

MK Restaurant Group Public Company Limited

and its subsidiaries

Review report and consolidated and separate financial information

For the three-month and six-month periods ended

30 June 2024

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 financial information of MK Restaurant Group Public Company Limited and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the related consolidated statements of income, comprehensive income for the three-month and six-month periods then ended, and 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 interim consolidated financial statements. I have also reviewed the separate financial information of MK Restaurant Group Public Company Limited for the same periods (collectively "the interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with 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: 13 August 2024

MK Restaurant Group Public Company Limited and its subsidiaries

Statements of financial position

As at 30 June 2024

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
		30 June	31 December	30 June	31 December
	<u>Note</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		539,662	786,459	298,134	561,849
Trade and other receivables	3, 4	176,707	109,582	284,130	227,253
Inventories		341,803	390,865	298,969	345,391
Other current financial assets	5	6,864,559	7,078,151	6,068,470	5,841,824
Other current assets		329,878	76,187	292,891	56,499
Total current assets		8,252,609	8,441,244	7,242,594	7,032,816
Non-current assets					
Other non-current financial assets	5	2,014,602	1,991,316	2,014,602	1,991,316
Investments in subsidiaries	6	-	-	2,701,480	2,701,480
Investments in joint ventures	7	865,442	848,229	870,625	870,625
Property, plant and equipment	8	2,705,206	2,798,291	2,102,249	2,171,897
Right-of-use assets	9	3,149,867	3,148,909	2,408,286	2,395,022
Goodwill		1,477,657	1,477,657	-	-
Intangible assets	10	797,510	807,393	60,909	56,467
Deferred tax assets		247,513	233,697	193,037	173,449
Deposits		611,017	600,516	402,445	393,422
Total non-current assets		11,868,814	11,906,008	10,753,633	10,753,678
Total assets		20,121,423	20,347,252	17,996,227	17,786,494

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 2024

(Unit: Thousand Baht)

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		30 June	31 December	30 June	31 December
<u>Note</u>		<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	3, 11	1,569,639	1,646,119	1,328,880	1,358,703
Deferred income of membership fee		26,966	24,058	17,898	15,529
Current portion of lease liabilities	12	1,059,460	1,076,871	771,606	777,820
Income tax payable		146,425	158,439	138,011	149,074
Other current financial liabilities		53,753	-	53,753	-
Other current liabilities		168,437	181,952	129,691	142,408
Total current liabilities		<u>3,024,680</u>	<u>3,087,439</u>	<u>2,439,839</u>	<u>2,443,534</u>
Non-current liabilities					
Lease liabilities, net of current portion	12	2,052,786	2,007,933	1,616,867	1,571,869
Provision for long-term employee benefits		732,302	698,198	634,831	606,158
Deferred tax liabilities		145,684	148,686	-	-
Other non-current liabilities		210,185	210,664	148,111	149,345
Total non-current liabilities		<u>3,140,957</u>	<u>3,065,481</u>	<u>2,399,809</u>	<u>2,327,372</u>
Total liabilities		<u>6,165,637</u>	<u>6,152,920</u>	<u>4,839,648</u>	<u>4,770,906</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 June 2024

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June	31 December	30 June	31 December
Note	2024	2023	2024	2023
	(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	920,878	920,878	920,878	920,878
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
Treasury stocks 13	(74,195)	-	(74,195)	-
Retained earnings				
Appropriated - statutory reserve	92,585	92,585	92,585	92,585
Reserve for treasury stocks 13	74,195	-	74,195	-
Unappropriated	3,140,521	3,388,408	2,701,757	2,560,766
Other component of shareholders' equity	1,138	135	-	-
Equity attributable to owners of the Company	13,596,481	13,843,365	13,156,579	13,015,588
Non-controlling interests of the subsidiaries	359,305	350,967	-	-
Total shareholders' equity	13,955,786	14,194,332	13,156,579	13,015,588
Total liabilities and shareholders' equity	20,121,423	20,347,252	17,996,227	17,786,494
	-	-	-	-

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 June 2024**

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

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2024	2023	2024	2023
Revenues					
Sales and service income		4,107,022	4,435,465	3,377,964	3,728,403
Dividend received	3,6	-	-	480,550	-
Other income		70,625	81,697	119,414	106,723
Total revenues		<u>4,177,647</u>	<u>4,517,162</u>	<u>3,977,928</u>	<u>3,835,126</u>
Expenses					
Cost of sales and services		1,345,528	1,521,003	1,324,323	1,511,344
Selling and distribution expenses		1,954,457	2,090,143	1,455,222	1,580,217
Administrative expenses		395,143	377,504	297,633	286,396
Total expenses		<u>3,695,128</u>	<u>3,988,650</u>	<u>3,077,178</u>	<u>3,377,957</u>
Profit from operating activities		482,519	528,512	900,750	457,169
Finance income		14,236	12,750	13,860	12,608
Share of profit(loss) from investments in joint ventures		20	(3,616)	-	-
Finance cost		(26,798)	(26,111)	(20,468)	(18,227)
Profit before income tax		469,977	511,535	894,142	451,550
Income tax		(64,872)	(46,617)	(62,477)	(47,508)
Profit for the period		<u>405,105</u>	<u>464,918</u>	<u>831,665</u>	<u>404,042</u>
Profit attributable to:					
Equity holders of the Company		400,642	458,918	<u>831,665</u>	<u>404,042</u>
Non-controlling interests of the subsidiaries		4,463	6,000		
		<u>405,105</u>	<u>464,918</u>		
Earnings per share	14				
Basic earnings per share					
Profit attributable to equity holders of the Company		<u>0.44</u>	<u>0.50</u>	<u>0.90</u>	<u>0.44</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 2024

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
Profit for the period	<u>405,105</u>	<u>464,918</u>	<u>831,665</u>	<u>404,042</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	367	(673)	-	-
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)	-	-
Other comprehensive income for the period	<u>367</u>	<u>(11,017)</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u><u>405,472</u></u>	<u><u>453,901</u></u>	<u><u>831,665</u></u>	<u><u>404,042</u></u>
Total comprehensive income attributable to:				
Equity holders of the Company	400,880	447,901	<u>831,665</u>	<u>404,042</u>
Non-controlling interests of the subsidiaries	<u>4,592</u>	<u>6,000</u>		
	<u><u>405,472</u></u>	<u><u>453,901</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 2024

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

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2024	2023	2024	2023
Revenues					
Sales and service income		8,052,667	8,524,320	6,607,654	7,154,177
Dividend received	3,6	-	-	480,550	-
Other income		154,662	136,230	247,559	210,462
Total revenues		8,207,329	8,660,550	7,335,763	7,364,639
Expenses					
Cost of sales and services		2,624,048	2,947,321	2,586,020	2,932,704
Selling and distribution expenses		3,896,640	4,040,759	2,895,982	3,030,275
Administrative expenses		776,047	733,413	585,957	552,840
Total expenses		7,296,735	7,721,493	6,067,959	6,515,819
Profit from operating activities		910,594	939,057	1,267,804	848,820
Finance income		29,281	25,879	28,904	25,736
Share of loss from investments in joint ventures		(293)	(10,764)	-	-
Finance cost		(53,676)	(49,144)	(41,248)	(36,185)
Profit before income tax		885,906	905,028	1,255,460	838,371
Income tax		(130,961)	(111,744)	(119,435)	(115,191)
Profit for the period		754,945	793,284	1,136,025	723,180
Profit attributable to:					
Equity holders of the Company		747,147	784,214	1,136,025	723,180
Non-controlling interests of the subsidiaries		7,798	9,070		
		754,945	793,284		
Earnings per share	14				
Basic earnings per share					
Profit attributable to equity holders of the Company		0.81	0.85	1.23	0.79

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 six-month period ended 30 June 2024

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
Profit for the period	<u>754,945</u>	<u>793,284</u>	<u>1,136,025</u>	<u>723,180</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	1,543	(1,287)	-	-
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)	-	-
Other comprehensive income for the period	<u>1,543</u>	<u>(11,631)</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u><u>756,488</u></u>	<u><u>781,653</u></u>	<u><u>1,136,025</u></u>	<u><u>723,180</u></u>
Total comprehensive income attributable to:				
Equity holders of the Company	748,150	772,583	<u>1,136,025</u>	<u>723,180</u>
Non-controlling interests of the subsidiaries	<u>8,338</u>	<u>9,070</u>		
	<u><u>756,488</u></u>	<u><u>781,653</u></u>		

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

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MK Restaurant Group Public Company Limited and its subsidiaries

For the six-month period ended 30 June 2024

Consolidated financial statements

Other component of equity

income

differences on

translation of

financial

statements in

foreign currency

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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 changes in shareholders' equity (continued)

For the six-month period ended 30 June 2024

(Unit: Thousand Baht)

Separate financial statements								
Issued and paid-up share capital	Share premium	Capital reserve of share-based payment transactions	Treasury stocks	Retained earnings		Unappropriated	Total	
				Appropriated - statutory reserve	Reserve for treasury stocks			
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	-	-	-	-	-	-	723,180	723,180
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	723,180	723,180
Dividend paid (Note 15)	-	-	-	-	-	-	(828,769)	(828,769)
Balance as at 30 June 2023	<u>920,878</u>	<u>8,785,028</u>	<u>656,331</u>	<u>-</u>	<u>92,585</u>	<u>-</u>	<u>2,229,992</u>	<u>12,684,814</u>
Balance as at 1 January 2024	920,878	8,785,028	656,331	-	92,585	-	2,560,766	13,015,588
Profit for the period	-	-	-	-	-	-	1,136,025	1,136,025
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	1,136,025	1,136,025
Treasury stocks (Note 13)	-	-	-	(74,195)	-	74,195	(74,195)	(74,195)
Dividend paid (Note 15)	-	-	-	-	-	-	(920,839)	(920,839)
Balance as at 30 June 2024	<u>920,878</u>	<u>8,785,028</u>	<u>656,331</u>	<u>(74,195)</u>	<u>92,585</u>	<u>74,195</u>	<u>2,701,757</u>	<u>13,156,579</u>

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

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Director

(Unaudited but reviewed)

MK Restaurant Group Public Company Limited and its subsidiaries

Statements of cash flows

For the six-month period ended 30 June 2024

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
Cash flows from operating activities				
Profit before tax	885,906	905,028	1,255,460	838,371
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Gain on sales of investments	(76,806)	(26,577)	(62,754)	(21,441)
Gain on change in value of investment in debt instruments	(4,233)	(7,752)	(5,323)	(5,805)
Unrealised loss on exchange	6,329	1,774	6,329	1,774
Share of loss from investment in joint ventures	293	10,764	-	-
Loss (gain) from sale of investments in joint venture	-	(9,666)	-	11,843
Loss from damaged inventories	422	5,634	422	5,634
Amortisation of prepaid expenses	27,884	18,776	23,903	15,956
Depreciation and amortisation	984,985	1,025,792	697,511	710,959
Loss on disposals and write-off of equipment, right-of-use assets and intangible assets	13,822	17,580	7,469	14,891
Provision for long-term employee benefits	37,140	37,942	31,479	31,687
Realisation of gift voucher, net of sales and cash received during the period	(23,313)	(31,472)	(18,737)	(21,620)
Realisation of deferred income, net of sales and cash received during the period	(18,356)	(15,567)	(11,772)	(9,500)
Dividend income	-	-	(480,550)	-
Interest income	(28,904)	(25,853)	(28,904)	(25,736)
Interest expenses	53,676	49,144	41,248	36,185
Profit from operating activities before changes in operating assets and liabilities	1,858,845	1,955,547	1,455,781	1,583,198

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 cash flows (continued)

For the six-month period ended 30 June 2024

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
Cash flows from operating activities (continued)				
Operating assets (increase) decrease				
Trade and other receivables	(57,507)	3,318	(47,259)	33,547
Inventories	48,640	37,525	46,000	38,122
Other current assets	(279,199)	(8,660)	(260,295)	(10,775)
Deposits	(10,501)	1,669	(9,023)	(2,322)
Operating liabilities increase (decrease)				
Trade and other payables	(5,887)	(41,207)	17,510	(25,778)
Other current liabilities	9,798	48,840	6,020	33,586
Deferred income	21,264	18,998	14,141	12,058
Provision for long-term employee benefits	(3,036)	(8,668)	(2,806)	(8,390)
Other non-current liabilities	(427)	524	(844)	(132)
Cash from operating activities	1,581,990	2,007,886	1,219,225	1,653,114
Cash received from interest income	19,286	20,659	19,286	20,542
Cash paid for income tax	(162,169)	(156,431)	(150,086)	(150,233)
Net cash from operating activities	1,439,107	1,872,114	1,088,425	1,523,423

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 cash flows (continued)

For the six-month period ended 30 June 2024

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
Cash flows from investing activities				
Decrease (increase) in investments in debt instruments and fixed deposits	318,769	(132,582)	(134,431)	(115,483)
Cash paid for investment in joint venture	(15,964)	(39,361)	-	-
Cash paid for purchases of plant and equipment	(282,369)	(223,770)	(203,349)	(173,459)
Cash paid for purchases of intangible assets	(13,423)	(4,376)	(12,437)	(3,641)
Proceeds from disposals of property, plant and equipment	433	2,486	11,582	8,105
Proceeds from investment in joint venture	-	30,479	-	30,479
Dividend received	-	-	480,550	-
Net cash from (used in) investing activities	7,446	(367,124)	141,915	(253,999)
Cash flows from financing activities				
Cash paid to settle liabilities under lease liabilities	(698,316)	(728,222)	(499,021)	(506,087)
Dividend paid	(920,839)	(828,769)	(920,839)	(828,769)
Cash paid for treasury stocks	(74,195)	-	(74,195)	-
Net cash used in financing activities	(1,693,350)	(1,556,991)	(1,494,055)	(1,334,856)
Net decrease in cash and cash equivalents	(246,797)	(52,001)	(263,715)	(65,432)
Cash and cash equivalents at beginning of period	786,459	630,356	561,849	471,000
Cash and cash equivalents at end of period	539,662	578,355	298,134	405,568
	-		-	
Supplement disclosure of cash flows information				
Non-cash transactions				
Accounts payable for purchases of plant and equipment	58,830	34,134	47,734	28,165
Increase in right-of-use assets	674,762	621,556	497,873	316,162

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

Director

Director

MK Restaurant Group Public Company Limited and its subsidiaries
Condensed notes to interim financial statements
For the three-month and six-month periods ended 30 June 2024

1. General information

1.1 Corporate information

As at 30 June 2024, the Group had operated 702 branches (the Company only: 464 branches) (31 December 2023: 703 branches, the Company only: 466 branches) which can be separately presented by brand as follows;

	Number of branches as at	
	30 June 2024	31 December 2023
Trademarks		
MK Suki	446	448
Yayoi	199	198
Laem Charoen Seafood	39	39
Others	18	18
Total	702	703

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 presenting condensed interim financial statements. The Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements and has presented notes to the interim financial statements on a condensed basis.

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 2023, with no change in shareholding structure of subsidiaries during the current period.

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2. Accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2023.

The revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2024, 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
	2024	2023	2024	2023	
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Sales of goods	-	-	276	336	Cost plus margin
Sublease and subservice income	-	-	3	4	At the rate stipulated in the agreements
Management service income	-	-	56	52	At the rate stipulated in the agreements
Dividend income	-	-	481	-	At declared rate
Sales of fixed assets	-	-	5	2	Net book value plus margin
Rental income	-	-	2	2	At the rate stipulated in the agreements
Operation support service income	-	-	2	1	At the rate stipulated in the agreement
Purchases of goods	-	-	57	71	Market price
Training expenses	-	-	26	41	Market price

(Unaudited but reviewed)

(Unit: Million Baht)

For the three-month periods ended					
30 June					
	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	2024	2023	2024	2023	
<u>Transactions with related companies</u>					
Sales of goods	64	-	64	-	Market price
Sales of fixed assets	-	1	-	1	Net book value plus margin
Purchases of goods	6	12	6	12	Market price
Management service income	2	1	2	1	At the rate stipulated in the agreement
Operation support service income	1	2	1	2	At the rate stipulated in the agreement
Royalty fee income	2	9	1	-	At the rate stipulated in the agreement
Rental expenses for operating equipment	10	10	6	6	Market price
Rental expenses for land and construction	15	13	12	10	At the rate stipulated in the agreement
Logistic expenses	48	46	45	45	At the rate stipulated in the agreement
Service expenses	-	56	-	46	Contractually agree prices
Warehousing service expenses	43	44	43	43	At the rate stipulated in the agreement

(Unit: Million Baht)

For the six-month periods ended					
30 June					
	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	2024	2023	2024	2023	
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Sales of goods	-	-	552	652	Cost plus margin
Sublease and subservice income	-	-	6	7	At the rate stipulated in the agreements
Management service income	-	-	112	104	At the rate stipulated in the agreements
Dividend income	-	-	481	-	At declared rate
Sales of fixed assets	-	-	11	6	Net book value plus margin
Rental income	-	-	3	3	At the rate stipulated in the agreements
Operation support service income	-	-	3	2	At the rate stipulated in the agreement
Purchases of goods	-	-	114	133	Market price
Training expenses	-	-	67	71	Market price

.....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
	2024	2023	2024	2023	
<u>Transactions with related companies</u>					
Sales of goods	96	2	96	2	Market price
Sales of fixed assets	-	1	-	1	Net book value plus margin
Purchases of goods	15	24	15	24	Market price
Management service income	3	3	3	3	At the rate stipulated in the agreement
Operation support service income	3	4	3	4	At the rate stipulated in the agreement
Royalty fee income	3	9	-	-	At the rate stipulated in the agreement
Rental expenses for operating equipment	21	21	12	12	Market price
Rental expenses for land and construction	30	28	23	21	At the rate stipulated in the agreement
Logistic expenses	93	88	88	86	At the rate stipulated in the agreement
Service expenses	-	101	-	78	Contractually agree prices
Warehousing service expenses	84	85	83	84	At the rate stipulated in the agreement

As at 30 June 2024 and 31 December 2023, 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
	2024	2023	2024	2023
Trade and other receivables - related parties				
Subsidiaries	-	-	120,467	139,739
Joint ventures	2,851	1,809	2,054	1,804
Related companies (related by common directors)	67,794	2,434	68,143	1,646
Total trade and other receivables - related parties	70,645	4,243	190,664	143,189

.....Director

.....Director

(Unaudited but reviewed)

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
Trade and other payable - related parties				
Subsidiaries	-	-	27,458	27,789
Joint ventures	29,876	34,229	29,377	33,699
Related companies (related by common directors)	17,097	12,286	13,618	9,940
Total trade and other payable - related parties	46,973	46,515	70,453	71,428

Significant agreements with related parties

There is no significant change in significant agreements with related parties during the six-month period ended 30 June 2024. However, 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 2023.

However, on 5 July 2024, the Company purchased land from Global Asset Development Co., Ltd. (a related company) amounting to Baht 1,700 million to support the Company's operation. The land ownership has been transferred to the Company; therefore, the rental agreement between the Company and this related company was terminated.

Directors and management's benefits

During the three-month and six-month periods ended 30 June 2024 and 2023, 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>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Short-term employee benefits	55	46	106	94
Post-employment benefits	2	2	3	3
Total	57	48	109	97

.....Director

.....Director

(Unit: Million Baht)

	Separate financial statements			
	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Short-term employee benefits	51	42	98	86
Post-employment benefits	1	1	2	2
Total	52	43	100	88

There is no post-employment benefits paid to the directors and management during the six-month period ended 30 June 2024.

4. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2024	2023	2024	2023
<u>Trade accounts receivable - related parties</u>				
Aged on the basis of due dates				
Not yet due	67,419	1,508	160,096	115,909
Total trade accounts receivable				
- related parties	67,419	1,508	160,096	115,909
<u>Trade accounts receivable - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	18,964	28,335	13,578	18,187
Total trade accounts receivable				
- unrelated parties	18,964	28,335	13,578	18,187
Total trade accounts receivable	86,383	29,843	173,674	134,096
<u>Other receivables</u>				
Other receivables - related				
parties	3,226	2,735	30,568	27,280
Advances	11,441	8,463	8,526	6,161
Accrued interest receivable	41,331	31,713	41,331	31,713
Others	34,326	36,828	30,031	28,003
Total other receivables	90,324	79,739	110,456	93,157
Total trade and other				
receivables	176,707	109,582	284,130	227,253

.....Director

.....Director

5. Other financial assets

As at 30 June 2024, 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	1	1
<u>Other financial assets at FVTPL</u>		
Investments in debt instruments	8,879,160	8,083,071
Total other financial assets	8,879,161	8,083,072
Consisted of:		
Other current financial assets	6,864,559	6,068,470
Other non-current financial assets	2,014,602	2,014,602

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 9 April 2024, the Extraordinary General Meeting of shareholders of the LCS International Company Limited (indirect subsidiary of the Company) passed a resolution to increase the registered share capital by Baht 17 million (1.7 million ordinary shares of Baht 10 each) from Baht 39.5 million (3.95 million ordinary shares of Baht 10 each) to Baht 56.5 million (5.65 million ordinary shares of Baht 10 each). This subsidiary registered the share capital increase with the Ministry of Commerce on 22 April 2024.

LCS Food Supply Co., Ltd.

On 9 April 2024, 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 77.5 million (7.75 million ordinary shares of Baht 10 each) from Baht 81.1 million (8.11 million ordinary shares of Baht 10 each) to Baht 158.6 million (15.86 million ordinary shares of Baht 10 each). This subsidiary registered the share capital increase with the Ministry of Commerce on 17 April 2024.

- 6.2 During the three-month and six-month period ended 30 June 2024, the Company received the dividend payment from these subsidiaries.

Subsidiaries	(Unit: Thousand Baht)	
	Dividends income	
	For the three-month periods ended 30 June 2024	For the six-month periods ended 30 June 2024
MK Interfood Company Limited	350,000	350,000
MK Service Training Center Company Limited	50,750	50,750
International Food Supply Company Limited	79,800	79,800
Total	480,550	480,550

7. Investment in joint ventures

On 21 March 2024, the Meeting of the Board of Directors of LCS International Company Limited (an indirectly - held local subsidiary) passed a resolution to approve an additional investment in MT Restaurant Sdn Bhd ("the joint venture") of MYR 2.0 million or equivalent to Baht 16.0 million.

LCS International Company Limited had paid this additional investment on 15 May 2024 and its shareholding percentage is still 50 percent of issued and paid-up capital of this joint venture.

8. Property, plant and equipment

Movements in the property, plant and equipment account during the six-month period ended 30 June 2024 are summarises below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2024	2,798,291	2,171,897
Acquisitions - at cost		
Decrease in accounts payable for purchases of equipment during the period	(70,593)	(47,333)
Cash paid for purchases of plant and equipment	282,369	203,349
Total	211,776	156,016
Disposals and write-off - net book value at disposal and write-off date		
Proceeds from disposals of equipment	(433)	(11,582)
Loss on disposals of equipment	(2,947)	(413)
Loss on write-off of equipment	(13,606)	(8,762)
Total	(16,986)	(20,757)
Depreciation for the period	(287,875)	(204,907)
Net book value as at 30 June 2024	2,705,206	2,102,249

.....Director

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9. Right-of-use assets

Movements in the right-of-use assets account during the six-month period ended 30 June 2024 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2024	3,148,909	2,395,022
Increase during the period	702,095	516,461
Write-off	(27,333)	(18,588)
Depreciation for the period	(673,804)	(484,609)
Net book value as at 30 June 2024	<u>3,149,867</u>	<u>2,408,286</u>

10. Intangible assets

Movements in the intangible assets account during the six-month period ended 30 June 2024 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2024	807,393	56,467
Acquisitions during the period - at cost	13,423	12,437
Amortisation for the period	(23,306)	(7,995)
Net book value as at 30 June 2024	<u>797,510</u>	<u>60,909</u>

11. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2024	2023	2024	2023
Trade accounts payable - related parties	2,171	3,715	19,453	26,337
Trade accounts payable - unrelated parties	457,382	399,474	419,029	370,487
Other payables - related parties	44,802	42,800	51,000	45,091
Other payables - unrelated parties	168,600	100,608	145,637	79,994
Accounts payable for purchases of plant and equipment	58,830	129,423	47,734	95,067
Accrued expenses	805,457	935,429	621,273	715,341
Others	32,397	34,670	24,754	26,386
Total	1,569,639	1,646,119	1,328,880	1,358,703

12. Lease liabilities

Lease liabilities as at 30 June 2024 are presented below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Lease liabilities	3,360,091	2,588,705
Less: Deferred interest expenses	(247,845)	(200,232)
Total	3,112,246	2,388,473
Less: Portion due within one year	(1,059,460)	(771,606)
Lease liabilities - net of current portion	2,052,786	1,616,867

Movements in lease liabilities during the six-month period ended 30 June 2024 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2024	3,084,804	2,349,689
Add: Additions during the period	699,353	515,114
Accretion of interest	52,077	40,155
Less: Payments during the period	(698,316)	(499,021)
Decrease from cancelation of lease agreements	(25,672)	(17,464)
Balance as at 30 June 2024	<u>3,112,246</u>	<u>2,388,473</u>

13. Treasury stock and reserve for treasury stocks

On 18 June 2024, the Company's Board of Directors' meeting approved the share repurchase program for financial management purpose in the maximum amount not exceeding Baht 800 million or approximately 20 million shares, which is approximately 2.17% of total issued shares at par value of Baht 1 per share by repurchase in the Stock Exchange of Thailand, which the repurchase price shall not be exceeding 115 percent of the average closing stocks price prior to 5 working days on date of sale of treasury stock.

The Company has to disclose the proposed share repurchase not later than 3 days prior to the date on which the shares will be repurchased. The implementation period shall not exceed 6 months. The repurchase period is from 24 June 2024 to 23 December 2024. The Board of Directors would reconsider the periods of stocks resell within 3 months from the date of complete repurchasing the stocks but not more than 3 years. The reselling price would not be less than 85 percent of the average closing stocks price prior to 5 working days on date of sale of treasury stocks.

As at 30 June 2024, the Company had an outstanding treasury stocks of 2.38 million shares in the account with an average cost of Baht 31.17 per share. The total cost was Baht 74.20 million. The treasury stocks of 2.38 million shares have a par value of Baht 1.00 per share, with Baht 74.20 million had been appropriated from retained earnings to reserve for treasury stocks. The Company can hold treasury stocks not longer than three years after repurchase period finished.

14. Earnings per share

Basic earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the average number of ordinary shares in issue during the reporting period.

14.1 Weighted average number of ordinary shares

(Unit: Thousand shares)

	Consolidated financial statements / Separate financial statements			
	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Balance brought forward	920,878	920,878	920,878	920,878
Less: The weighted average number of treasury stocks during the period	(141)	-	(71)	-
Weighted average number of ordinary shares	<u>920,737</u>	<u>920,878</u>	<u>920,807</u>	<u>920,878</u>

14.2 Reconciliation of earnings per share

The following table sets forth the computation of basic earnings per share:

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Profit for the period (Thousand Baht)	400,642	458,918	831,665	404,042
Weighted average number of ordinary shares (Thousand shares)	920,737	920,878	920,737	920,878
Basic earnings per share (Baht/share)	0.44	0.50	0.90	0.44

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Profit for the period (Thousand Baht)	747,147	784,214	1,136,025	723,180
Weighted average number of ordinary shares (Thousand shares)	920,807	920,878	920,807	920,878
Basic earnings per share (Baht/share)	0.81	0.85	1.23	0.79

15. Dividends

Dividend declared for the six-month periods ended 30 June 2024 and 2023 consist of the following:

	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)	Paid on
<u>Year 2024</u>				
Dividend on 2023 profit	Annual General Meeting of the shareholders on 26 April 2024	920.8	1.0	24 May 2024
Total		<u>920.8</u>	<u>1.0</u>	
<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
Total		<u>828.8</u>	<u>0.9</u>	

16. 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.

17. Commitments and contingent liabilities

17.1 Capital commitments

As at 30 June 2024 and 31 December 2023, the Group had capital commitments as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2024	2023	2024	2023
Furniture, fixtures and office equipment	44.5	6.4	44.5	6.4

17.2 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 2024, 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	573	421
1 year to 5 years	860	652
More than 5 years	144	113

17.3 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.

17.4 Guarantees

17.4.1 Bank guarantees

As at 30 June 2024, there were outstanding letters of guarantee issued by the banks on behalf of the Group of approximately Baht 38.2 million (the Company only: Baht 37.9 million) (31 December 2023: Baht 31.2 million, the Company only: Baht 30.9 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.

17.4.2 Guarantees to related party

As at 30 June 2024, the Company had guaranteed bank credit facilities of International Food Supply Co., Ltd. (“a subsidiary”) of Baht 45 million (31 December 2023: Baht 45 million).

18. Fair value hierarchy

As of 30 June 2024, 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
Financial assets measured at fair value		
Investment in debt instruments	8,879	8,083
Financial liabilities measured at fair value		
Derivative - forward exchange contracts - loss	54	54

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

19. 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.

20. Events after the reporting period

On 13 August 2024, 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 2024 to the Company’s shareholders at Baht 0.50 per share, totaling approximately Baht 458 million, which will be paid to the shareholders in September 2024.

21. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company’s Board of Directors on 13 August 2024.