

MK Restaurant Group Public Company Limited
and its subsidiaries
Review report and interim financial statements
For the three-month and six-month periods ended
30 June 2022

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of MK Restaurant Group Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of MK Restaurant Group Public Company Limited and its subsidiaries (the Group) as at 30 June 2022, the related consolidated statements of income, comprehensive income for the three-month and six-month periods then ended, the related consolidated statements of changes in shareholders' equity and cash flows for the six-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of MK Restaurant Group Public Company Limited for the same period (collectively "interim financial information"). 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.

Wichart Lokatekrawee

Certified Public Accountant (Thailand) No. 4451

EY Office Limited

Bangkok: 10 August 2022

MK Restaurant Group Public Company Limited and its subsidiaries

Statements of financial position

As at 30 June 2022

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
		30 June	31 December	30 June	31 December
	<u>Note</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
		(Unaudited	(Audited)	(Unaudited	(Audited)
		but reviewed)		but reviewed)	
Assets					
Current assets					
Cash and cash equivalents		541,802	496,503	416,085	367,410
Trade and other receivables	3, 4	120,279	166,733	214,676	267,019
Inventories		408,129	392,332	371,413	345,092
Other current financial assets	5	7,361,644	7,192,222	6,408,093	6,326,078
Other current assets		95,523	170,216	72,045	142,828
Total current assets		8,527,377	8,418,006	7,482,312	7,448,427
Non-current assets					
Other non-current financial assets	5	747,628	817,897	747,628	817,897
Investments in subsidiaries	6	-	-	2,701,480	2,761,480
Investments in joint ventures		859,440	872,519	912,947	912,947
Property, plant and equipment	7	2,774,045	2,842,182	2,163,305	2,166,435
Right-of-use assets	8	3,235,997	3,452,236	2,430,723	2,633,306
Goodwill		1,477,657	1,477,657	-	-
Intangible assets	9	860,848	880,575	67,953	72,170
Deferred tax assets		252,368	248,693	183,061	173,034
Deposits		578,707	558,904	383,547	370,365
Total non-current assets		10,786,690	11,150,663	9,590,644	9,907,634
Total assets		19,314,067	19,568,669	17,072,956	17,356,061

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

..... Director

..... Director

MK Restaurant Group Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 30 June 2022

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
		30 June	31 December	30 June	31 December
	Note	2022	2021	2022	2021
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	3, 10	1,211,801	1,354,915	1,027,488	1,135,002
Deferred income of membership fee		14,310	8,340	10,017	5,650
Current portion of lease liabilities	11	1,089,446	1,074,621	796,012	789,799
Income tax payable		141,366	45,473	141,366	45,473
Other current financial liabilities		-	23,445	-	23,445
Other current liabilities		221,398	222,309	170,885	174,889
Total current liabilities		2,678,321	2,729,103	2,145,768	2,174,258
Non-current liabilities					
Lease liabilities, net of current portion	11	1,998,141	2,206,709	1,512,059	1,703,481
Provision for long-term employee benefits		793,315	758,082	692,105	662,370
Deferred tax liabilities		156,697	159,555	-	-
Other non-current liabilities		208,654	206,385	150,407	149,465
Total non-current liabilities		3,156,807	3,330,731	2,354,571	2,515,316
Total liabilities		5,835,128	6,059,834	4,500,339	4,689,574

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

..... Director

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MK Restaurant Group Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 30 June 2022

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	30 June	31 December	30 June	31 December
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity (continued)				
Shareholders' equity				
Share capital				
Registered				
920,878,100 ordinary shares of Baht 1 each	<u>920,878</u>	<u>920,878</u>	<u>920,878</u>	<u>920,878</u>
Issued and fully paid				
920,878,100 ordinary shares of Baht 1 each	920,878	920,878	920,878	920,878
Share premium	8,785,028	8,785,028	8,785,028	8,785,028
Capital reserve for share-based payment transactions	656,331	656,331	656,331	656,331
Retained earnings				
Appropriated - statutory reserve	92,585	92,585	92,585	92,585
Unappropriated	2,708,054	2,734,644	2,117,795	2,211,665
Other component of shareholders' equity	<u>4,988</u>	<u>4,993</u>	<u>-</u>	<u>-</u>
Equity attributable to owners of the Company	13,167,864	13,194,459	12,572,617	12,666,487
Non-controlling interests of the subsidiaries	<u>311,075</u>	<u>314,376</u>	<u>-</u>	<u>-</u>
Total shareholders' equity	<u>13,478,939</u>	<u>13,508,835</u>	<u>12,572,617</u>	<u>12,666,487</u>
Total liabilities and shareholders' equity	<u>19,314,067</u>	<u>19,568,669</u>	<u>17,072,956</u>	<u>17,356,061</u>
	-	-	-	-

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

..... Director

..... Director

(Unaudited but reviewed)

MK Restaurant Group Public Company Limited and its subsidiaries**Income statements****For the three-month period ended 30 June 2022**

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

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Revenues				
Sales and service income	4,016,463	2,509,382	3,368,011	2,118,122
Other income	41,096	60,226	73,445	111,016
Total revenues	4,057,559	2,569,608	3,441,456	2,229,138
Expenses				
Cost of sales and services	1,393,788	924,449	1,381,954	922,450
Selling and distribution expenses	1,802,239	1,542,434	1,343,519	1,193,669
Administrative expenses	315,546	227,837	235,852	168,731
Total expenses	3,511,573	2,694,720	2,961,325	2,284,850
Profit (loss) from operating activities	545,986	(125,112)	480,131	(55,712)
Finance income	8,684	5,252	8,650	5,224
Share of loss from investments in joint ventures	(4,475)	(8,385)	-	-
Finance cost	(20,688)	(20,141)	(15,623)	(15,631)
Profit (loss) before income tax	529,507	(148,386)	473,158	(66,119)
Income tax	(88,703)	41,935	(85,098)	23,031
Profit (loss) for the period	440,804	(106,451)	388,060	(43,088)
Profit (loss) attributable to:				
Equity holders of the Company	439,290	(99,465)	388,060	(43,088)
Non-controlling interests of the subsidiaries	1,514	(6,986)		
	<u>440,804</u>	<u>(106,451)</u>		
Earnings (loss) per share				
Basic earnings (loss) per share				
Profit (loss) attributable to equity holders of the Company	<u>0.48</u>	<u>(0.11)</u>	<u>0.42</u>	<u>(0.05)</u>

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

..... Director

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(Unaudited but reviewed)

MK Restaurant Group Public Company Limited and its subsidiaries

Statements of comprehensive income

For the three-month period ended 30 June 2022

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Profit (loss) for the period	<u>440,804</u>	<u>(106,451)</u>	<u>388,060</u>	<u>(43,088)</u>
Other comprehensive income:				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>				
Exchange differences on translation of financial statements in foreign currency	<u>1,015</u>	<u>(42)</u>		<u>-</u>
Other comprehensive income for the period	<u>1,015</u>	<u>(42)</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u><u>441,819</u></u>	<u><u>(106,493)</u></u>	<u><u>388,060</u></u>	<u><u>(43,088)</u></u>
Total comprehensive income attributable to:				
Equity holders of the Company	<u>440,305</u>	<u>(99,507)</u>	<u><u>388,060</u></u>	<u><u>(43,088)</u></u>
Non-controlling interests of the subsidiaries	<u>1,514</u>	<u>(6,986)</u>		
	<u><u>441,819</u></u>	<u><u>(106,493)</u></u>		

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

..... Director

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(Unaudited but reviewed)

MK Restaurant Group Public Company Limited and its subsidiaries

Income statements

For the six-month period ended 30 June 2022

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

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Revenues				
Sales and service income	7,511,285	5,625,362	6,289,713	4,749,446
Other income	98,521	99,909	163,078	198,941
Total revenues	7,609,806	5,725,271	6,452,791	4,948,387
Expenses				
Cost of sales and services	2,597,376	2,040,236	2,581,938	2,015,743
Selling and distribution expenses	3,522,033	3,176,444	2,634,955	2,451,845
Administrative expenses	603,982	518,942	440,192	376,744
Total expenses	6,723,391	5,735,622	5,657,085	4,844,332
Profit (loss) from operating activities	886,415	(10,351)	795,706	104,055
Finance income	15,315	10,272	15,278	10,244
Share of loss from investments in joint ventures	(13,074)	(14,225)	-	-
Finance cost	(42,113)	(39,521)	(31,914)	(31,075)
Profit (loss) before income tax	846,543	(53,825)	779,070	83,224
Income tax	(139,752)	33,935	(136,258)	3,444
Profit (loss) for the period	706,791	(19,890)	642,812	86,668
Profit (loss) attributable to:				
Equity holders of the Company	710,092	(10,687)	642,812	86,668
Non-controlling interests of the subsidiaries	(3,301)	(9,203)		
	<u>706,791</u>	<u>(19,890)</u>		
Earnings (loss) per share				
Basic earnings (loss) per share				
Profit (loss) attributable to equity holders of the Company	<u>0.77</u>	<u>(0.01)</u>	<u>0.70</u>	<u>0.09</u>

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

..... Director

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(Unaudited but reviewed)

MK Restaurant Group Public Company Limited and its subsidiaries

Statements of comprehensive income

For the six-month period ended 30 June 2022

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Profit (loss) for the period	<u>706,791</u>	<u>(19,890)</u>	<u>642,812</u>	<u>86,668</u>
Other comprehensive income:				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>				
Exchange differences on translation of financial statements in foreign currency	<u>(5)</u>	<u>250</u>	<u>-</u>	<u>-</u>
Other comprehensive income for the period	<u>(5)</u>	<u>250</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u><u>706,786</u></u>	<u><u>(19,640)</u></u>	<u><u>642,812</u></u>	<u><u>86,668</u></u>
Total comprehensive income attributable to:				
Equity holders of the Company	710,087	(10,437)	<u>642,812</u>	<u>86,668</u>
Non-controlling interests of the subsidiaries	<u>(3,301)</u>	<u>(9,203)</u>		
	<u><u>706,786</u></u>	<u><u>(19,640)</u></u>		

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

..... Director

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(Unaudited but reviewed)

MK Restaurant Group Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity

For the six-month period ended 30 June 2022

(Unit: Thousand Baht)

Consolidated financial statements										
Equity attributable to owners of the Company										
						Other component of equity				
						Other comprehensive				
						income				
						Exchange				
						differences on				
						Equity				
						attributable to				
						non-controlling				
						interests of				
						Total				
	Issued and paid-up share capital	Share premium	Capital reserve of share-based payment transactions	Retained earnings Appropriated - statutory reserve	Unappropriated	translation of financial statements in foreign currencies	Total other components of shareholders' equity	Total equity attributable to the Company	the subsidiaries	
Balance as at 1 January 2021	920,878	8,785,028	656,331	92,585	3,064,101	4,077	4,077	13,523,000	324,444	13,847,444
Loss for the period	-	-	-	-	(10,687)	-	-	(10,687)	(9,203)	(19,890)
Other comprehensive income for the period	-	-	-	-	-	250	250	250	-	250
Total comprehensive income for the period	-	-	-	-	(10,687)	250	250	(10,437)	(9,203)	(19,640)
Dividend paid (Note 12)	-	-	-	-	(460,436)	-	-	(460,436)	-	(460,436)
Balance as at 30 June 2021	920,878	8,785,028	656,331	92,585	2,592,978	4,327	4,327	13,052,127	315,241	13,367,368
Balance as at 1 January 2022	920,878	8,785,028	656,331	92,585	2,734,644	4,993	4,993	13,194,459	314,376	13,508,835
Profit for the period	-	-	-	-	710,092	-	-	710,092	(3,301)	706,791
Other comprehensive income for the period	-	-	-	-	-	(5)	(5)	(5)	-	(5)
Total comprehensive income for the period	-	-	-	-	710,092	(5)	(5)	710,087	(3,301)	706,786
Dividend paid (Note 12)	-	-	-	-	(736,682)	-	-	(736,682)	-	(736,682)
Balance as at 30 June 2022	920,878	8,785,028	656,331	92,585	2,708,054	4,988	4,988	13,167,864	311,075	13,478,939

(Unaudited but reviewed)

MK Restaurant Group Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity (continued)

For the six-month period ended 30 June 2022

(Unit: Thousand Baht)

Separate financial statements						
		Capital reserve	Retained earnings			
		of share-based	Appropriated -			
		payment	statutory			
Issued and						
paid-up						
share capital	Share premium	transactions	reserve	Unappropriated	Total	
Balance as at 1 January 2021	920,878	8,785,028	656,331	92,585	2,391,531	12,846,353
Profit for the period	-	-	-	-	86,668	86,668
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	86,668	86,668
Dividend paid (Note 12)	-	-	-	-	(460,436)	(460,436)
Balance as at 30 June 2021	<u>920,878</u>	<u>8,785,028</u>	<u>656,331</u>	<u>92,585</u>	<u>2,017,763</u>	<u>12,472,585</u>
Balance as at 1 January 2022	920,878	8,785,028	656,331	92,585	2,211,665	12,666,487
Profit for the period	-	-	-	-	642,812	642,812
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	642,812	642,812
Dividend paid (Note 12)	-	-	-	-	(736,682)	(736,682)
Balance as at 30 June 2022	<u>920,878</u>	<u>8,785,028</u>	<u>656,331</u>	<u>92,585</u>	<u>2,117,795</u>	<u>12,572,617</u>

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

..... Director

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(Unaudited but reviewed)

MK Restaurant Group Public Company Limited and its subsidiaries

Statements of cash flows

For the six-month period ended 30 June 2022

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Cash flows from operating activities				
Profit(loss) before tax	846,543	(53,825)	779,070	83,224
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Gain on sales of investments	(15,331)	(33,905)	(13,747)	(31,597)
Loss (gain) on change in value of investment in debt instruments	37,682	(3,205)	37,638	(3,616)
Unrealised gain on exchange	(6,301)	(117)	(6,301)	(117)
Share of loss from investment in joint ventures	13,074	14,225	-	-
Loss (gain) from sale of investment in subsidiary	(20,991)	-	5,300	-
Loss from damaged inventories	441	1,159	441	1,159
Reduce cost of inventories to net realisable value	(1,899)	-	(1,899)	-
Amortisation of prepaid expenses	18,189	18,132	15,088	15,062
Reversal of allowance for impairment loss on assets	(1,056)	-	(1,056)	-
Depreciation and amortisation	983,492	1,009,746	705,048	728,234
Reduction in lease payments by lessors	-	(97,641)	-	(62,066)
Loss (gain) on disposals and write-off of equipment, right-of-use assets and intangible assets	(22,285)	16,371	(3,403)	14,582
Provision for long-term employee benefits	36,630	35,588	30,660	29,917
Realisation of gift voucher, net of sales and cash received during the period	(8,247)	(42,571)	(3,096)	(23,950)
Realisation of deferred income, net of sales and cash received during the period	(6,144)	(15,791)	(4,108)	(11,143)
Interest income	(15,315)	(10,272)	(15,278)	(10,244)
Interest expenses	41,350	43,701	31,382	34,460
Profit from operating activities before changes in operating assets and liabilities	1,879,832	881,595	1,555,739	763,905

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

..... Director

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(Unaudited but reviewed)

MK Restaurant Group Public Company Limited and its subsidiaries

Statements of cash flows (continued)

For the six-month period ended 30 June 2022

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Cash flows from operating activities (continued)				
Operating assets (increase) decrease				
Trade and other receivables	37,339	(37,037)	46,154	(5,337)
Inventories	(21,326)	72,477	(24,862)	67,989
Other current assets	51,732	(49,800)	53,844	(56,375)
Deposits	(19,803)	(13,406)	(13,182)	(8,976)
Operating liabilities increase (decrease)				
Trade and other payables	(110,385)	(278,935)	(83,114)	(257,971)
Other current liabilities	7,908	(2,248)	(908)	(6,738)
Deferred income	12,114	8,671	8,475	5,760
Provision for long-term employee benefits	(926)	(3,180)	(926)	(2,427)
Other non-current liabilities	573	(3,958)	178	(4,256)
Cash from operating activities	1,837,058	574,179	1,541,398	495,574
Cash received from interest income	21,503	6,841	21,467	6,813
Cash paid for income tax	(52,703)	(152,049)	(50,392)	(146,722)
Net cash from operating activities	1,805,858	428,971	1,512,473	355,665

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

..... Director

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(Unaudited but reviewed)

MK Restaurant Group Public Company Limited and its subsidiaries

Statements of cash flows (continued)

For the six-month period ended 30 June 2022

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Cash flows from investing activities				
Decrease (increase) in investments in debt instruments				
and fixed deposits	(159,281)	320,593	(52,781)	279,893
Cash paid for purchases of plant and equipment	(298,410)	(85,920)	(252,041)	(52,270)
Cash paid for purchases of intangible assets	(4,360)	(4,852)	(4,033)	(3,979)
Proceeds from disposals of equipment and intangible assets	50,948	987	16,977	5,029
Proceeds from disposals of investment in subsidiary	53,471	-	54,700	-
Net cash from(used in) investing activities	(357,632)	230,808	(237,178)	228,673
Cash flows from financing activities				
Cash paid to settle liabilities under lease liabilities	(666,245)	(564,710)	(489,938)	(428,259)
Dividend paid	(736,682)	(460,436)	(736,682)	(460,436)
Net cash used in financing activities	(1,402,927)	(1,025,146)	(1,226,620)	(888,695)
Net increase (decrease) in cash and cash equivalents	45,299	(365,367)	48,675	(304,357)
Cash and cash equivalents at beginning of period	496,503	509,452	367,410	383,588
Cash and cash equivalents at end of period	541,802	144,085	416,085	79,231
Supplement disclosure of cash flows information				
Non-cash transactions				
Accounts payable for purchases of plant and equipment	42,392	41,246	33,035	37,694
Increase in right-of-use assets	441,465	342,224	277,591	291,538

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

..... Director

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MK Restaurant Group Public Company Limited and its subsidiaries
Notes to consolidated interim financial statements
For the three-month and six-month periods ended 30 June 2022

1. General information

1.1 Corporate information

As at 30 June 2022, the Group had operated 707 branches (the Company only: 479 branches) (31 December 2021: 703 branches, the Company only: 479 branches).

1.2 The COVID-19 Pandemic

The COVID-19 pandemic has resulted in an economic slowdown and adversely impacted most businesses and industries in terms of supply chains, consumer spending, limited or suspended operations, operational delays, and more.

This situation significantly affects the Group's business since the number of restaurant customers have not yet been restored. At present, COVID-19 pandemic has not ended. These are significantly impacting the Group's financial position, operating results, and cash flows at present and is expected to do so in the future. The Group's management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgements in respect of various issues as the situation has evolved.

1.3 Basis of preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 Interim Financial Reporting, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, income, 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.

1.4 Basis of consolidation

These consolidated financial statements include the financial statements of MK Restaurant Group Public Company Limited (herein after called “the Company”) and its subsidiaries which were incorporated in Thailand (herein after called “the subsidiaries”) (collectively as “the Group”) and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2021, with the change in the group structure from the sale of investment in subsidiary during the current period as described in Note 6 to interim financial statements.

2. Significant accounting policies

The interim financial statements are prepared by using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2021.

The revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2022, do not have any significant impact on the Group’s financial statements.

3. Related party transactions

During the periods, the Group 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, its subsidiaries and those related parties.

(Unit: Million Baht)

	For the three-month periods ended 30 June				
	Consolidated		Separate		
	financial statements		financial statements		Transfer pricing policy
	2022	2021	2022	2021	
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Sales of goods	-	-	315	208	Cost plus margin
Sublease and subservice income	-	-	6	7	At the rate stipulated in the agreements
Management service income	-	-	47	48	At the rate stipulated in the agreements
Sales of fixed assets	-	-	3	2	Net book value plus margin
Rental income	-	-	2	2	At the rate stipulated in the agreements
Operation support service income	-	-	-	3	At the rate stipulated in the agreement
Purchases of goods	-	-	68	43	Market price
Training expenses	-	-	29	48	Market price
Royalty fee expenses	-	-	-	3	At the rate stipulated in the agreements

.....Director

.....Director

(Unaudited but reviewed)

(Unit: Million Baht)

	For the three-month periods ended 30 June				
	Consolidated		Separate		
	financial statements		financial statements		Transfer pricing policy
	2022	2021	2022	2021	
<u>Transactions with related companies</u>					
Sales of goods	-	13	-	13	Market price
Purchases of goods	2	-	2	-	Market price
Management service income	1	1	1	1	At the rate stipulated in the agreement
Operation support service income	2	2	2	2	At the rate stipulated in the agreement
Royalty fee expenses	-	8	-	-	At the rate stipulated in the agreement
Rental expenses for operating equipment	10	10	6	6	Market price
Rental expenses for land and construction	8	10	5	10	At the rate stipulated in the agreement
Logistic expenses	43	37	42	36	At the rate stipulated in the agreement
Service expenses	32	19	23	13	Contractually agree prices
Warehousing service expenses	44	32	43	32	At the rate stipulated in the agreement
<u>Transactions with related person</u>					
Sale of investment in subsidiary	55	-	55	-	At the rate stipulated in the agreement

(Unit: Million Baht)

	For the six-month periods ended 30 June				
	Consolidated		Separate		
	financial statements		financial statements		Transfer pricing policy
	2022	2021	2022	2021	
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Sales of goods	-	-	588	435	Cost plus margin
Sublease and subservice income	-	-	12	13	At the rate stipulated in the agreements
Management service income	-	-	94	95	At the rate stipulated in the agreements
Sales of fixed assets	-	-	5	4	Net book value plus margin
Rental income	-	-	3	3	At the rate stipulated in the agreements
Operation support service income	-	-	2	3	At the rate stipulated in the agreement
Purchases of goods	-	-	129	88	Market price
Training expenses	-	-	58	94	Market price
Royalty fee expenses	-	-	-	4	At the rate stipulated in the agreements

.....Director

.....Director

(Unaudited but reviewed)

(Unit: Million Baht)

	For the six-month periods ended 30 June				
	Consolidated		Separate		
	financial statements		financial statements		Transfer pricing policy
	2022	2021	2022	2021	
<u>Transactions with related companies</u>					
Sales of goods	1	14	1	14	Market price
Purchases of goods	2	-	2	-	Market price
Royalty fee income	-	1	-	1	At the rate stipulated in the agreement
Management service income	2	2	2	2	At the rate stipulated in the agreement
Operation support service income	4	4	4	4	At the rate stipulated in the agreement
Royalty fee expenses	-	18	-	-	At the rate stipulated in the agreement
Rental expenses for operating equipment	20	20	12	12	Market price
Rental expenses for land and construction	17	20	10	20	At the rate stipulated in the agreement
Logistic expenses	82	74	80	73	At the rate stipulated in the agreement
Service expenses	58	43	44	32	Contractually agree prices
Warehousing service expenses	81	68	80	68	At the rate stipulated in the agreement
<u>Transactions with related person</u>					
Sale of investment in subsidiary	55	-	55	-	At the rate stipulated in the agreement

As at 30 June 2022 and 31 December 2021, the balances of the accounts between the Group and those related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2022	2021	2022	2021
Trade and other receivables - related parties				
Subsidiaries	-	-	129,440	143,154
Joint ventures	1,481	1,713	1,480	1,713
Related companies (related by common directors)	736	630	697	630
Total trade and other receivables - related parties	2,217	2,343	131,617	145,497
Trade and other payable - related parties				
Subsidiaries	-	-	36,308	37,989
Joint ventures	30,162	33,004	29,752	32,072
Related companies (related by common directors)	23,120	27,583	14,261	18,241
Total trade and other payable - related parties	53,282	60,587	80,321	88,302
.....Director		Director	

Significant agreements with related parties

There is no significant change in significant agreements with related parties during the six-month period ended 30 June 2022. During the period, there were the extension of the agreement term and the increase in the service fee under the existing agreements as of 31 December 2021.

Directors and management's benefits

During the three-month and six-month periods ended 30 June 2022 and 2021, the Group had employee benefit expenses payable to their directors and management as below.

(Unit: Million Baht)

	Consolidated financial statements			
	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Short-term employee benefits	49	35	90	81
Post-employment benefits	2	1	3	2
Total	<u>51</u>	<u>36</u>	<u>93</u>	<u>83</u>

(Unit: Million Baht)

	Separate financial statements			
	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Short-term employee benefits	43	26	79	72
Post-employment benefits	1	1	2	2
Total	<u>44</u>	<u>27</u>	<u>81</u>	<u>74</u>

During the six-month period ended 30 June 2022, the Company has not paid post employment benefits to its directors and management.

4. Trade and other receivables

	Consolidated		(Unit: Thousand Baht)	
			Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2022	2021	2022	2021
<u>Trade accounts receivable - related parties</u>				
Aged on the basis of due dates				
Not yet due	531	487	108,323	122,334
Total trade accounts receivable				
- related parties	531	487	108,323	122,334
<u>Trade accounts receivable - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	57,372	96,641	29,239	66,822
Total trade accounts receivable				
- unrelated parties	57,372	96,641	29,239	66,822
Total trade accounts receivable	57,903	97,128	137,562	189,156
<u>Other receivables</u>				
Other receivables - related parties	1,686	1,856	23,294	23,163
Advances	11,070	6,409	8,277	5,478
Accrued interest receivable	8,500	14,688	8,500	14,689
Others	41,120	46,652	37,043	34,533
Total other receivables	62,376	69,605	77,114	77,863
Total trade and other receivables	120,279	166,733	214,676	267,019

5. Other financial assets

As at 30 June 2022, other financial assets investments consisted of the following:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
<u>Other financial assets at amortised cost</u>		
Fixed deposits	900,001	900,001
<u>Other financial assets at FVTPL</u>		
Investments in debt instruments	7,209,271	6,255,720
Total other financial assets	8,109,272	7,155,721
Consisted of :		
Other current financial assets	7,361,644	6,408,093
Other non-current financial assets	747,628	747,628

6. Investment in subsidiaries

On 12 May 2022, the meeting of the Company's Board of Directors passed a resolution approving the disposal of the whole investment (6 million ordinary shares at the par value of Baht 10 each) in Mark One Innovation Center Company Limited (a subsidiary) to a related person at Baht 54.7 million. The Company sold the investment on 15 June 2022. As a result, the Company recognised gain from sales of investment of approximately Baht 21.0 million in the consolidated financial statements and recognised loss from sales of investment of approximately Baht 5.3 million in the separate financial statements.

The financial statements of Mark One Innovation Center Company Limited have been included in the consolidated financial statements until 14 June 2022, which was the date on which the Company lost control of this subsidiary.

7. Property, plant and equipment

Movements in the property, plant and equipment account during the six-month period ended 30 June 2022 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2022	2,842,182	2,166,435
Acquisitions - at cost		
Decrease in accounts payable for purchases of equipment during the period	(27,007)	(22,549)
Cash paid for purchases of equipment	298,410	252,041
Total	271,403	229,492
Disposals and write-off - net book value at disposal and write-off date		
Proceeds from disposals of equipment	(50,948)	(16,977)
Gain on disposals of equipment	25,365	5,936
Loss on write-off of equipment	(3,052)	(2,590)
Total	(28,635)	(13,631)
Decrease from sale of investment in subsidiary	(1,090)	-
Reversal of allowance for impairment loss	1,056	1,056
Depreciation for the period	(310,871)	(220,047)
Net book value as at 30 June 2022	2,774,045	2,163,305

8. Right-of-use assets

Movements in the right-of-use assets account during the six-month period ended 30 June 2022 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2022	3,452,236	2,633,306
Increase during the period	441,465	277,591
Write-off	(7,303)	(3,423)
Decrease from sale of investment in subsidiary	(1,230)	-
Depreciation for the period	(649,171)	(476,751)
Net book value as at 30 June 2022	3,235,997	2,430,723

.....Director

.....Director

9. Intangible assets

Movements in the intangible assets account during the six-month period ended 30 June 2022 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2022	880,575	72,170
Acquisitions during the period - at cost	4,360	4,033
Decrease from sale of investment in subsidiary	(637)	-
Amortisation for the period	(23,450)	(8,250)
Net book value as at 30 June 2022	860,848	67,953

10. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
Trade accounts payable - related parties	520	2,423	21,094	31,413
Trade accounts payable - unrelated parties	368,928	407,962	336,274	363,135
Other payables - related parties	52,762	58,164	59,227	56,889
Other payables - unrelated parties	54,283	62,657	48,941	54,678
Accounts payable for purchases of plant and equipment	42,392	71,685	33,035	57,435
Accrued expenses	670,952	729,635	511,041	552,898
Others	21,964	22,389	17,876	18,554
Total	1,211,801	1,354,915	1,027,488	1,135,002

11. Lease liabilities

Lease liabilities as at 30 June 2022 are presented below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Lease liabilities	3,260,246	2,444,314
Less: Deferred interest expenses	(172,659)	(136,243)
Total	3,087,587	2,308,071
Less: Portion due within one year	(1,089,446)	(796,012)
Lease liabilities - net of current portion	1,998,141	1,512,059

Movements in lease liabilities during the six-month period ended 30 June 2022 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2022	3,281,330	2,493,280
Add: Additions during the period	439,749	276,846
Accretion of interest	40,610	30,857
Less: Payments during the period	(666,245)	(489,938)
Decrease from sale of investment in subsidiary	(1,342)	-
Decrease from cancelation of lease agreements	(6,515)	(2,974)
Balance as at 30 June 2022	3,087,587	2,308,071

12. Dividends

Dividend declared for the six-month periods ended 30 June 2022 and 2021 consist of the following:

	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)	Paid on
<u>Year 2022</u>				
Dividend on 2021 profit	Annual General Meeting of the shareholders on 27 April 2022	736.7	0.8	25 May 2022
Total		<u>736.7</u>	<u>0.8</u>	
<u>Year 2021</u>				
Interim dividend from the operating period 1 July 2020 to 31 December 2020 and retained earnings	Board of Directors' meeting on 26 April 2021	460.4	0.5	25 May 2021
Total		<u>460.4</u>	<u>0.5</u>	

13. Operating segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The Group are engaged in two business segments which are restaurant business and other businesses that support restaurant business including training service provider, manufacture and distribution of foods and research and development of technology and innovation of food and beverage products. Their operations are carried on in geographical areas of Thailand. However, the restaurant business in Thailand is the main business segment and the segment information that has been considered based on a quantitative basis is over 90 percent of operating segments and geographical areas. For this reason, the chief operating decision maker considers aggregating the operating segments into one reportable segment of restaurant operation.

Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment and geographical area.

14. Commitments and contingent liabilities

14.1 Capital commitments

As at 30 June 2022 and 31 December 2021, the Group had capital commitments as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
Utility systems	-	0.5	-	0.5
Furniture, fixtures and office equipment	2.4	54.3	2.4	54.3
Computer software	0.1	0.1	0.1	0.1

14.2 Lease of the low-value assets and other service commitments

The Group has entered into several long-term contracts in respect of the lease of the low-value assets and related services. The terms of the agreements are generally between 3 and 30 years.

As at 30 June 2022, future lease and service fees payables under these lease and service contracts were as follows:

	(Unit: Million Baht)	
	Consolidated	Separate
	financial statements	financial statements
Payable within:		
Less than 1 year	562	413
1 year to 5 years	853	628
More than 5 years	44	35

14.3 Futures contracts

The Group has entered into futures contracts with many local companies, whereby the Group and those companies agreed quantity, schedule, place and price of inventories to be delivered. The Group agreed to pay for inventories at the rates stipulated in the contracts.

14.4 Guarantees

14.4.1 Bank guarantees

As at 30 June 2022, there were outstanding letters of guarantee issued by the banks on behalf of the Group of approximately Baht 26.2 million (the Company only: Baht 25.9 million) (31 December 2021: Baht 21.2 million, the Company only: Baht 20.9 million), in respect of certain performance bonds as required in the normal course of business, such as guarantee payments due to creditors and facility usage.

14.4.2 Guarantees to related party

As at 30 June 2022, the Company had guaranteed bank credit facilities of International Food Supply Co., Ltd. ("a subsidiary") of Baht 45 million (31 December 2021: Baht 45 million).

15. Fair value hierarchy

As of 30 June 2022, the Group had the assets that were measured at fair value using different levels of inputs as follows:

	(Unit: Million Baht)	
	Consolidated financial statements	Separate financial statements
	Level 2	Level 2
Financial assets measured at fair value		
Investment in debt instruments	7,209	6,256

During the current period, there were no transfers within the fair value hierarchy.

16. Fair values of financial instruments

Since the majority of the Group's financial instruments are classified as short-term or carrying interest at rates close to the market interest rates, their fair value is estimated to approximate the carrying amount presented in the statements of financial position.

17. Event after the reporting period

On 10 August 2022, the Meeting of the Board of Directors of the Company passed the resolution approving the interim dividend payment in respect of the profit for the six-month period ended 30 June 2022 to the Company's shareholders at Baht 0.5 per share, totaling Baht 460.4 million, which will be paid to the shareholders in September 2022.

18. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 10 August 2022

.....Director

.....Director