

MK Restaurant Group Public Company Limited  
and its subsidiaries  
Review report and interim financial statements  
For the three-month period ended 31 March 2023

## **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 31 March 2023, the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of 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: 11 May 2023

**MK Restaurant Group Public Company Limited and its subsidiaries**

**Statements of financial position**

**As at 31 March 2023**

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
		31 March	31 December	31 March	31 December
	<u>Note</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		536,362	630,356	387,747	471,000
Trade and other receivables	3, 4	123,227	120,922	241,901	246,786
Inventories		413,336	414,225	366,832	368,493
Other current financial assets	5	7,517,305	7,148,967	6,413,192	6,027,170
Other current assets		111,371	111,145	92,888	89,506
<b>Total current assets</b>		<b>8,701,601</b>	<b>8,425,615</b>	<b>7,502,560</b>	<b>7,202,955</b>
<b>Non-current assets</b>					
Other non-current financial assets	5	1,633,289	1,516,139	1,633,289	1,516,140
Investments in subsidiaries	6	-	-	2,701,480	2,701,480
Investments in joint ventures	7	881,607	850,008	912,947	912,947
Property, plant and equipment	8	2,679,000	2,746,843	2,102,210	2,153,875
Right-of-use assets	9	3,154,324	3,210,202	2,423,939	2,469,636
Goodwill		1,477,657	1,477,657	-	-
Intangible assets	10	834,826	844,891	62,784	65,959
Deferred tax assets		247,729	241,261	183,132	180,836
Deposits		588,537	588,461	388,943	386,163
<b>Total non-current assets</b>		<b>11,496,969</b>	<b>11,475,462</b>	<b>10,408,724</b>	<b>10,387,036</b>
<b>Total assets</b>		<b>20,198,570</b>	<b>19,901,077</b>	<b>17,911,284</b>	<b>17,589,991</b>

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 31 March 2023**

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
		31 March	31 December	31 March	31 December
	Note	2023	2022	2023	2022
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	3, 11	1,341,632	1,449,021	1,142,200	1,208,623
Deferred income of membership fee		23,731	20,553	14,254	12,405
Current portion of lease liabilities	12	1,077,347	1,071,392	786,231	785,160
Income tax payable		223,627	152,762	216,991	149,107
Other current liabilities		293,050	244,025	233,715	196,702
Total current liabilities		2,959,387	2,937,753	2,393,391	2,351,997
Non-current liabilities					
Lease liabilities, net of current portion	12	1,962,091	2,022,967	1,544,330	1,590,951
Provision for long-term employee benefits		822,321	810,631	714,042	705,202
Deferred tax liabilities		152,411	153,840	-	-
Other non-current liabilities		209,423	210,701	149,980	151,438
Total non-current liabilities		3,146,246	3,198,139	2,408,352	2,447,591
Total liabilities		6,105,633	6,135,892	4,801,743	4,799,588

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 31 March 2023**

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	31 March 2023 (Unaudited but reviewed)	31 December 2022 (Audited)	31 March 2023 (Unaudited but reviewed)	31 December 2022 (Audited)
<b>Liabilities and shareholders' equity (continued)</b>				
<b>Shareholders' equity</b>				
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	3,301,646	2,976,350	2,654,719	2,335,581
Other component of shareholders' equity	<u>11,002</u>	<u>11,616</u>	<u>-</u>	<u>-</u>
Equity attributable to owners of the Company	13,767,470	13,442,788	13,109,541	12,790,403
Non-controlling interests of the subsidiaries	<u>325,467</u>	<u>322,397</u>	<u>-</u>	<u>-</u>
<b>Total shareholders' equity</b>	<u>14,092,937</u>	<u>13,765,185</u>	<u>13,109,541</u>	<u>12,790,403</u>
<b>Total liabilities and shareholders' equity</b>	<u>20,198,570</u>	<u>19,901,077</u>	<u>17,911,284</u>	<u>17,589,991</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 three-month period ended 31 March 2023**

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

	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
<b>Revenues</b>				
Sales and service income	4,088,855	3,494,822	3,425,774	2,921,702
Other income	54,533	57,425	103,739	89,633
<b>Total revenues</b>	<b>4,143,388</b>	<b>3,552,247</b>	<b>3,529,513</b>	<b>3,011,335</b>
<b>Expenses</b>				
Cost of sales and services	1,426,318	1,203,588	1,421,360	1,199,984
Selling and distribution expenses	1,950,616	1,719,794	1,450,058	1,291,436
Administrative expenses	355,909	288,436	266,444	204,340
<b>Total expenses</b>	<b>3,732,843</b>	<b>3,211,818</b>	<b>3,137,862</b>	<b>2,695,760</b>
<b>Profit from operating activities</b>	<b>410,545</b>	<b>340,429</b>	<b>391,651</b>	<b>315,575</b>
Finance income	13,129	6,631	13,128	6,628
Share of loss from investments in joint ventures	(7,148)	(8,599)	-	-
Finance cost	(23,033)	(21,425)	(17,958)	(16,291)
<b>Profit before income tax</b>	<b>393,493</b>	<b>317,036</b>	<b>386,821</b>	<b>305,912</b>
Income tax	(65,127)	(51,049)	(67,683)	(51,160)
<b>Profit for the period</b>	<b>328,366</b>	<b>265,987</b>	<b>319,138</b>	<b>254,752</b>
<b>Profit attributable to:</b>				
Equity holders of the Company	325,296	270,802	319,138	254,752
Non-controlling interests of the subsidiaries	3,070	(4,815)		
	<b>328,366</b>	<b>265,987</b>		
<b>Earnings per share</b>				
Basic earnings per share				
Profit attributable to equity holders of the Company	0.35	0.29	0.35	0.28

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**

**Statements of comprehensive income**

**For the three-month period ended 31 March 2023**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
<b>Profit for the period</b>	<u>328,366</u>	<u>265,987</u>	<u>319,138</u>	<u>254,752</u>
<b>Other comprehensive income:</b>				
<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>(614)</u>	<u>(1,020)</u>	<u>-</u>	<u>-</u>
<b>Other comprehensive income for the period</b>	<u>(614)</u>	<u>(1,020)</u>	<u>-</u>	<u>-</u>
<b>Total comprehensive income for the period</b>	<u><u>327,752</u></u>	<u><u>264,967</u></u>	<u><u>319,138</u></u>	<u><u>254,752</u></u>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	324,682	269,782	<u>319,138</u>	<u>254,752</u>
Non-controlling interests of the subsidiaries	<u>3,070</u>	<u>(4,815)</u>		
	<u><u>327,752</u></u>	<u><u>264,967</u></u>		

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

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(Unaudited but reviewed)

**MK Restaurant Group Public Company Limited and its subsidiaries**

**Statements of changes in shareholders' equity**

**For the three-month period ended 31 March 2023**

(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					
					the subsidiaries					
					Total					



(Unaudited but reviewed)

**MK Restaurant Group Public Company Limited and its subsidiaries**

**Statements of changes in shareholders' equity (continued)**

**For the three-month period ended 31 March 2023**

(Unit: Thousand Baht)

	Separate financial statements					
	Issued and paid-up share capital	Share premium	Capital reserve of share-based payment transactions	Retained earnings		Total
				Appropriated - statutory reserve	Unappropriated	
<b>Balance as at 1 January 2022</b>	920,878	8,785,028	656,331	92,585	2,211,665	12,666,487
Profit for the period	-	-	-	-	254,752	254,752
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	254,752	254,752
<b>Balance as at 31 March 2022</b>	<u>920,878</u>	<u>8,785,028</u>	<u>656,331</u>	<u>92,585</u>	<u>2,466,417</u>	<u>12,921,239</u>
<b>Balance as at 1 January 2023</b>	920,878	8,785,028	656,331	92,585	2,335,581	12,790,403
Profit for the period	-	-	-	-	319,138	319,138
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	319,138	319,138
<b>Balance as at 31 March 2023</b>	<u>920,878</u>	<u>8,785,028</u>	<u>656,331</u>	<u>92,585</u>	<u>2,654,719</u>	<u>13,109,541</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 three-month period ended 31 March 2023**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
<b>Cash flows from operating activities</b>				
Profit before tax	393,493	317,036	386,821	305,912
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Gain on sales of investments	(9,993)	(1,814)	(7,744)	(1,037)
Loss(gain) on change in value of investment in debt instruments	(4,347)	5,354	(3,380)	5,429
Unrealised gain on exchange	(109)	(2,367)	(109)	(2,367)
Share of loss from investment in joint ventures	7,148	8,599	-	-
Loss from damaged inventories	672	441	672	441
Reversal of reduce cost of inventories to net realisable	-	(1,899)	-	(1,899)
Amortisation of prepaid expenses	8,964	10,366	8,756	8,666
Reversal of allowance for impairment loss on assets	-	(1,056)	-	(1,056)
Depreciation and amortisation	494,572	489,650	356,016	351,890
Loss (gain) on disposals and write-off of equipment, right-of-use assets and intangible assets	4,988	(26,297)	2,575	(6,664)
Provision for long-term employee benefits	18,971	18,317	15,844	15,331
Realisation of gift voucher, net of sales and cash received during the period	(22,731)	(2,090)	(15,178)	(1,895)
Realisation of deferred income, net of sales and cash received during the period	(8,882)	(3,849)	(5,499)	(2,548)
Interest income	(13,129)	(6,628)	(13,128)	(6,628)
Interest expenses	23,034	21,426	17,960	16,292
Profit from operating activities before changes in operating assets and liabilities	892,651	825,189	743,606	679,867

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 three-month period ended 31 March 2023**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
<b>Cash flows from operating activities (continued)</b>				
Operating assets (increase) decrease				
Trade and other receivables	1,986	25,612	9,178	40,239
Inventories	217	(6,588)	988	(10,430)
Other current assets	(3,540)	22,984	(13,010)	23,553
Deposits	(76)	(8,815)	(2,780)	(5,941)
Operating liabilities increase (decrease)				
Trade and other payables	(102,142)	(82,591)	(57,414)	(75,101)
Other current liabilities	71,756	12,506	52,191	11,411
Deferred income	12,060	5,950	7,348	4,008
Provision for long-term employee benefits	(7,281)	-	(7,004)	-
Other non-current liabilities	(109)	(74)	(281)	(168)
Cash from operating activities	865,522	794,173	732,822	667,438
Cash received from interest income	8,837	2,869	8,836	2,869
Cash paid for income tax	(8,400)	(3,239)	(2,095)	(1,977)
<b>Net cash from operating activities</b>	<b>865,959</b>	<b>793,803</b>	<b>739,563</b>	<b>668,330</b>

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 three-month period ended 31 March 2023**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
<b>Cash flows from investing activities</b>				
Decrease(increase) in investments in debt instruments				
and fixed deposits	(471,038)	3,482	(491,938)	64,881
Cash paid for investment in joint venture	(39,361)	-	-	-
Cash paid for purchases of equipment	(97,858)	(172,247)	(74,297)	(146,923)
Cash paid for purchases of intangible assets	(1,680)	(973)	(963)	(790)
Proceeds from disposals of property, plant				
and equipment	1,160	50,489	4,467	14,117
<b>Net cash used in investing activities</b>	<b>(608,777)</b>	<b>(119,249)</b>	<b>(562,731)</b>	<b>(68,715)</b>
<b>Cash flows from financing activities</b>				
Cash paid to settle liabilities under lease liabilities	(351,176)	(338,988)	(260,085)	(251,759)
<b>Net cash used in financing activities</b>	<b>(351,176)</b>	<b>(338,988)</b>	<b>(260,085)</b>	<b>(251,759)</b>
<b>Net increase (decrease) in cash</b>				
<b>and cash equivalents</b>	<b>(93,994)</b>	<b>335,566</b>	<b>(83,253)</b>	<b>347,856</b>
Cash and cash equivalents at beginning of period	630,356	496,503	471,000	367,410
<b>Cash and cash equivalents at end of period</b>	<b>536,362</b>	<b>832,069</b>	<b>387,747</b>	<b>715,266</b>
	-		-	
<b>Supplement disclosure of cash flows information</b>				
Non-cash transactions				
Accounts payable for purchases of plant				
and equipment	44,380	39,475	34,003	29,068
Increase in right-of-use assets	272,453	308,253	195,563	195,075

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

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**MK Restaurant Group Public Company Limited and its subsidiaries**  
**Notes to consolidated interim financial statements**  
**For the three-month period ended 31 March 2023**

**1. General information**

**1.1 Corporate information**

As at 31 March 2023, the Group had operated 703 branches (the Company only: 473 branches) (31 December 2022: 710 branches, the Company only: 479 branches).

**1.2 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.

**1.3 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 2022, with the changes in the group structure resulting from the additional investments in subsidiaries during the period as described in Note 6.

**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 2022.

The revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2023, do not have any significant impact on the Group's financial statements.

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### 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 31 March				
	Consolidated		Separate		
	financial statements		financial statements		Transfer pricing policy
	2023	2022	2023	2022	
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Sales of goods	-	-	316	273	Cost plus margin
Sublease and subservice income	-	-	3	6	At the rate stipulated in the agreements
Management service income	-	-	52	47	At the rate stipulated in the agreements
Sales of fixed assets	-	-	4	2	Net book value plus margin
Rental income	-	-	1	1	At the rate stipulated in the agreements
Operation support service income	-	-	1	2	At the rate stipulated in the agreement
Purchases of goods	-	-	62	52	Market price
Training expenses	-	-	30	29	Market price
<u>Transactions with related companies</u>					
Sales of goods	2	1	2	1	Market price
Purchases of goods	12	-	12	52	Market price
Management service income	2	1	2	1	At the rate stipulated in the agreement
Operation support service income	2	2	2	2	At the rate stipulated in the agreement
Rental expenses for operating equipment	11	10	6	6	Market price
Rental expenses for land and construction	15	9	11	5	At the rate stipulated in the agreement
Logistic expenses	42	39	41	38	At the rate stipulated in the agreement
Service expenses	45	26	32	21	Contractually agree prices
Warehousing service expenses	41	37	41	37	At the rate stipulated in the agreement

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As at 31 March 2023 and 31 December 2022, the balances of the accounts between the Group and those related parties are as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
<b>Trade and other receivables - related parties</b>				
Subsidiaries	-	-	144,056	152,393
Joint ventures	1,513	1,774	1,506	1,774
Related companies (related by common directors)	1,499	868	1,499	781
<b>Total trade and other receivables - related parties</b>	<b>3,012</b>	<b>2,642</b>	<b>147,061</b>	<b>154,948</b>
<b>Trade and other payable - related parties</b>				
Subsidiaries	-	-	38,026	32,234
Joint ventures	30,475	33,996	30,086	33,491
Related companies (related by common directors)	18,418	28,163	12,436	18,996
<b>Total trade and other payable - related parties</b>	<b>48,893</b>	<b>62,159</b>	<b>80,548</b>	<b>84,721</b>

### Significant agreements with related parties

There is no significant change in significant agreements with related parties during the three-month period ended 31 March 2023. 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 2022.

### Directors and management's benefits

During the three-month period ended 31 March 2023 and 2022, the Group had employee benefit expenses payable to their directors and management as below.

	Consolidated		(Unit: Million Baht)	
	financial statements		Separate	
	2023	2022	2023	2022
Short-term employee benefits	48	41	44	36
Post-employment benefits	1	1	1	1
<b>Total</b>	<b>49</b>	<b>42</b>	<b>45</b>	<b>37</b>

During the three-month period ended 31 March 2023, the Company has paid post employment benefits to its directors and management Baht 6 million.

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**4. Trade and other receivables**

	Consolidated		(Unit: Thousand Baht)	
			Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2023	2022	2023	2022
<u>Trade accounts receivable - related parties</u>				
Aged on the basis of due dates				
Not yet due	1,321	768	122,679	129,811
Total trade accounts receivable				
- related parties	1,321	768	122,679	129,811
<u>Trade accounts receivable - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	38,230	51,792	25,753	33,643
Total trade accounts receivable				
- unrelated parties	38,230	51,792	25,753	33,643
Total trade accounts receivable	39,551	52,560	148,432	163,454
<u>Other receivables</u>				
Other receivables - related parties	1,691	1,874	24,382	25,137
Advances	18,713	10,246	12,095	7,347
Accrued interest receivable	21,730	17,438	21,730	17,438
Others	41,542	38,804	35,262	33,410
Total other receivables	83,676	68,362	93,469	83,332
Total trade and other receivables	123,227	120,922	241,901	246,786



## 5. Other financial assets

As at 31 March 2023, 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	800,001	800,001
<u>Other financial assets at FVTPL</u>		
Investments in debt instruments	8,350,593	7,246,480
Total other financial assets	9,150,594	8,046,481
Consisted of :		
Other current financial assets	7,517,305	6,413,192
Other non-current financial assets	1,633,289	1,633,289

## 6. Investments in subsidiaries

During the current period, Laemcharoen Seafood Company Limited, indirect subsidiary of the Company, has invested in the following subsidiaries.

### LCS International Company Limited

On 18 January 2023, the Meeting of the Board of Directors of Laemcharoen Seafood Company Limited passed a resolution to approve an additional investment in LCS International Company Limited ("the subsidiary") of Baht 38.5 million. The registered share capital of such subsidiary increased from Baht 1.0 million to Baht 39.5 million (3.95 million ordinary shares, at Baht 10 per share), in which Laemcharoen Seafood Company Limited's shareholding remains at 99.99% percent. Such subsidiary registered the share capital increase with the Ministry of Commerce on 2 February 2023.

### LCS Food Supply Co., Ltd.

On 10 February 2023, the meeting of the Board of Directors of Laemcharoen Seafood Company Limited passed the resolution to approve the establishment of LCS Food Supply Co., Ltd. with the registered capital of Baht 1.0 million, comprising 0.1 million ordinary shares of Baht 10 each, in which Laemcharoen Seafood Company Limited holds 99.99% interest. This subsidiary company registered its establishment with the Ministry of Commerce on 20 February 2023.

.....Director

.....Director

## 7. Investment in joint ventures

In the first quarter of 2023, LCS International Company Limited (an indirectly - held local subsidiary) entered into a joint venture agreement with a foreign joint investor to establish a joint venture named "MT Restaurant Sdn Bhd". This joint venture has the registered share capital of MYR 10 million. LCS International Company Limited's shareholding was 50 percent of issued and paid-up capital and made fully payment of share capital on 10 February 2023. Any decision made on related activities must be approved by the joint ventures.

## 8. Property, plant and equipment

Movements in the property, plant and equipment account during the three-month period ended 31 March 2023 are summarises below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
<b>Net book value as at 1 January 2023</b>	2,746,843	2,153,875
Acquisitions - at cost		
Decrease in accounts payable for purchases of equipment during the period	(4,654)	(8,137)
Cash paid for purchases of equipment	97,858	74,297
Total	93,204	66,160
Disposals and write-off - net book value at disposal and write-off date		
Proceeds from disposals of property, plant and equipment	(1,160)	(4,467)
Gain on disposals of equipment	198	538
Loss on write-off of equipment	(5,589)	(3,278)
Total	(6,551)	(7,207)
Depreciation for the period	(154,496)	(110,618)
<b>Net book value as at 31 March 2023</b>	<b>2,679,000</b>	<b>2,102,210</b>

## 9. Right-of-use assets

Movements in the right-of-use assets account during the three-month period ended 31 March 2023 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
<b>Net book value as at 1 January 2023</b>	3,210,202	2,469,636
Increase during the period	306,713	229,192
Write-off	(34,260)	(33,629)
Depreciation for the period	(328,331)	(241,260)
<b>Net book value as at 31 March 2023</b>	<b>3,154,324</b>	<b>2,423,939</b>

## 10. Intangible assets

Movements in the intangible assets account during the three-month period ended 31 March 2023 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
<b>Net book value as at 1 January 2023</b>	844,891	65,959
Acquisitions during the period - at cost	1,680	963
Amortisation for the period	(11,745)	(4,138)
<b>Net book value as at 31 March 2023</b>	<b>834,826</b>	<b>62,784</b>

**11. Trade and other payables**

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	31 March	31 December	31 March	31 December
	2023	2022	2023	2022
Trade accounts payable - related parties	1,823	-	26,023	28,871
Trade accounts payable - unrelated parties	422,586	433,902	397,443	393,160
Other payables - related parties	47,070	62,159	54,525	55,850
Other payables - unrelated parties	64,580	75,351	52,553	60,430
Accounts payable for purchases of plant and equipment	44,380	49,626	34,003	43,012
Accrued expenses	731,808	801,801	553,373	605,455
Others	29,385	26,182	24,280	21,845
Total	<u>1,341,632</u>	<u>1,449,021</u>	<u>1,142,200</u>	<u>1,208,623</u>

**12. Lease liabilities**

Lease liabilities as at 31 March 2023 are presented below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Lease liabilities	3,250,068	2,504,557
Less: Deferred interest expenses	(210,630)	(173,996)
Total	3,039,438	2,330,561
Less: Portion due within one year	(1,077,347)	(786,231)
Lease liabilities - net of current portion	<u>1,962,091</u>	<u>1,544,330</u>

Movements in lease liabilities during the three-month period ended 31 March 2023 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2023	3,094,359	2,376,111
Add: Additions during the period	305,641	228,709
Accretion of interest	22,273	17,427
Less: Payments during the period	(351,176)	(260,085)
Decrease from cancelation of lease agreements	(31,659)	(31,601)
Balance as at 31 March 2023	<u>3,039,438</u>	<u>2,330,561</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. 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 31 March 2023 and 31 December 2022, the Group had capital commitments as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2023	2022	2023	2022
Furniture, fixtures and office equipment	14.7	7.4	10.9	7.4

### 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 31 March 2023, 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	598	435
1 year to 5 years	862	649
More than 5 years	91	84

### 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 31 March 2023, 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 2022: Baht 26.2 million, the Company only: Baht 25.9 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 31 March 2023, the Company had guaranteed bank credit facilities of International Food Supply Co., Ltd. ("a subsidiary") of Baht 45 million (31 December 2022: Baht 45 million).

## 15. Fair value hierarchy

As of 31 March 2023, the Group had the assets and liabilities 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
<b>Financial assets measured at fair value</b>		
Investment in debt instruments	8,324	7,219
Derivative - forward exchange contracts - loss	27	27

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. Events after the reporting period**

- 17.1 On 26 April 2023, the Annual General Meeting of the Company's shareholders passed the resolution to approve of an annual dividend payment for the year 2022 of Baht 1.40 per share or Baht 1,289.22 million in total. As an interim dividend of Baht 0.50 per share totaling Baht 460.43 million was paid by the Company on 8 September 2022, the final dividend of Baht 0.9 per share totaling Baht 828.79 million will be paid on 24 May 2023.
- 17.2 On 26 April 2023, the Extraordinary General Meeting of shareholders of the LCS Food Supply Co., Ltd. (indirect subsidiary of the Company) passed a resolution to increase the registered share capital by Baht 30.098 million (3.0098 million ordinary shares of Baht 10 each) from Baht 1.0 million (0.1 million ordinary shares of Baht 10 each) to Baht 31.098 million (3.1098 million ordinary shares of Baht 10 each). This subsidiary registered the share capital increase with the Ministry of Commerce on 10 May 2023.
- 17.3 On 11 May 2023, the meeting of the Company's Board of Directors passed a resolution approving the Company to sell the whole investment in Plenus and MK Pte Ltd. (the Company's joint ventures) to Plenus Co., Ltd. (a company incorporated in Japan) with the selling price at SGD 1.17 million or equivalent to Baht 29.2 million.

## **18. Approval of interim financial statements**

These interim financial statements were authorised for issue by the Company's Board of Directors on 11 May 2023.