

MK Restaurant Group Public Company Limited  
and its subsidiaries  
Review report and interim financial statements  
For the three-month and nine-month periods ended  
30 September 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 30 September 2023, the related consolidated statements of income, comprehensive income for the three-month and nine-month periods then ended, the related consolidated statements of changes in shareholders' equity and cash flows for the nine-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of 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: 9 November 2023

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

**Statements of financial position**

**As at 30 September 2023**

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
		30 September	31 December	30 September	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		630,100	630,356	475,293	471,000
Trade and other receivables	3, 4	119,678	120,922	216,973	246,786
Inventories		356,199	414,225	312,542	368,493
Other current financial assets	5	6,658,522	7,148,966	5,467,868	6,027,170
Other current assets		<u>100,759</u>	<u>111,145</u>	<u>80,422</u>	<u>89,506</u>
<b>Total current assets</b>		<u>7,865,258</u>	<u>8,425,614</u>	<u>6,553,098</u>	<u>7,202,955</u>
<b>Non-current assets</b>					
Other non-current financial assets	5	1,972,999	1,516,140	1,972,999	1,516,140
Investments in subsidiaries	6	-	-	2,701,480	2,701,480
Investments in joint ventures	7	845,863	850,008	870,625	912,947
Property, plant and equipment	8	2,687,830	2,746,843	2,100,187	2,153,875
Right-of-use assets	9	2,969,371	3,210,202	2,263,043	2,469,636
Goodwill		1,477,657	1,477,657	-	-
Intangible assets	10	815,804	844,891	57,715	65,959
Deferred tax assets		283,899	241,261	211,408	180,836
Deposits		<u>588,621</u>	<u>588,461</u>	<u>385,927</u>	<u>386,163</u>
<b>Total non-current assets</b>		<u>11,642,044</u>	<u>11,475,463</u>	<u>10,563,384</u>	<u>10,387,036</u>
<b>Total assets</b>		<u>19,507,302</u>	<u>19,901,077</u>	<u>17,116,482</u>	<u>17,589,991</u>

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 September 2023**

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
		30 September	31 December	30 September	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>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Trade and other payables	3, 11	1,413,610	1,449,021	1,165,518	1,208,623
Deferred income of membership fee		23,510	20,553	14,830	12,405
Current portion of lease liabilities	12	1,057,363	1,071,392	761,594	785,160
Income tax payable		76,263	152,762	74,908	149,107
Other current financial liabilities		32,492	-	32,492	-
Other current liabilities		<u>293,880</u>	<u>244,025</u>	<u>243,897</u>	<u>196,702</u>
<b>Total current liabilities</b>		<u>2,897,118</u>	<u>2,937,753</u>	<u>2,293,239</u>	<u>2,351,997</u>
<b>Non-current liabilities</b>					
Lease liabilities, net of current portion	12	1,835,689	2,022,967	1,444,375	1,590,951
Provision for long-term employee benefits		857,279	810,631	743,314	705,202
Deferred tax liabilities		149,553	153,840	-	-
Other non-current liabilities		<u>209,656</u>	<u>210,701</u>	<u>149,258</u>	<u>151,438</u>
<b>Total non-current liabilities</b>		<u>3,052,177</u>	<u>3,198,139</u>	<u>2,336,947</u>	<u>2,447,591</u>
<b>Total liabilities</b>		<u>5,949,295</u>	<u>6,135,892</u>	<u>4,630,186</u>	<u>4,799,588</u>

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 September 2023**

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	30 September	31 December	30 September	31 December
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	(Unaudited	(Audited)	(Unaudited	(Audited)
	but reviewed)		but reviewed)	
<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	2,768,073	2,976,350	2,031,474	2,335,581
Other component of shareholders' equity	<u>14</u>	<u>11,616</u>	<u>-</u>	<u>-</u>
Equity attributable to owners of the Company	13,222,909	13,442,788	12,486,296	12,790,403
Non-controlling interests of the subsidiaries	<u>335,098</u>	<u>322,397</u>	<u>-</u>	<u>-</u>
<b>Total shareholders' equity</b>	<u>13,558,007</u>	<u>13,765,185</u>	<u>12,486,296</u>	<u>12,790,403</u>
<b>Total liabilities and shareholders' equity</b>	<u>19,507,302</u>	<u>19,901,077</u>	<u>17,116,482</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 30 September 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	4,094,477	4,067,190	3,400,065	3,411,221
Other income	88,900	43,679	136,027	92,973
<b>Total revenues</b>	<b>4,183,377</b>	<b>4,110,869</b>	<b>3,536,092</b>	<b>3,504,194</b>
<b>Expenses</b>				
Cost of sales and services	1,364,579	1,413,435	1,346,679	1,406,921
Selling and distribution expenses	1,975,210	1,861,150	1,485,914	1,390,212
Administrative expenses	384,669	321,338	284,002	240,769
<b>Total expenses</b>	<b>3,724,458</b>	<b>3,595,923</b>	<b>3,116,595</b>	<b>3,037,902</b>
<b>Profit from operating activities</b>	<b>458,919</b>	<b>514,946</b>	<b>419,497</b>	<b>466,292</b>
Finance income	13,898	11,701	13,893	11,702
Share of loss from investments in joint ventures	(333)	(6,933)	-	-
Finance cost	(20,233)	(21,264)	(17,619)	(16,062)
<b>Profit before income tax</b>	<b>452,251</b>	<b>498,450</b>	<b>415,771</b>	<b>461,932</b>
Income tax	(59,836)	(85,974)	(61,776)	(82,472)
<b>Profit for the period</b>	<b>392,415</b>	<b>412,476</b>	<b>353,995</b>	<b>379,460</b>
<b>Profit attributable to:</b>				
Equity holders of the Company	388,791	408,113	353,995	379,460
Non-controlling interests of the subsidiaries	3,624	4,363		
	<b>392,415</b>	<b>412,476</b>		
<b>Earnings per share</b>				
Basic earnings per share				
Profit attributable to equity holders of the Company	0.42	0.44	0.38	0.41

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 comprehensive income**

**For the three-month period ended 30 September 2023**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
<b>Profit for the period</b>	<u>392,415</u>	<u>412,476</u>	<u>353,995</u>	<u>379,460</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>36</u>	<u>5,623</u>	<u>-</u>	<u>-</u>
<b>Other comprehensive income for the period</b>	<u>36</u>	<u>5,623</u>	<u>-</u>	<u>-</u>
<b>Total comprehensive income for the period</b>	<u><u>392,451</u></u>	<u><u>418,099</u></u>	<u><u>353,995</u></u>	<u><u>379,460</u></u>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	<u>388,820</u>	<u>413,736</u>	<u><u>353,995</u></u>	<u><u>379,460</u></u>
Non-controlling interests of the subsidiaries	<u>3,631</u>	<u>4,363</u>		
	<u><u>392,451</u></u>	<u><u>418,099</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**

**Income statements**

**For the nine-month period ended 30 September 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	12,618,797	11,578,475	10,554,242	9,700,934
Other income	225,130	142,200	346,489	256,051
<b>Total revenues</b>	<b>12,843,927</b>	<b>11,720,675</b>	<b>10,900,731</b>	<b>9,956,985</b>
<b>Expenses</b>				
Cost of sales and services	4,311,900	4,010,811	4,279,383	3,988,859
Selling and distribution expenses	6,015,969	5,383,183	4,516,189	4,025,167
Administrative expenses	1,118,082	925,320	836,842	680,961
<b>Total expenses</b>	<b>11,445,951</b>	<b>10,319,314</b>	<b>9,632,414</b>	<b>8,694,987</b>
<b>Profit from operating activities</b>	<b>1,397,976</b>	<b>1,401,361</b>	<b>1,268,317</b>	<b>1,261,998</b>
Finance income	39,777	27,016	39,629	26,980
Share of loss from investments in joint ventures	(11,097)	(20,007)	-	-
Finance cost	(69,377)	(63,377)	(53,804)	(47,976)
<b>Profit before income tax</b>	<b>1,357,279</b>	<b>1,344,993</b>	<b>1,254,142</b>	<b>1,241,002</b>
Income tax	(171,580)	(225,726)	(176,967)	(218,730)
<b>Profit for the period</b>	<b>1,185,699</b>	<b>1,119,267</b>	<b>1,077,175</b>	<b>1,022,272</b>
<b>Profit attributable to:</b>				
Equity holders of the Company	1,173,005	1,118,205	1,077,175	1,022,272
Non-controlling interests of the subsidiaries	12,694	1,062		
	<b>1,185,699</b>	<b>1,119,267</b>		
<b>Earnings per share</b>				
Basic earnings per share				
Profit attributable to equity holders of the Company	1.27	1.21	1.17	1.11

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 nine-month period ended 30 September 2023**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
<b>Profit for the period</b>	<u>1,185,699</u>	<u>1,119,267</u>	<u>1,077,175</u>	<u>1,022,272</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	(1,251)	5,618	-	-
Exchange differences on translation of financial statements in foreign currency recycled to profit or loss due to sale of investment in joint venture	(10,344)	-	-	-
<b>Other comprehensive income for the period</b>	<u>(11,595)</u>	<u>5,618</u>	<u>-</u>	<u>-</u>
<b>Total comprehensive income for the period</b>	<u>1,174,104</u>	<u>1,124,885</u>	<u>1,077,175</u>	<u>1,022,272</u>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	1,161,403	1,123,823	<u>1,077,175</u>	<u>1,022,272</u>
Non-controlling interests of the subsidiaries	<u>12,701</u>	<u>1,062</u>		
	<u>1,174,104</u>	<u>1,124,885</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 nine-month period ended 30 September 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			
					translation of		Total other		Total equity	
					financial		components of		attributable to	
					statements in		shareholders'		non-controlling	
					foreign currencies		equity		interests of	
							the Company		the subsidiaries	
							owners of		Total	
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(Unaudited but reviewed)

MK Restaurant Group Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity (continued)

For the nine-month period ended 30 September 2023

(Unit: Thousand Baht)

	Separate financial statements					
			Capital reserve	Retained earnings		
			of share-based payment	Appropriated -		
				statutory		
	share capital	Share premium	transactions	reserve	Unappropriated	Total
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	-	-	-	-	1,022,272	1,022,272
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	1,022,272	1,022,272
Dividend paid (Note 13)	-	-	-	-	(1,197,108)	(1,197,108)
Balance as at 30 September 2022	920,878	8,785,028	656,331	92,585	2,036,829	12,491,651
Balance as at 1 January 2023	920,878	8,785,028	656,331	92,585	2,335,581	12,790,403
Profit for the period	-	-	-	-	1,077,175	1,077,175
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	1,077,175	1,077,175
Dividend paid (Note 13)	-	-	-	-	(1,381,282)	(1,381,282)
Balance as at 30 September 2023	920,878	8,785,028	656,331	92,585	2,031,474	12,486,296

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 nine-month period ended 30 September 2023**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
<b>Cash flows from operating activities</b>				
Profit before tax	1,357,279	1,344,993	1,254,142	1,241,002
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Gain on sales of investments	(73,978)	(11,971)	(61,747)	(9,511)
Loss on change in value of investment in debt instruments	19,639	34,759	19,666	35,191
Unrealised gain(loss) on exchange	8,176	(15,924)	8,176	(15,924)
Share of loss from investment in joint ventures	11,097	20,007	-	-
Loss (gain) from sale of investments in subsidiary and joint venture	(9,666)	(20,991)	11,843	5,300
Loss from damaged inventories	5,993	2,035	5,993	2,035
Reversal of reduce cost of inventories to net realisable value	-	(1,899)	-	(1,899)
Amortisation of prepaid expenses	23,050	21,912	18,763	18,252
Reversal of allowance for impairment loss on assets	-	(1,056)	-	(1,056)
Depreciation and amortisation	1,494,785	1,492,543	1,075,337	1,072,019
Loss (gain) on disposals and write-off of equipment, right-of-use assets and intangible assets	35,953	(22,048)	29,329	(3,432)
Provision for long-term employee benefits	56,913	54,931	47,531	45,991
Realisation of gift voucher, net of sales and cash received during the period	(33,480)	(29,009)	(23,387)	(22,597)
Realisation of deferred income, net of sales and cash received during the period	(19,387)	(7,827)	(11,610)	(5,276)
Interest income	(39,771)	(27,016)	(39,630)	(26,980)
Interest expenses	69,377	63,367	53,804	47,976
Profit from operating activities before changes in operating assets and liabilities	2,905,980	2,896,806	2,388,210	2,381,091

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 nine-month period ended 30 September 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	14,303	60,630	42,872	41,594
Inventories	52,033	98	49,958	3,283
Other current assets	121,081	43,651	119,555	47,727
Deposits	(160)	(30,273)	236	(18,794)
Operating liabilities increase (decrease)				
Trade and other payables	(56,678)	(199,153)	(53,846)	(161,639)
Other current liabilities	83,335	86,132	70,582	82,073
Deferred income	22,344	17,980	14,035	11,656
Provision for long-term employee benefits	(10,265)	(3,438)	(9,419)	(2,914)
Other non-current liabilities	679	105	(279)	(166)
Cash from operating activities	3,132,652	2,872,538	2,621,904	2,383,911
Cash received from interest income	26,712	25,603	26,571	25,568
Cash paid for income tax	(428,749)	(197,878)	(410,972)	(194,055)
<b>Net cash from operating activities</b>	<b>2,730,615</b>	<b>2,700,263</b>	<b>2,237,503</b>	<b>2,215,424</b>

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 cash flows (continued)**

**For the nine-month period ended 30 September 2023**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
<b>Cash flows from investing activities</b>				
Decrease in investments in debt instruments				
and fixed deposits	112,240	7,217	168,840	169,928
Cash paid for investment in joint venture	(39,361)	-	-	-
Cash paid for purchases of equipment	(401,470)	(427,473)	(288,858)	(358,624)
Cash paid for right-of-use assets	(17,188)	-	(17,188)	-
Cash paid for purchases of intangible assets	(6,280)	(7,605)	(4,258)	(6,524)
Proceeds from disposals of property, plant and equipment	3,153	51,211	13,145	38,791
Proceeds from disposals of investment in subsidiary	-	53,471	-	54,700
Proceeds from investment in joint venture	30,479	-	30,479	-
<b>Net cash used in investing activities</b>	<b>(318,427)</b>	<b>(323,179)</b>	<b>(97,840)</b>	<b>(101,729)</b>
<b>Cash flows from financing activities</b>				
Cash paid to settle liabilities under lease liabilities	(1,031,162)	(1,000,303)	(754,088)	(733,917)
Dividend paid	(1,381,282)	(1,197,108)	(1,381,282)	(1,197,108)
<b>Net cash used in financing activities</b>	<b>(2,412,444)</b>	<b>(2,197,411)</b>	<b>(2,135,370)</b>	<b>(1,931,025)</b>
<b>Net increase (decrease) in cash</b>				
<b>    and cash equivalents</b>	<b>(256)</b>	<b>179,673</b>	<b>4,293</b>	<b>182,670</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>630,100</b>	<b>676,176</b>	<b>475,293</b>	<b>550,080</b>

**Supplement disclosure of cash flows information**

**Non-cash transactions**

Accounts payable for purchases of plant

and equipment	70,893	69,298	53,753	55,795
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Increase in right-of-use assets	757,402	651,895	525,890	444,718
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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 nine-month periods ended 30 September 2023**

**1. General information**

**1.1 Corporate information**

As at 30 September 2023, the Group had operated 698 branches (the Company only: 468 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 to interim financial statements no.6.

**1.4 New financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2024**

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2024. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users.

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group's 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 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.

## 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 September				
	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	2023	2022	2023	2022	
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Sales of goods	-	-	287	313	Cost plus margin
Sublease and subservice income	-	-	3	5	At the rate stipulated in the agreements
Management service income	-	-	52	47	At the rate stipulated in the agreements
Sales of fixed assets	-	-	5	6	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	-	-	60	58	Market price
Training expenses	-	-	52	35	Market price
<u>Transactions with related companies</u>					
Sales of goods	-	1	-	1	Market price
Sales of fixed assets	1	1	1	1	Net book value plus margin
Purchases of goods	17	-	17	-	Market price
Management service income	1	2	1	2	At the rate stipulated in the agreement
Operation support service income	1	1	1	1	At the rate stipulated in the agreement
Royalty fee income	1	-	1	-	At the rate stipulated in the agreement
Rental expenses for operating equipment	10	11	6	5	Market price
Rental expenses for land and construction	15	14	11	10	At the rate stipulated in the agreement
Logistic expenses	45	44	44	43	At the rate stipulated in the agreement
Service expenses	46	42	36	29	Contractually agree prices
Warehousing service expenses	42	43	41	43	At the rate stipulated in the agreement

.....Director

.....Director



For the nine-month periods ended					
30 September					
	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	2023	2022	2023	2022	
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Sales of goods	-	-	939	901	Cost plus margin
Sublease and subservice income	-	-	10	17	At the rate stipulated in the agreements
Management service income	-	-	156	141	At the rate stipulated in the agreements
Sales of fixed assets	-	-	11	11	Net book value plus margin
Rental income	-	-	4	4	At the rate stipulated in the agreements
Operation support service income	-	-	3	4	At the rate stipulated in the agreement
Purchases of goods	-	-	193	187	Market price
Training expenses	-	-	123	93	Market price
<u>Transactions with related companies</u>					
Sales of goods	2	2	2	2	Market price
Sales of fixed assets	2	-	2	-	Net book value plus margin
Purchases of goods	41	2	41	2	Market price
Management service income	4	4	4	4	At the rate stipulated in the agreement
Operation support service income	5	5	5	5	At the rate stipulated in the agreement
Royalty fee income	10	-	1	-	At the rate stipulated in the agreement
Rental expenses for operating equipment	31	31	18	17	Market price
Rental expenses for land and construction	43	31	32	20	At the rate stipulated in the agreement
Logistic expenses	133	126	130	123	At the rate stipulated in the agreement
Service expenses	147	100	114	73	Contractually agree prices
Warehousing service expenses	127	124	125	123	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 September 2023 and 31 December 2022, 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 September	31 December	30 September	31 December
	2023	2022	2023	2022
<b>Trade and other receivables - related parties</b>				
Subsidiaries	-	-	120,787	152,393
Joint ventures	1,889	1,774	1,724	1,774
Related companies (related by common directors)	481	868	165	781
Total trade and other receivables - related parties	<u>2,370</u>	<u>2,642</u>	<u>122,676</u>	<u>154,948</u>
<b>Trade and other payable - related parties</b>				
Subsidiaries	-	-	41,711	32,234
Joint ventures	29,098	33,996	28,724	33,491
Related companies (related by common directors)	15,524	28,163	12,895	18,996
Total trade and other payable - related parties	<u>44,622</u>	<u>62,159</u>	<u>83,330</u>	<u>84,721</u>

#### Significant agreements with related parties

There is no significant change in significant agreements with related parties during the nine-month period ended 30 September 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.

However, during the current period the Company's subsidiary has entered into a franchise agreement with a related company as follow:

Franchise agreement for use of trademark, servicemark and license to operate

During the period, Laemcharoen Seafood Company Limited (“the subsidiary”) entered into a franchise agreement with MT Restaurant Sdn Bhd, a related party in Malaysia, in order to grant the latter the right to use the trademark and the servicemark in its operating of the Thai restaurants in Malaysia. A monthly royalty fee is charged at a rate stipulated in the agreement. The agreement shall continue for a term of 5-year, and thereafter shall be automatically renewed on a 5-year basis until being terminated by either party by giving a written notice 12 months prior to the expiration of such contract.

**Directors and management’s benefits**

During the three-month and nine-month periods ended 30 September 2023 and 2022, 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 nine-month periods	
	ended 30 September		ended 30 September	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Short-term employee benefits	48	49	142	139
Post-employment benefits	1	1	4	4
Total	<u>49</u>	<u>50</u>	<u>146</u>	<u>143</u>

(Unit: Million Baht)

	Separate financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Short-term employee benefits	44	43	130	122
Post-employment benefits	2	2	4	4
Total	<u>46</u>	<u>45</u>	<u>134</u>	<u>126</u>

During the nine-month period ended 30 September 2023, the Company has paid post-employment benefits to its directors and management Baht 6 million.

**4. Trade and other receivables**

		(Unit: Thousand Baht)	
		Consolidated	Separate
		financial statements	financial statements
		30 September	31 December
		2023	2022
<u>Trade accounts receivable - related parties</u>			
Aged on the basis of due dates			
Not yet due	352	768	96,622
Total trade accounts receivable			
- related parties	352	768	96,622
<u>Trade accounts receivable - unrelated parties</u>			
Aged on the basis of due dates			
Not yet due	21,047	51,792	12,952
Total trade accounts receivable			
- unrelated parties	21,047	51,792	12,952
Total trade accounts receivable	21,399	52,560	109,574
<u>Other receivables</u>			
Other receivables - related parties	2,018	1,874	26,054
Advances	13,642	10,246	10,966
Accrued interest receivable	30,497	17,438	30,497
Others	52,122	38,804	39,882
Total other receivables	98,279	68,362	107,399
Total trade and other			
receivables	119,678	120,922	216,973

**5. Other financial assets**

As at 30 September 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	300,001	300,001
<u>Other financial assets at FVTPL</u>		
Investments in debt instruments	8,331,520	7,140,866
Total other financial assets	8,631,521	7,440,867
Consisted of :		
Other current financial assets	6,658,522	5,467,868
Other non-current financial assets	1,972,999	1,972,999

**6. Investments in subsidiaries**

- 6.1 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.

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.

**7. Investment in joint ventures**

- 7.1 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.
- 7.2 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 30.5 million. The Company recognised gain from sale of this investment, after the net effect of exchange differences on translation of financial statements in foreign currency recycled to profit or loss due to sale of investment, of Baht 9.67 million in the consolidated financial statements (the Company only: loss from sale of investment of Baht 11.84 million).

## 8. Property, plant and equipment

Movements in the property, plant and equipment account during the nine-month period ended 30 September 2023 are summarised 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		
Increase in accounts payable for purchases of equipment during the period	21,267	10,741
Cash paid for purchases of equipment	401,470	288,858
Total	422,737	299,599
Disposals and write-off - net book value at disposal and write-off date		
Proceeds from disposals of equipment	(3,152)	(13,145)
Gain on disposals of equipment	25	612
Loss on write-off of equipment	(17,436)	(10,400)
Total	(20,563)	(22,933)
Depreciation for the period	(461,187)	(330,354)
<b>Net book value as at 30 September 2023</b>	<b>2,687,830</b>	<b>2,100,187</b>

## 9. Right-of-use assets

Movements in the right-of-use assets account during the nine-month period ended 30 September 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	849,020	612,533
Write-off	(91,618)	(86,643)
Depreciation for the period	(998,233)	(732,483)
<b>Net book value as at 30 September 2023</b>	<b>2,969,371</b>	<b>2,263,043</b>

**10. Intangible assets**

Movements in the intangible assets account during the nine-month period ended 30 September 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	6,280	4,258
Write-off	(2)	(2)
Amortisation for the period	(35,365)	(12,500)
<b>Net book value as at 30 September 2023</b>	<u>815,804</u>	<u>57,715</u>

**11. Trade and other payables**

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
Trade accounts payable - related parties	2,488	-	22,168	28,871
Trade accounts payable - unrelated parties	301,463	433,902	276,866	393,160
Other payables - related parties	42,134	62,159	61,162	55,850
Other payables - unrelated parties	61,441	75,351	51,047	60,430
Accounts payable for purchases of plant and equipment	70,893	49,626	53,753	43,012
Accrued expenses	901,193	801,801	673,570	605,455
Others	33,998	26,182	26,952	21,845
<b>Total</b>	<u>1,413,610</u>	<u>1,449,021</u>	<u>1,165,518</u>	<u>1,208,623</u>



**12. Lease liabilities**

Lease liabilities as at 30 September 2023 are presented below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Lease liabilities	3,090,185	2,368,840
Less: Deferred interest expenses	(197,133)	(162,871)
Total	2,893,052	2,205,969
Less: Portion due within one year	(1,057,363)	(761,594)
Lease liabilities - net of current portion	1,835,689	1,444,375

Movements in lease liabilities during the nine-month period ended 30 September 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	828,201	593,984
Accretion of interest	67,069	52,194
Less: Payments during the period	(1,031,162)	(754,088)
Decrease from cancelation of lease agreements	(65,415)	(62,232)
Balance as at 30 September 2023	2,893,052	2,205,969

### 13. Dividends

Dividend declared for the nine-month periods ended 30 September 2023 and 2022 consist of the following:

	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)	Paid on
<u>Year 2023</u>				
Dividend on 2022 profit	Annual General Meeting of the shareholders on 26 April 2023	828.8	0.9	24 May 2023
Interim dividend from the operating period 1 January 2023 to 30 June 2023	Board of Directors' meeting on 10 August 2023	552.5	0.6	8 September 2023
Total		<u>1,381.3</u>	<u>1.5</u>	
<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
Interim dividend from the operating period 1 January 2022 to 30 June 2022	Board of Directors' meeting on 10 August 2022	460.4	0.5	8 September 2022
Total		<u>1,197.1</u>	<u>1.3</u>	

### 14. 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.

## 15. Commitments and contingent liabilities

### 15.1 Capital commitments

As at 30 September 2023 and 31 December 2022, the Group had capital commitments as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
Furniture, fixtures and office equipment	20.5	7.4	20.5	7.4

### 15.2 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 September 2023, future lease and service fees payables under these lease and service contracts were as follows:

	(Unit: Million Baht)	
	Consolidated financial statements	Separate financial statements
Payable within:		
Less than 1 year	577	416
1 year to 5 years	807	608
More than 5 years	74	68

### 15.3 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.

## 15.4 Guarantees

### 15.4.1 Bank guarantees

As at 30 September 2023, there were outstanding letters of guarantee issued by the banks on behalf of the Group of approximately Baht 31.2 million (the Company only: Baht 30.9 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.

### 15.4.2 Guarantees to related party

As at 30 September 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).

## 16. Fair value hierarchy

As of 30 September 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	8,332	7,141
<b>Financial liabilities measured at fair value</b>		
Derivative - forward exchange contracts - loss	32	32

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

## 17. 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.

## 18. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 9 November 2023.

.....Director

.....Director