of service quality. The Company also review customers' comments regular in order to improve the service quality.

5) Cash Collection

Cash from sales at each outlet will be deposited at the nearest banks every day. The cashier will summarize total sales at the end of the day and provide the total sales amount to head office by separating cash sales amount out of credit cards sales amount for accuracy.

Competition

Market capitalization of food and beverage industry in Thailand in 2011 was approximately 300,000 million baht (Source: Kasikorn Research Center) The Company estimated that MK Suki has around 3% of total food and restaurant market shares including direct MK Suki's competitors which have many outlets nationwide in shopping malls, modern trade and community malls such as the restaurant operators of fried chicken, pizza and hamburger. MK's competitors considering similar items in the menu are Hot Pot, Shabushi, Sukishi, Bar B Q Plaza and Joom Zap Hut.

Competitors of MK Suki ¹	No. of Branches
Hot Pot	117
Bar B Q Plaza / Joom Zap Hut	94
Shabushi	69
Sukishi Buffet / Seoul Grill Buffet	27
Coca Suki	8
MK Suki (MK Gold inclusive)²	355

Note: 1. Each company's website as of 21 January 2013

2. Information from the Company as of 21 January 2013

Yayoi is a fast food Japanese restaurant which is popular among office employees and students that focus on inexpensive and fast original Japanese foods. Japanese food market share is around 14,000 million baht. (Source: Brand Bansat Magazine, March 2012). The Company estimated that Yayoi's market share is approximately 7% of total Japanese food market shares. Yayoi's competitors are Japanese restaurants that have a variety of menus and many outlets such as Fuji, Zen and Ootoya.

Competitors of Yayoi ¹	No. of Branches
Fuji	79
Ootoya / Ootoya Kitchen	35
Zen	25
Yayoi²	91

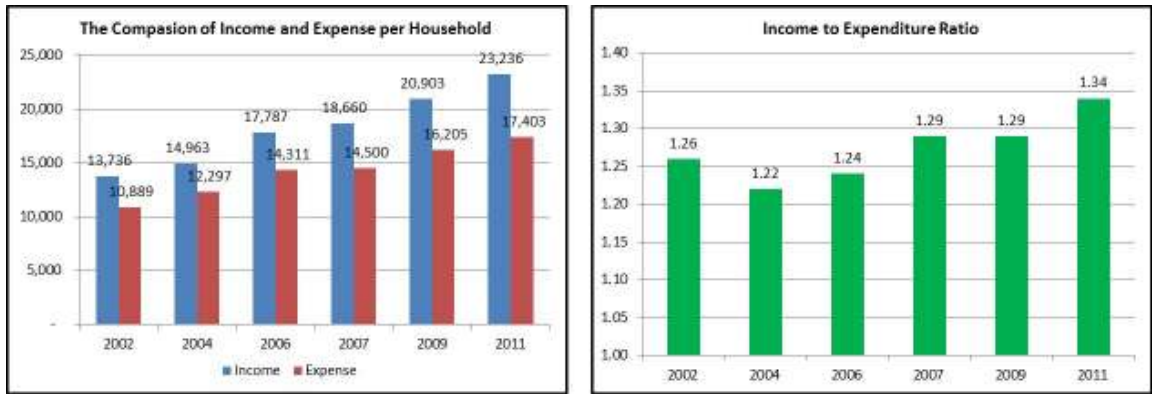
Note: 1. Each company's websites as of 21 January 2013

2. Information from the Company as of 21 January 2013

Industry and Competition Trend

Nowadays new restaurant operators constantly enters into the food industry especially those foreign restaurant franchise in a form of quick service restaurants (QSR) such as hamburger, fried chicken, pizza, ramen, rice topping with meats and steak. QSR expands quickly and continues to establish brand awareness and adopt marketing strategies to attract more customers.

In 2012-2013, food and beverage industry tends to continue to grow in line with an increase of income per household which increased from 13,736 baht to 23,236 baht from 2002 to 2011 which is the growth of 11.1% per annum. The revenue to expenditure ratio also increased from 1.26 times in 2002 to 1.34 times in 2011. An increase of income per household is a key factor that urge consumers to eat out more often. Moreover, a rise in wage rate and undergraduate employee compensation should enable the industry growth rate to grow constantly. The industry growth rate will be directly affected by a decrease in purchasing power of the customers, if occurs, however, for food which is the basic factor of living, the food demand will continue to exist.



Source: Household Socio-Economic Survey 2011, National Statistical Office of Thailand.

Currently, there are more than 1,000 Japanese restaurants in Thailand which ranks number 5 of the world in terms of number of Japanese restaurants, next to USA, China, South Korean and Taiwan respectively. The Company expects that the growth rate of Japanese food would grow more than that of the industry in general. In 2011 – 2012, the Japanese food industry growth rate grows about 15-20% per annum (Prachachart Turakij, 14 December 2012) as Japanese food has increasing popularity among Thai consumers as well as more varieties of Japanese food such as Sushi, Shabu, Ramen, Japanese Pizza, Takoyaki, Ton Kutsu, Tempura, Curry Rice, and Don Buri. Additionally, a decrease in the price of Japanese food attracts more customers.

Competition Strategy

The success of the business over 25 years comes from the determination to improve services and products. The Company plans strategies and adopts new innovation to make sure it provides quality services and products in order to maximize customers' satisfaction.

1) Branding Strategy

MK Suki Brand creation has been done seriously and continuously for years by using advertisements to enhance brand awareness. A continuous increase in the number of outlets is an evidence that MK Suki has been well accepted by the customers. The brand creation focuses on the Company's sincere intention to offer quality goods and services, safety, convenient location, and reasonable price to customers. Those strategies are vital principals which have made MK Suki Brand a strong brand and being top choice in customers' minds.

For Yayoi, it is the franchised brand from Japan which offers set meals. Yayoi focuses on a concept of best-quality products. Not only does it has great taste, the art of food presentation, quick service, and well maintained food standards made Yayoi to also being top choice of Thai customers.

2) Product Strategy

Quality food, good taste and cleanliness are the strengths of MK Suki. MK Suki is considered a pilot in the food industry to promote food safety campaign by using the vegetable cleaner machines and offers healthy items in the menu such as healthy vegetables set that comes with varieties of fresh vegetables in a big tray, a set of varieties of mushrooms. In additional, the Company is the first operator that announced no Monosodium Glutamate (MSG) in every food items which has been approved by the FDA.

For Yayoi, it tends to focus on offering varieties of Japanese authentic cuisine which will be changed seasonally by emphasizing on fresh materials that were sourced within the country or import.

3) Service Strategy

To impress the customers, MK Suki and Yayoi staff will greet the customers with sincere and cheerful smile, with the gracious Thai style hospitality. The staff also pay attention to the hygiene, quick services, and on-time delivery for home delivery. Quality Assurance Department of the Company will assess the quality of services of every staff; kitchen staff, waiters/waitresses, cashiers, and maid to ensure that every staff follow the working procedures. Moreover, the mocking customers will from time to time visit the outlet to assess the quality of goods and services at outlets.

4) Customer Satisfaction Strategy

The satisfaction of customers is a goal the Company has to accomplish. The Company constantly reviews customers' complaints, asks customers for their comments directly, perform focus group surveys in order to understand customer demand and also visits other restaurant operators abroad in order to learn and adopt new technology and innovations into the Company's operation, for example, using PDA gadgets for receiving food order which can enhance quicker and more accurate service and using robots to serve meal in the outlets.

5) Maintaining Customer Base Strategy

As at 31 March 2013, the Company has 2.9 million members and 61,500 members of MK Suki and Yayoi, respectively. The member will get 10% discounts for cash payment and 5% discounts for credit card payment. These strategies enable members to come back and have meal at the restaurants as well as help the Company collect and analyze their information in order to better understand the customer behaviors. In the future, member cards will contain information regarding most ordered items so that the staff can impress the customers by suggesting and ordering quickly.

6) Security Strategy Marketing Strategy

The Company pays attention to the security of customers and staff since the day of the Company's establishment until nowadays. The Company is the first suki restaurant that started using electronic suki pot and also selecting non-hazardous materials of suki pot. Moreover, the Company developed "Safety Ring" to prevent the suki pot from slipping and fell and installed electric shock protector devices, circuit breakers, and back-up circuit breakers at the control panels at each outlets to ensure that there will be no electricity leakage that will harm customers. Moreover, quality, hygiene of foods and security are top priority of the Company.

7) Marketing Strategy

Currently, the Company launches marketing strategies in several channels such as discount to MK Suki's and Yayoi's members, promotion campaign with credit card operators or business partners, discount to customers during off-peak time between lunch and dinner to boost sales. Moreover, the Company aims to reach new generation through social network (www.facebook.com/mkrestaurants) that create participations with consumers such as playing games and/or lucky draws to win trips with superstars, win gold prize. These campaign has received good feedbacks.

8) Outlet Location Strategy

The Company strictly plans well ahead before opening new outlet, for example, surveying areas and population density, studying targeted customer's behavior, reviewing performances of nearest outlets and also performing feasibility study such as payback period and return on investment that should meet the Company's criteria. New outlet will most likely be opened in department stores, modern trade and community malls which

are located in community area, focuses on convenience of targeted customers, has middle-size of utilized area, and has approximately 25-30 of tables.

9) Pricing Strategy

The Company's pricing strategy reflects economic conditions such as outlet rental rates, raw material prices, fuel costs, and wages. The Company believes that the food prices in the restaurants have been set reasonably.

10) Cost Management Strategy

As at 31 March 2013, the Company has in total 460 outlets of restaurants nationwide which enable it to have bargaining power and can manage costs of materials by purchasing at substantial about at a reasonable price.

Moreover, the efficient inventory management system and inventory distribution system of the Company help the Company to have minimal defected or obsolete inventories.

Environmental Effects

The central kitchen of the Company has a policy to control environmental impacts throughout the manufacturing processes, for example, it is mandatory to trap grease and food particles before discharge to water drains. Furthermore, the Company has an environmental impact controls that meet the standards of Department of Industrial Works and international standards.

Contract Summary

1) Lease agreement

As at 31 March 2013, the Company and its subsidiaries entered into lease and service agreements with non-related parties such as department stores, modern trade and shopping malls in order to rent the space for its head office, outlets nationwide and the maintenance office. The lease and service agreements have significant conditions as follow.

- Rental areas, rental spots, objectives and scope of services
- Rental and service fee rates, payment due, related taxes that the lessor is responsible for (household tax)
- Most of the contracts has 3-year duration and can be renewed by A) Specify new rental rate, service fee rate and contract period in advance or B) Specify conditions when renewal, however, the tenants have to inform the lessor regarding the renewal in writing prior to the expiration.
- Most of the rental deposits are equivalent to rental rate and/or service fee rate of approximately 3 months to be kept as a guarantee to comply with the agreement. The tenants will receive the deposit back without any interests when due and the tenants has no outstanding balance payable to the lessor.
- Sublease or lease transfer cannot be made unless it is approved by lessor's consents. The Company is now requesting the lessors' consents to let it sublet to its subsidiaries.

As of 31 December 2012 and 31 March 2013, the Company and its subsidiaries have the liability related to the operating lease and service agreements which are at least 2,315 million baht and 2,474 million baht respectively.

2) Loan Agreements

As of 31 March 2013 the Company entered into loan agreements with 2 financial institutions. The Company issued a promissory note to the related company. The information is as follow.

1st Financial Institution

The loan facility agreement is for the facility of 39 million baht. The Company mortgaged the lease right and service agreement of Paragon branch as a collateral. As of 31 March 2013, the Company has paid all outstanding loan.

Bank Overdraft facility – The Bank Overdraft Facility Agreement and its supplementary agreement grants bank overdraft not exceeding 25 million baht. The Company granted a saving book of the Director amount total 25 million baht plus interest in this savings account (savings account at this financial institution) as a collateral with this financial institution. As of 31 March 2013 the Company has paid all outstanding loan.

Promissory Note amount total 1,500 million baht. The Company and the financial institution together agree on the interest rate using at each time. 2 directors which are Mr.Rit Thirakomen and Mr.Somchai Hanjtkasem have guaranteed full amount of promissory note by entering into a Guarantee Agreement. As of 31 March 2013, the Company had total 1,070 million baht outstanding.

2nd Financial Institution

Loan facility agreement total 250 million baht for the distribution and storage construction project. The Company mortgaged 18 sets of land as a collateral. As of 31 March 2013, the Company has paid the outstanding loan.

MK Worldwide Co., Ltd

The Company issued 70 million baht of a promissory note to MK Worldwide Co., Ltd which shares the same major shareholders and 2 directors with the Company; Mr. Rit Thirakomen and Mr.Somchai Hanjtkasem. This promissory note no collateral and is due at call. The interest rate is equal to 1-year saving rate + 0.5%. As of 31 March 2013, the Company and its subsidiaries have paid the outstanding loan.

3) Guarantee Agreement

As of 31 March 2013, a financial institution issued a promissory note in the name of the Company and its subsidiaries total 7 million baht regarding the collateral liability of electricity bills, fines and/or related liabilities.

4) Casualty Insurance Policy

The Company and its subsidiaries have made an agreement with AXA Insurance Plc. covering every outlets with insured period from 31 December 2012– 31 December 2013. The information is as follow.

- Leasehold Accidental Insurance covers the accident from fires, strike of lightning, storms, airs, earthquakes or explosions that cause damage to the leased outlet/space leading to the termination of the leasing agreement by the tenant or leasing period ends before the ending period specified in the 32 leasing agreements made by the Company. The insurance coverage is 384 million baht.
- Money – Commercial Insurance for all outlets of MK Suki, Yayoi, Tenjin, Hakata, Le Petite, Na Siam, Le Siam, 2 central kitchens, head office, home delivery outlet at Choke Chai Ruammitr, maintenance service room, call service center and training center.

Type of Insurance	Coverage
1. Loss of money at the insured location, safe room or vault room and at offsite during transportation	5 million baht per time and 20 million for the total insured period
2. Damage to the safe room, vault room, building of the insured location and other assets	300,000 baht per insured location for the total insured period

- Public Liability Insurance for all outlets of MK Suki, Yayoi, Tenjin, Hakata, Le Petite, Na Siam, Le Siam, 2 central kitchens, head office, home delivery Choke Chai Ruammitr, maintenance service room, call service center and training center.

Type of Insurance	Coverage
1. Cases of injury, loss of life, property damage to third party	Not exceeding 10 million baht per accident and not exceeding 20 million for the total insured period
2. Cases of fire, explosion that cause injury and loss of life and property damage to third party	Not exceeding 50 million baht per accident and not exceeding 100 million for the total insured period

- Business Advantage – All Risks Insurance for all branches of MK Suki, Yayoi, Tenjin, Hakata, Na Siam, Le Petite, Le Siam, 2 central kitchens, head office, home delivery Choke Chai Ruammitr, maintenance service room, call service center and training center.

Type of Insurance	Coverage
1. Building, Building improvements, furniture, fixtures, system works, and equipment	4,423 million baht
2. Inventories, equipment and tools, stationaries, suppliers, uniforms, maintenance suppliers, goods used for promotion activities, assets that belongs to the Company and its subsidiaries including property in custody	190 million baht
3. Damage to the electrical installation or machinery breakdown	Not exceeding 10 million baht per time and for the whole insured period
4. Damage to the fixed plate glass	Not exceeding 5 million baht per time and for the whole insured period
5. Damage to the machinery breakdown	Not exceeding 10 million baht per time and for the whole insured period
6. Flood	Not exceeding 3 million baht per time and for the whole insured period
7. Storm disaster / earthquake / hail	Not exceeding 50 million baht per time and for the whole insured period

- Property Insurance for unrest incident to 16 branches of MK Suki and Yayoi located in risky areas such as Central World, Silom Complex, Maboonkrong (MBK), Siam Paragon, Rama IV, Had Yai and Pattani which have total insurance coverage of 143 million baht

Technical and Operational Assistance

1) Shrimp and Fish Purchasing Contracts

The Company has entered into a contract to purchase shrimp and fish from Thai Union Frozen Products Plc. The contract specifies weight per shrimp, price per kilogram, ordered quantity per year, and scheduled delivery period from 1 February 2013 to 31 January 2014. Furthermore, the Company has entered into a contract to purchase fresh fish from Prantalay Marketing Co., Ltd. The contract specifies price per kilogram, ordered quantity per year, and scheduled delivery period from 1 March 2013 to 28 February 2014

2) Joint Venture Agreement to establish Plenus-MK Co., Ltd.

The Company has entered into a joint venture agreement with Plenus Co., Ltd. on 14 December 1993 to establish Plenus-MK Co., Ltd. to operate restaurants under "MK Restaurants" in Japan. On 29 August 2011, the Company owned 12% of shares in Plenus-MK Co., Ltd. and proposed Mr.Rit Thirakomen to be one of the 6 directors as a representative of the Company. However, Plenus Co., Ltd. is not a related party of the Company.

3) Joint Venture Agreement to establish Plenus & MK Pte. Ltd.

The Company has entered into a joint venture agreement with Plenus Co., Ltd. on 21 February 2011 to establish Plenus & MK Pte.Ltd. to operate restaurants in Singapore under the trade names and trademarks of both companies. On 6 June 2012, the Company owned 50% of shares of Plenus & MK Pte. Ltd. and proposed Mr.Rit Thirakomen, Mr.Somchai Hanjitkasem and Mr.Pravit Tantiwasinchai to be 3 out of 6 directors of Plenus & MK Pte. Ltd. and each director has 1 voting right. In addition, the decision of the Board of directors has to be the majority of voting rights and must have at least one director of each party vote.

The Board of Director's Meeting 1/2013 on 26 February 2013 has passed a resolution to approve the capital increase of SGD 3,500,000 (Company's part). The payment was scheduled in March 2013.

4) Franchise Agreement to grant rights to Plenus-MK Co.,Ltd. for using trade name and trademark "MK Restaurants" in Japan

The Company has entered into the franchise agreement on 10 February 1994 to grant non-transferred exclusive rights to Plenus-MK Co., Ltd. to operate restaurants under the management system, know-how and trade name and trademark "MK Restaurants" in Japan. The contract specifies that if Plenus-MK Co., Ltd. opened the 8th outlet, the Company will permit Plenus-MK Co.,Ltd. to sublease the franchise right to other parties in Japan under the conditions agreed by both parties. The contract also specifies initial franchise fee that stated in absolute amount and also monthly fees as a percentage of monthly sales.

The contract period is 3 years and is automatically renewed for another 3 years, except any party terminates the contract in writing 180 days prior to the expiry date of each period.

5) Franchise Agreement to grant rights to use trade name and trademark "MK Restaurants" in Vietnam

The Company has entered into an agreement on 8 August 2008 and the amendment dated 2 June 2009 and 10 August 2012 to grant the exclusive right to Global Investment Gate Joint-Stock Company (GIGJS) as the

only person to operate the restaurants under trade name and trademarks "MK Restaurant" in Vietnam as well as trade secrets. The Company will give an advice and assist GIGJS in outlet location selection, design, decoration, equipment procurement, staff training, advertisement and public communication, raw material sourcing, and advisory on restaurant operation. GIGJS must open at least 1 outlet in 2011, at least 3 outlets by 2012, at least 7 outlets by 2013 and at least 15 outlets in 2014. GIGJS is not a related party with the Company. The contract also specifies initial franchise fee that stated in amount per outlet opened and monthly fees as a percentage of monthly sales.

The contract period is 10 years from the signing date. GIGJS can extend the contract period for another 5 years (1st extension) and before the period of the 1st extension ends, GIGJS has a right to negotiate for another 5-year extension (2nd extension) with the approval of the Company.

6) Franchise Agreement to provide the operating right under "MK Restaurants" trademark in Indonesia.

The Company has entered into an agreement on 11 September 2012 to grant the exclusive right to PT Master Kuliner (PTMK) as the only person to operate the restaurants under trade name and trademarks "MK Restaurant" in Indonesia as well as trade secrets. The Company will give an advice and assist PTMK in outlet location selection, design, decoration, equipment procurement, staff training, advertisement and public communication, raw material sourcing, and advisory on restaurant operation. PTMK must open at least 2 outlets within a year from the date that the first restaurant is opened, opened at least 6 outlets within 2 years from the date that the first restaurant is opened and opened at least 10 outlets within 3 years from the date that the first restaurant is opened. PTMK is not a related party with the Company. The contract also specifies initial franchise fee that stated in amount per outlet opened and monthly fees as a percentage of monthly sales.

The contract period is 10 years from the date the first restaurant is opened. PTMK can extend the contract period for another 5 years (1st extension) and before the period of the 1st extension ends, PTMK has a right to negotiate for another 5-year extension (2nd extension) with the approval of the Company.

7) Franchise Agreement to receive the operating rights of "Yayoi-Ken" in Thailand

The Company has entered into an agreement on 22 February 2006 with Plenus Co., Ltd. to receive the exclusive non-transferrable right from Plenus Co., Ltd. as the only person to operate the restaurants under tradename and trademarks "Yayoi-Ken" in Thailand.

The agreement specifies that if MKI opens the 8th outlet, Plenus Co., Ltd. will permit MKI to sublease the franchise right to other parties in Thailand under the conditions agreed by both parties. The contract specifies monthly fees as a percentage of monthly sales.

The contract period is 3 years and is automatically renewed for another 3 years, except any party terminates the contract in writing 180 days prior to the expiry date of each period.

8) Basic Agreement to receive supports for Tenjin Teppanyaki establishment.

The Company has entered into an agreement on 1 November 2012 with Gozouroppu Co.,Ltd. (Gozouroppu) to receive assistance from Gozouroppu in the operation of Tenjin Teppanyaki restaurant. Gozouroppu will assist the Company in staff training, raw material sourcing, equipment and decoration procurement. Gozouroppu is not a related party with the Company. The contract specifies member fees by the amount and monthly member fees per branch.

The contract period is 10 years from the signing date and is renewed automatically with the same conditions unless any party terminates the contract in writing 3 months in advance prior to the expired date.

Feasibility Study

- None -

Future Projects

The Company and its subsidiaries have 3 future projects as follow.

1. New Central Kitchen – Bangna

The Company plans to construct the new central kitchen at Bangna (CK5) as follow.

Objectives	To increase the capacity to support MK Suki and Yayoi outlet expansion.
Scope of services	To construct and improve old buildings to be the production factory and distribution center to outlet nationwide.
Location	61/9 m.1 Bangna-Trad Road, KM21, Srisajorakaeyai, Bang Sao Thong, Samutprakan, 10540
Total areas	57,000 square meters
Utilized areas	27,000 square meters
Budget	Approximately 1,000 million baht
Construction Period	12 months
Expected Completion	October 2013
Progress on 31 March 2013	Approximately 35%
Source of Funds	Proceeds from IPO and loan from financial institution

2. New Office Project

The Company plans to construct new office as follow.

Objectives	To utilize as 1. Office of the Company and its subsidiaries 2. Training center 3. Call center for delivery services 4. Canteen
Scope	Head Office
Location	Bangna – Trad Road, KM 3
Total areas	6 rai 3 ngan 24 square wah
Utilized areas	5,500 square meters
Budget	Approximately 320 million baht
Construction Period	12 months
Expection Completion	June 2013
Progress on 31 March 2013	Approximately 90%
Source of Funds	Working capital and loan from financial institution

3. MK Suki and Yayoi Outlet Expansion

The Company and its subsidiaries plan to expand 65 branches of MK Suki and Yayoi in Thailand in 2013

No. of new outlets	Unit	MK Suki	Yayoi	Total
Targeted new outlet in 2013	outlets	40	25	65

Moreover, the Company and its subsidiaries also have the expansion policy in Singapore.

No. of new outlets in Singapore	Unit	End of 2012	end of 2017	increase
MK Suki Restaurants	outlets	-	10	10
Yayoi Restaurants	outlets	3	15	12

The Company expects that the source of funds for outlet expansion come from working capital and IPO proceeds.

Related Transaction

Summary of the related transaction is as follows.

Related Person	Relationship
1 Global Asset Development Co.,Ltd (former name: MK Global Co.,Ltd) (MKGB)	<ul style="list-style-type: none"> • Holding company • 4 directors and/or managements and majority shareholders of the Company: Mrs. Yupin Thirakomen, Mr. Rit Thirakomen, Mr. Somchai Harnjitkasem, Mr. Somnuk Harnjitkasem who is the majority shareholder of MKGB with 65.7% stake (including 17.1% and 17.1% of Mr. Rit's and Mrs. Yupin's shareholding respectively). (Info. as of 20 April 2012) • Common directors are Mr. Rit Thirakomen and Mr. Somchai Harnjitkasem
2 MK Worldwide Co.,Ltd (MKWW)	<ul style="list-style-type: none"> • 4 directors and/or managements and majority shareholders of the Company: Mrs. Yupin Thirakomen, Mr. Rit Thirakomen, Mr. Somchai Harnjitkasem, Mr. Somnuk Harnjitkasem who is the majority shareholder of MKWW with 70.0% stake (including 15.0% and 15.0% of Mr. Rit's and Mrs. Yupin's shareholding respectively). (Info. as of 27 April 2011) • Common directors are Mr. Rit Thirakomen and Mr. Somchai Harnjitkasem

Note: the proportion of shareholding presented in the table included the proportion of shareholding of related person.

Related person	Transactions	Amounts (million baht)			The necessity and reason of the transaction
		2011	2012	1Q2013	
1 MKGB	Loan Beginning Balance	-	-	-	<ul style="list-style-type: none"> • Short term loan to MKGB as the promissory note without any collateral and repay when requests. • 3.5-3.6% of interest rate referring from 1-year saving interest rate. • As of 31 December 2012, the Company received the full amount of loan repayment. • <u>Audit Committee's comments</u> The purpose of loan borrowing was to reorganize the Company's structure. The interest rate was specified by financing cost of the Company at rate 3.5-3.6% per year which was higher than average interest rate (saving) of the first 5 banks in Thailand (BBL, KTB, SCB, KBANK and BAY) at 2.4% in 2011 and 3% for January-August 2012. Consequently, this transaction was reasonable and beneficial to the Company.
	Increases	-	310	-	
	Decreases	-	(310)	-	
	Ending Balance	-	-	-	
	Interest Received	-	0	-	
	Ending Balance	-	-	-	

Related person	Transactions	Amounts (million baht)			The necessity and reason of the transaction
		2011	2012	1Q2013	
1 MKGB (continued)	Asset Disposal Ending Balance	296 -	- -	- -	<ul style="list-style-type: none"> The transaction of land disposal together with office and warehouse to MKGB for decreasing the commitment of capital investment. The Company and its subsidiaries will rent the land to use as a future office in the market rate. Pricing was calculated based on its book value plus 1-year interest rate (saving). <u>Audit Committee's comments</u> The Disposal of fixed asset to MKGB was to diminish the Company's capital investment and facilitate to use working capital in order to expand the business continuously. Asset price is computed from its book value plus cost of acquisition. 3.5% per year interest rate is higher than average 1-year interest rate (saving) of the first 5 banks in Thailand (BBL, KTB, SCB, KBANK and BAY) at 2.4% in 2011 and 3% for January – August 2012. Thus, this transaction is reasonable and beneficial to the Company.

Related person	Transactions	Amounts (million baht)			The necessity and reason of the transaction
		2011	2012	1Q2013	
	Loan Increases Decreases Ending Balance	- - - -	- 8 (8) -	- - - -	<ul style="list-style-type: none"> Short term loan from MKGB is 1-day agreement without any interest. The Company already repaid the loan. <u>Audit Committee's comments</u> Borrowing purpose was to enhance short term liquidity of the Company without any interest charged. Hence, this transaction was reasonable and beneficial to the Company.
	Land lease Ending Balance	- -	3 -	4 -	<ul style="list-style-type: none"> To use as a new office with the rent amounted to 1,467,438 baht a month. <u>Audit Committee's comments</u> Land lease was for normal business operation. Rental rate is comparable to the market rate. Thus, the transaction was reasonable and beneficial to the Company.

Related person	Transactions	Amounts (million baht)			The necessity and reason of the transaction
		2011	2012	1Q2013	
2 MKWW	Loan Beginning Balance	-	45	-	<ul style="list-style-type: none"> The Company and its subsidiaries borrowed loan from MKWW as the promissory note without any collateral and repay when requests. Interest rate 3.5-3.6% per year referring from 1-year interest rate (saving). <u>Audit Committee's comments</u> Borrowing purpose was to manage short term liquidity which had interest expense specified from 1-year interest rate which is below MOR of the first 5 banks in Thailand (BBL, KTB, SCB, KBANK and BAY) at 7.4% in 2011 and 7.6% for January-August 2012. Thus, the transaction was reasonable and beneficial to the Company.
	Increases	45	650	70	
	Decreases	-	(650)	(70)	
	Ending Balance	45	-	-	
	Interest expense	1	1	0	
	Ending Balance	-	-	-	
2 MKWW	Asset acquisition	101	-	-	<ul style="list-style-type: none"> Acquired 14,999,993 and 3,499,993 shares of MKI and MKS from MKWW for reorganization purpose. Purchase price referring from book value on 30 June 2011. <u>Audit Committee's comments</u> Shares acquisition of MKI and MKS was to reorganize the Company's structure. Purchase prices are referred from book value which reflected the MKI and MKS value. Thus, the transaction was reasonable and beneficial to the Company.
	Ending balance	-	-	-	

Contingency and Commitment

On 31 March 2013, the Company had contingent liabilities related to the construction of office building and maintenance agreement amounted to 669 million baht and the operating lease agreement related to the office building rental agreement and other service agreements in the total of 2,474 million baht that included the construction of new central kitchen, which was budgeted at 1,000 million baht, and future branch expansion. Nevertheless, for the management of contingent liabilities and future project investment, the Company had 3,111 million baht of cash flow from operation in year 2012 which the Company expected that it would be enough to repay such contingency. Additionally, managements carefully analyze all future project which may incur the commitment and contingency in order that it will provide the highest return to shareholders.

Risk Factors

Operational Risk

1) Risk in lacking of branch operational employees

Since the Company operates mainly in servicing business, the personnel is considered to be a vital mechanism in operating the business. The Company plans to expand its business every year and to have approximately 30-40 employees per branch. The Company therefore has the policy to recruit a large number of employees to support the new branch expansion. On 31 March 2013, the Company had 18,796 employees in the operating division, of which 70% are permanent and 30% are part-time employees. Employee's turnover is approximately 10% on average. Consequently, if the Company is unable to recruit new employees to support the new branch expansion or substitute resign employees, it will materially affect the Company business operation.

However, the Company intentionally solves those issues by retaining employees with the firm as long as they can and pays attention to the working environment under "the Culture of MK" by taking care of all level of employees, giving an opportunity to the competent staff, looking after their compensation and welfares, and training their skills and competencies and treating them as one of the MK family's member.

2) Risk in increasing employee cost

To response to an increase in the minimum wage announced by the Government on 1 April 2012, the Company had increased the minimum wage to be 300 baht per person. Such adjustment affected to the increase in administration and welfare expenses of the Company and negatively impacted the Company's financial performance. However, it is necessary to maintain the employees as the vital asset of the Company. The Company also believes that the continuing development will enhance the employee to work effectively and diminish human-errors. Moreover, the MK's culture is able to decrease employee turnovers rate also. Besides, the Company takes an increase in food price into its considerations which suited for cost increasing. The Company believes that cost management of increased personnel cost and maintains its profitability.

3) Risk in new branch expansion

Currently, the food industry has intense competition whereas new entrepreneurs continuously enter into restaurant business. Consequently, the Company may face the operational risk due to unable to reach the revenue target and return on investment. However, the Company has planned to launch the new branches intentionally and the new branches must achieve the return on investment according to the Company's target. Business development and engineering division is responsible for surveying the area, population density, and

the target group and analyzing the financial performance of the nearby branches such as Payback Period and Return on Investment not to be below the criteria.

4) Risk from finding new rental areas and renewing rental contract in accordance with the Company's Terms and Condition

The Company has strong alliances and consistently maintains the good relationship with all lessors such as department store, modern trade and community mall both in Bangkok and other provinces. Moreover, the Company is also the market leader in restaurant industry whose goods and services rendered always in high demand. Thus, it may not incur the risk of finding new rental areas.

5) Risk from unstandardized inventory management

At present, the central kitchen of the Company is responsible for material procurement, quality assurance, food preparation and cooking, food preservation, and raw materials distributed to the whole country. The central kitchen will responsible for purchasing raw materials, receiving products from suppliers and manufacturers and a quality controller. Besides, it will be a distribution center to directly distribute the products by using temperature-control car to all branches in the whole country. It also obtains several international certificates such as ISO, HACCP and GMP. In addition, the Company has the Quality Assurance Department to randomly check the operational process and the quality of products of each branches.

6) Risk from diseases

The Company pays attention to raw material purchased by selecting the qualified suppliers and manufacturers. All items must have the traceability system which enables to track and trace the logistic routes from the origin of the product. The system will help ensure that raw materials meet the standard of the cleanliness, safety, and contamination. Additionally, the Company has the Quality Assurance Department who is responsible for examining every products. Besides, 2 of the central kitchen of the Company obtained the international certificate such as ISO, HACCP and GMP.

7) Risk from uncertainty in raw material purchased

The Company has recorded the statistic of all types of product sold in every branches, which can be used to analyze the product demand and prepare for sales projection. Besides, Procurement division of the Company will coordinate with the suppliers and producers so as to purchase products and examine price and volume of the products in advance.

8) Risk from renewing Yayoi's franchise agreement

Up to now, the Company strictly follows the terms and condition of the franchise agreement. The Company intended to continuously expand the branches of Yayoi by 30 branches a year on average. Moreover, The financial performance of Yayoi has continuously grown every year. Besides, the Company and Plenus Co., Ltd. are the business alliance which together joints in MK Suki restaurant in the foreign country. Operating as the condition of the agreement enables the Company to receive the truthfulness of the franchise agreement.

9) Risk from intense competition

The viewpoint to Thais' eating out behaviors and AEC leads to the severe competition in food and beverage industry. New entrepreneurs have been dramatically investing into the restaurant market such as Korean and Japanese food and QSR, which emphasizing on the art of food preparation and store decorations.

Nevertheless, the Company believes that to be competitive is to emphasize on the quality of goods and services. Furthermore, the strong brand recognition and vision of management team with more than 25 years experiences has led MK Suki and Yayoi to be well-known for the quality of goods and services, prices and worthiness. Additionally, the management will review business strategies and budgets related to the economic fluctuation. The management team will monitor the performance of the competitors and compare it to the Company's targets to estimate for the success of the strategy.

10) Risk from investment in foreign countries

The Company has planned to invest in foreign countries by studying market survey, population density, target customers and other economic information e.g. GDP, inflation rate, exchange rate, political stability, investment policy of foreign company and tax rate etc. Moreover, The methodology of financial analysis must not below the specified criteria for foreign investment consideration. Additionally, the Company's alliance, Plenus Co.,Ltd. which owns more than 2,400 branches of the biggest Bento-restaurant business and a fast food restaurant under the name "Yayoi-Ken" that is dramatically successful in Japan. Consequently, the Company is confident for the vision and operation of the group of Plenus Co., Ltd., the leader in Japan and has the potential to enhance brand awareness. The Company views that the investment plan and the strength of business alliance will relieve the foreign investment risk. Expanding the branch through the developed countries and high population densities may be an opportunity which enables the Company to grow further and also disperse the operation risks.

11) Risk from dependency on a group of management

Mr. Rit Thirakomen and Mr. Somchai Harnjitkasem are the co-founders of the Company. They also manage the Company and make it well-known and acceptable for customers. The Company has its branches operated all over the country with stable financial performance. If there is an absent of them, it could affect to the operation and performance of the Company.

Currently, the structure of the Company is decentralized with the scope and responsibility of the management set according to their knowledge and experiences. Besides, the Company also continuously supports and develops the skillset of managements by arranging various seminar related to their job responsibilities to enhance efficiency and effectiveness of their working capabilities.

12) Risk from unbalance in management authority

Because Mr. Rit Thirakomen is the president of the Board of Director and the Executive Committee of the Company, He may have solely controlled over the management team. However, the Company believes that the organizational structure that comprises of the Board of Director, the Audit Committee and the Executive Committee will effectively counterbalance the management authority. Moreover, the Company has 3 of the Audit Committees to counterbalance and review the Company performance. As the Extraordinary General Meeting no. 3/2012 on 10 August 2012 and the Board Meeting no. 1/2012 on 17 August 2012, the Company clearly specified the scope, duty, and responsibilities of the Board, Audit Committee, and the president.

Legal dispute

- None -

Number of employees

Total of 20,176 person as of 31 March 2013

Summary of the Company Profile

MK Suki restaurant opened its first branch at Central Lardpao Department Store and registered to be MK Restaurant Group co., Ltd on 10 July 1989 with 1,000,000 baht of registered capital to operate Sukiyaki restaurant as its main business, its Japanese restaurant under the name “Yayoi” (operated in 2006) and “Hakata” and “Tenjin”, Thai restaurant under the name “Na Siam” and “Le Siam” and coffee and bakery shop under the name “Le Petite”. Besides that, the company also operates the training center to support the Company group’s employees.

For the previous 5 years, the Company has changed and developed as follows.

Year	Descriptions
2006	<ul style="list-style-type: none"> ▪ made an franchise agreement to grant the right of Japanese restaurant under the name “Yayoi” from Plenus Co.,Ltd.
2011	<ul style="list-style-type: none"> ▪ On 11 February 2011, the Company entered into a joint venture agreement with Plenus & MK Pte. Ltd., Singapore and Plenus Co.,Ltd., Japan to operate the restaurant business under the name of the Company and Plenus Co.,Ltd. The established firm would have registered capital of SGD 5.5 million and 50% stakes owned by the Company.
	<ul style="list-style-type: none"> ▪ On 26 June 2011, the Board of Director Meeting approved the purchase of the securities of MKI and MKST from MKWW to reorganize the Company Group for all restaurant business and the training center under the same umbrella.
2012	<ul style="list-style-type: none"> ▪ On 7 March 2012, EGM approved the increase of the registered capital from 410.1 million baht (41.04 million share at par 10 baht) to 414.5 million baht (41.45 million shares at par 10 baht) to proportionately sell shares to the existing investors.
	<ul style="list-style-type: none"> ▪ On 10 August 2012, EGM no. 3/2012 passed resolution to change the Company’s status to be a public company.
	<ul style="list-style-type: none"> ▪ On 18 September 2012, EGM no. 1/2012 approved the change in the par value from 10 baht to 1 baht and increasing 305.5 million baht of capital to proportionately sell shares to existing investors enabling the paid-up capital of the Company increase to 720 million baht. ▪ The Company entered into the franchise agreement to grant the right to operate Japanese restaurant “Tenjin” from Gozouroppu Co.,Ltd., Japan

Year	Descriptions
2013	<ul style="list-style-type: none"> ■ On 3 January 2013, EGM no.1/2013 approved the allotment of 205.85 million shares of newly issued shares which enabling the Company to have 925.85 million baht of total registered capital. The meeting allotted 205.85 million shares of newly issued shares, of which 185.85 million shares are for initial public offering and 20 million shares are for warrant exercises issued of directors, managements and employees of the Company and its subsidiaries. ■ The Board of Director Meeting no.1/2013 on 26 February 2013 approved the increase of the registered capital of Plenus & MK. Pte. Ltd., Singapore of SGD 3.5 million. It enhanced Plenus & MK Pte. Ltd. to have SGD 12.5 million of registered capital. The Company owned 50% of Plenus & MK Pte. Ltd's total number of shares. ■ The Company established a new head office located in Bangna-Trad Road 2.5th kilometers and started to move the operation and employees to the new office on June 2013.

Investments in Subsidiaries and Jointly Controlled Entity

As at 31 March 2013, the Company has investments in subsidiaries and joint control entity as follow.

Name of the Company	Type of Service	Paid-up Capital (Million Baht)		% of shares		Value of Investments (Cost Method) (Mil.Baht)	
		31 Dec 12	31 Mar 13	31 Dec 12	31 Mar 13	31 Dec 12	31 Mar 13
Subsidiaries							
MK Interfoods Co.,Ltd.	Restaurant	150	150	100	100	49.05	49.05
MK Service Training Center Co.,Ltd.	Training Center	35	35	100	100	52.43	52.43
Total Subsidiaries						101.48	101.48
Joint Control Entity							
Plenus & MK Pte. Ltd. (Singapore)	Restaurant	SGD 5.50 Million	SGD 5.50 Million*	50	50	66.08	66.08

*The meeting of Board of Directors of the Company on 26 Feb 13 had resolution to approve the capital increase of Plenus & MK Pte.Ltd. in Singapore of SGD 3.50 million (Company's part) with a payment scheduled to be paid in March 2013 of which have made Plenus & MK Pte. Ltd. to have total registered capital of SGD 12.50 million. However, as at 31 March 2013, Plenus & MK Pte.Ltd. had not registered the increased capital, thus, the paid-up capital in the table above shows SGD 5.50 million. As at 13 August 2013, the Company has an investment in Plenus & MK Pte. Ltd. in Singapore amounting SGD 6.25 million or equivalent to 155 million baht.

Capital Increase (Decrease) during the past 3 years

Unit : Million Baht

D/M/Y	Capital Increase (Decrease)	Post-Capital Increase (Decrease)	Remark / Objectives
7 Mar 12	4.10	414.50	Right Offering to existing shareholders for business expansion
18 Sep 12	305.50	720.00	Right Offering to existing shareholders for business expansion
3 Jan 13	205.85	925.85	Initial Public Offering of 185.85 million shares and for the exercise of warrants to be issued to directors, management and employees of the Company and its subsidiaries amounting 20 million shares

Accounting Period

1 January to 31 December

Auditors

Wichart Lokatekrawee CPA No. 4451 and/or
 Kamontip Lertwitworatep CPA No. 4377 and/or
 Siriwan Suratepin CPA No. 4604 and/or
 Saifon Inkaew CPA No. 4434
 From Ernst & Young Office Limited

Securities Registrar

Thailand Securities Depository Co.,Ltd.

Financial Advisor

Asia Plus Advisory Co.,Ltd.

Lead Underwriters

Asia Plus Securities Public Company Limited
 Phatra Securities Public Company Limited
 Bualuang Securities Public Company Limited

Dividend Policy

- The Company and its subsidiaries will pay dividend of no less than 50% of net profits after taxes and legal reserve considering from consolidated financial statements. Dividend payment is subject to economic condition, result of the operation, financial position, liquidity of the Company and its subsidiaries and needs of working capital to manage and expand the business of the Company and its subsidiaries.

B.O.I. Certificates

None

Number of Shareholders

As at 13 August 2013

	No. of Shareholder	No. of Shares	% of paid up capital
1 Strategic shareholders			
1.1 Directors, manager, and executive management including related persons and associated persons	10	679,379,024	75.00%
1.2 Shareholders who have a holding of above 5% including related persons			
1.3 Controlling Shareholders	-	-	-
2 Non-Strategic shareholders hold > 1 trading unit	11,780	226,470,976	25.00%
3 Non-Strategic shareholders hold < 1 trading unit	-	-	-
Total Shareholders	11,790	905,850,000	100.00%

Major Shareholders

As at 13 August 2013

Major Shareholders		Pre - IPO		Post - IPO	
		No. of Shares	(%)	No. of Shares	(%)
	Mr.Rit and Mrs.Yupin Thirakomen Group*				
1	Mrs. Yupin Thirakomen	198,990,002	27.6	198,990,002	22.0
2	Mr. Rit Thirakomen	139,608,033	19.4	139,608,033	15.4
3	Mr. Somchai Hanjtkasem	164,088,012	22.8	164,088,012	18.1
4	Mr. Somnuk Hanjtkasem	164,087,977	22.8	164,087,977	18.1
5	Mr. Samutcha Hanjtkasem	-	-	10,000	0.0
6	Mr. Warakorn Hanjtkasem	-	-	10,000	0.0
	Total of Mr.Rit and Mrs.Yupin Thirakomen Group	666,774,024	92.6	666,794,024	73.6
7	Aunt Thongam MK Foundation	31,265,983	4.3	31,265,983	3.5
8	Mr. Sujint Chumpolkanjana	7,200,000	1.0	7,200,000	0.8
9	Mr. Pravit Tantiwasinchai	5,400,000	0.8	5,350,000	0.6
10	Mr. Komin Pimtanotai	3,600,000	0.5	3,610,000	0.4
11	Mrs. Seerung Mekto	3,600,000	0.5	3,600,000	0.4
12	Mr. Watchara Kaewsawang	-	-	2,215,000	0.2
13	Other shareholders	2,159,993	0.3	185,814,993	20.5
	Total	720,000,000	100.0	905,850,000	100.00

* Group structuring is done in accordance with definitions of related persons as per the Notification of the Securities and Exchange Commission Kor Chor. 17/2551 dated 15 December 2008 only, not a group structuring as per Section 258 of the Securities and Exchange Act B.E. 2535 (as amended).

Foreign Shareholders

As at 13 August 2013, the Company has 86 foreign shareholders, totaling 4,645,400 shares (0.51% of total paid up capital)

Remark: The Company has the restriction regarding foreign shareholding according to clause 11 the Company's regulation which states that "share of the Company can be liberally transferred without constraint except that transfer will result in foreign shareholding exceeding forty-nine percent (49%) of total shares of the Company.

Board of Directors

The Board of Directors comprise of 10 directors as follow.

Directors	Position	Starting Date
1. Mr. Rit Thirakomen	Chairman / Chief Executive Officer	17 August 2012
2. Mr. Somchai Hanjtkasem	Director / Managing Director of MK Restaurant Group	1 February 2012
3. Mr. Somchai Pipitvijitkorn	Director	18 June 2012
4. Mr. Sujint Chumpolkajana	Director	18 June 2012
5. Mr. Pavit Tantiwasinchai	Director	18 June 2012
6. Dr. Annop Tanlamai	Independent Director & Chairman of Audit Committee	17 August 2012
7. Mrs. Vilai Chattanrassamee	Independent Director & Audit Committee	17 August 2012
8. Mr. Attapon Chodchoy	Independent Director & Audit Committee	17 August 2012
9. Mr. Thanong Chotisrayuth	Independent Director	17 August 2012
10. Dr. Katiya Greigarn	Independent Director	17 ugust 2012

Remark: - Mr. Rit Thirakomen and Mr. Somchai Hanjtkasem has become Director of the Company since 10 July 1989

- Mr. Pavit Tantiwasinchai is the Company's Secretary.

Management Team

The Company has 5 management as follow :

Directors	Position
1. Mr. Rit Thirakomen	Chief Executive Officer, and; Acting Vice Managing Director – International Business Development
2. Mr. Somchai Hanjtkasem	Managing Director of MK Restaurant Group , and; Acting Vice Managing Director – Human Resource
3. Mrs. Yupin Thirakomen	Managing Director of Japanese Restaurant Group , and; Acting Vice Managing Director – Sourcing and Delivery
4. Mr. Sujint Chumpolkajana	Vice Managing Director – Restaurant Outlet Development
5. Mr. Pavit Tantiwasinchai	Vice Managing Director – Finance and Accounting

Audit Committee

The Audit Committee comprises of 3 directors as follow:

Audit Committee	Position
1. Dr. Annop Tanlamai	Chairman of Audit Committee
2. Mrs. Vilai Chattanrassamee	Audit Committee
3. Mr. Attapon Chodchoy	Audit Committee

Mr. Pasakorn Lila is the Audit Committee's Secretary.

All of the 3 members of Audit Committees are knowledgeable of Accounting and Finance.

Scope of duties and responsibilities

- 1 To verify that the Company has an accurate and adequate financial statements
- 2 To verify that the Company has proper and effective internal control and internal audit system and to review the independence of internal audit function of the Company. To approve the appointment, transfer or eliminate the head of internal audit function responsible for the internal audit of the Company
- 3 To verify that the Company conforms with laws regarding securities and stock exchange, regulations of the stock exchange, or laws regarding business of the Company
- 4 Review and discuss with management about significant risks of the Company as well as the actions taken out by the management in order to monitor and mitigate those risks
- 5 To consider, select, propose an appointment, and propose remuneration to auditors of the Company and meeting with the auditor without management attendance at least once a year
- 6 To consider whether connected transactions or transactions which may have conflict of interests comply with stock exchange regulations in order to assure that the transactions are reasonable and are the most beneficial to the Company
- 7 To prepare Audit Committee Report to present to the Board of Directors after each meeting of the Audit Committee
- 8 To prepare Audit Committee Report and disclose in the Company's Annual Report. The Report will be signed by the Chairman of the Audit Committee and will contact at least the following information:
 - Opinion on accuracy and adequacy of the financial statements
 - Opinion on adequacy of the Company's internal control system
 - Opinion on conformation with laws regarding securities and stock exchange, regulations of the stock exchange, or laws regarding business of the Company
 - Opinion on appropriation of the auditor
 - Opinion on transactions that may lead to conflicts of interest
 - Number of Audit Committee meetings and number of attendance of each committee
 - Opinion or general observation regarding the Audit Committee's duty according to the Charter

Statement of Financial Position
As at 31 December 2010 – 31 March 2013

Statement of Financial Position	Pro-Forma Consolidated Financial Statements				Consolidated Financial Statements			
	2010		2011		2012		Jan-Mar 2013	
	Mil.Baht	%	Mil.Baht	%	Mil.Baht	%	Mil.Baht	%
Assets								
Current assets								
Cash and cash equivalents	976	23.0	441	11.6	787	15.5	417	8.5
Short-term investments	20	0.5	131	3.5	201	4.0	170	3.4
Trade and other receivables	70	1.7	68	1.8	60	1.2	59	1.2
Inventories	126	3.0	178	4.7	203	4.0	153	3.1
Other current assets	69	1.6	57	1.5	83	1.6	58	1.2
Total current assets	1,262	29.8	875	23.0	1,333	26.2	856	17.4
Non-current assets								
Advance for building construction	-	-	-	-	12	0.2	117	2.4
Property, plant, and equipment	2,264	53.5	2,244	59.0	2,993	58.8	3,199	65.0
Intangible assets	37	0.9	47	1.2	50	1.0	49	1.0
Leasehold rights	505	11.9	454	11.9	408	8.0	397	8.1
Deferred tax assets	-	-	-	-	45	0.9	49	1.0
Deposits	168	4.0	185	4.9	245	4.8	255	5.2
Total non-current assets	2,974	70.2	2,929	77.0	3,753	73.8	4,067	82.6
Total assets	4,236	100.0	3,804	100.0	5,086	100.0	4,923	100.0

Statement of Financial Position	Pro-Forma				Consolidated Financial Statements			
	Consolidated Financial Statements							
	2010		2011		2012		Jan-Mar 2013	
	Mil.Baht	%	Mil.Baht	%	Mil.Baht	%	Mil.Baht	%
<u>Liabilities</u>								
Current Liabilities								
Short-term loan from financial institution	-	-	900	23.7	850	16.7	1,070	21.7
Trade and other payables	913	21.6	888	23.3	1,640	32.2	1,080	21.9
Current portion of long-term loan from financial institution	6	0.1	-	-	-	-	-	-
Short term loan from related party	-	-	45	1.2	-	-	-	-
Income tax payable	299	7.1	368	9.7	298	5.9	416	8.5
Dividend payable	831	19.6	-	-	439	8.6	-	-
Current portion of deferred income of membership fee	23	0.5	25	0.7	29	0.6	31	0.6
Other current liabilities	148	3.5	158	4.2	184	3.6	188	3.8
Total current liabilities	2,219	52.4	2,384	62.7	3,440	67.6	2,785	56.6
Non-current liabilities								
Long-term portion of long-term loan from financial institution	4	0.1	-	-	-	-	-	-
Deferred income of membership fee, net of current portion	7	0.2	9	0.2	9	0.2	10	0.2
Provision for long-term employee benefits	-	-	113	3.0	166	3.3	173	3.5
Total non-current liabilities	11	0.3	122	3.2	175	3.4	183	3.7
Total liabilities	2,230	52.7	2,506	65.9	3,615	71.1	2,968	60.3
<u>Shareholders' Equity</u>								
Registered Share Capital	410	-	410	-	920	18.1	926	18.8
Issued and fully paid capital	410	9.7	410	10.8	720	14.2	720	14.6
Retained earnings - appropriated	41	1.0	41	1.1	92	1.8	92	1.9
Retained earnings - unappropriated	1,554	36.7	845	22.2	657	12.9	1,142	23.2
Other components of shareholders' equity	-	-	1	0.0	3	0.1	0	0.0
Total shareholders' equity	2,006	47.4	1,298	34.1	1,471	28.9	1,955	39.7
Total liabilities and shareholders' equity	4,236	100.0	3,804	100.0	5,086	100.0	4,923	100.0

Income Statements

For the year ended 31 December 2010 – 2012 and for the period ended 31 March 2012-2013

	Pro-Forma				Consolidated Financial Statements					
	Consolidated Financial Statements				2012		Jan-Mar 2012		Jan-Mar 2013	
	2010		2011		Mil.Baht	%	Mil.Baht	%	Mil.Baht	%
	Mil.Baht	%	Mil.Baht	%	Mil.Baht	%	Mil.Baht	%	Mil.Baht	%
Revenues										
Sales and service income	8,983	99.0	10,708	98.9	12,987	98.8	2,954	98.9	3,389	99.2
Other income	95	1.0	117	1.1	154	1.2	34	1.1	27	0.8
Total revenues	9,078	100.0	10,824	100.0	13,141	100.0	2,988	100.0	3,416	100.0
Expenses										
Cost of sales and services	(3,066)	(33.8)	(3,661)	(33.8)	(4,240)	(32.3)	(978)	(32.7)	(1,116)	(32.7)
Selling expenses	(3,803)	(41.9)	(4,297)	(39.7)	(5,530)	(42.1)	(1,142)	(38.2)	(1,476)	(43.2)
Administrative expenses	(471)	(5.2)	(594)	(5.5)	(743)	(5.7)	(151)	(5.0)	(213)	(6.2)
Total expenses	(7,340)	(80.9)	(8,552)	(79.0)	(10,513)	(80.0)	(2,271)	(76.0)	(2,805)	(82.1)
Profit before finance cost and income tax expenses	1,738	19.1	2,272	21.0	2,628	20.0	717	24.0	611	17.9
Finance cost	(0)	(0.0)	(15)	(0.1)	(23)	(0.2)	(6)	(0.2)	(10)	(0.3)
Income tax expenses	(503)	(5.5)	(639)	(5.9)	(565)	(4.3)	(157)	(5.3)	(116)	(3.4)
Profit for the year/period	1,234	13.6	1,618	14.9	2,041	15.5	554	18.5	486	14.2
Exchange differences on translation of financial statements in foreign currency	-	-	1	0.0	2	0.0	0	0.0	(2)	(0.1)
Total comprehensive income for the year/period	1,234	13.6	1,619	15.0	2,042	15.5	554	18.5	483	14.1
Number of shares										
Weighted average number of ordinary shares (mil. shares)		410		410		494		410		720
Par value per share (Baht)		1		1		1		1		1

Cash Flow Statement

For the year ended 31 December 2010 – 2012 and for the period ended 31 March 2012-2013

Cash Flow Statement (Mil.Baht)	Pro-Forma Consolidated Financial Statements		Consolidated Financial Statements	
	2010	2011	2012	Jan-Mar 2013
<u>Cash flows from operating activities</u>				
Profit before tax	1,737	2,256	2,605	601
Adjustments to reconcile profit before tax to net cash provided (paid from) operating activities				
Gain on sales of short-term investments	-	(0)	(2)	(1)
Gain on revaluation of short-term investments	0	(0)	(0)	0
Loss on damage inventories	0	19	0	0
Compensation for damage to the insured inventories	0	-	-	-
Amortization of prepaid expense	7	9	17	5
Depreciation and amortization	435	458	519	140
Provision for impairment loss of equipment	-	-	8	12
Gain on disposals of property, plant and equipment and leasehold right	(0)	(10)	(1)	(0)
Loss on write-off of property, plant, and equipment and intangible assets	23	11	9	-
Provision for long-term employee benefits	-	16	66	7
Realization of gift voucher, net of sales and cash received during the year	(29)	(29)	(16)	(11)
Realization of deferred income of membership fee, net of sales and cash received during the year	(25)	(23)	(25)	(9)
Unrealized gain on exchange rate	0	(0)	-	-
Interest income	(7)	(16)	(5)	(0)
Interest expenses	0	15	23	10
Profit from operating activities before changes in operating assets and liabilities	2,143	2,707	3,196	754
Trade and other receivables	(29)	1	9	0
Inventories	(34)	(71)	(25)	50
Other current assets	(10)	7	(32)	12
Deposits	(11)	(17)	(60)	(10)
Trade and other payables	133	(75)	618	(477)
Dividend payables	-	-	439	-
Other current liabilities	54	39	(398)	15
Deferred income	23	27	29	12
Provision for long-term employee benefits	-	(20)	(13)	-

Cash Flow Statement (Mil.Baht)	Pro-Forma Consolidated Financial Statements		Consolidated Financial Statements	
	2010	2011	2012	Jan-Mar 2013
Cash flows from operating activities	2,268	2,598	3,764	356
Cash received from interest income	7	16	5	0
Cash paid for interest expenses	(0)	(15)	(23)	(10)
Cash paid for corporate income tax	(420)	(569)	(634)	(1)
Net cash flows from operating activities	1,855	2,030	3,111	345
<u>Cash flows from investing activities</u>				
Decrease in short-term loan to related party (increase)	78	-	-	-
Decrease in short-term investments (increase)	24	(111)	(67)	32
Advance for building construction	-	-	(12)	(105)
Cash paid for purchases of property, plant and equipment	(734)	(642)	(1,126)	(426)
Cash paid for purchases of software	(6)	(16)	(11)	(1)
Cash paid for acquires of leasehold rights	(25)	-	(0)	-
Proceeds from disposals of property, plant and equipment	4	303	19	7
Proceeds from disposals of leasehold rights	-	4	-	-
Net cash flows used in investing activities	(659)	(461)	(1,198)	(493)
<u>Cash flows from financing activities</u>				
Increase (decrease) in short-term loan from financial institution	-	900	(50)	220
Increase (decrease) in short-term loan from related party	-	45	(45)	-
Cash paid for repayment of long-term loan from financial institution	(6)	(9)	-	-
Cash received from increase ordinary shares capital	-	-	310	-
Dividend paid	(1,005)	(3,040)	(1,784)	(439)
Net cash flows used in financing activities	(1,011)	(2,105)	(1,569)	(219)
Increase in translation adjustment	-	1	2	(2)
Net increase (decrease) in cash and cash equivalents	185	(535)	346	(370)
Cash and cash equivalents at beginning of year	791	976	441	787
Cash and cash equivalents at end of year	976	441	787	417

Prepared by

Asia Plus Advisory Co.,Ltd.

MK Restaurant Group Public Company Limited

(Mr. Rit Thirakomen)

Director

(Mr.Pravit Tantiwasinchai)

Director