

MK Restaurant Group Public Company Limited
and its subsidiaries
Report and consolidated and separate financial statements
31 December 2024

Independent Auditor's Report

To the Shareholders of MK Restaurant Group Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of MK Restaurant Group Public Company Limited and its subsidiaries (“the Group”), which comprise the consolidated statement of financial position as at 31 December 2024, and the related consolidated statements of income, comprehensive income, changes in shareholders’ equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of MK Restaurant Group Public Company Limited for the same period (collectively “the financial statements”).

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of MK Restaurant Group Public Company Limited and its subsidiaries and of MK Restaurant Group Public Company Limited as at 31 December 2024, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond for each matter are described below.

Revenue recognition

Revenues from sales and services are the Group's main transactions that have significant volume of transactions and amounts, and directly affect profit or loss of the Group. The Group has numerous sales and services made by cash and credit cards through a large number of branches nationwide. In addition, because of the intensified competition of the food and beverage industry, the Group has to continually adapt its marketing strategies and promotional activities in order to boost sales. I have therefore focused on the revenue recognition of the Group.

I examined the Group's revenue recognition by assessing and testing the Group's internal controls with respect to the revenue cycle by making enquires of responsible executives, gaining an understanding of controls and selecting representative samples to test the operation of the designed controls. In addition, I applied a sampling method to select sales and service transactions occurring during the year and near the end of the accounting period to examine the supporting documents. I also performed analytical procedures on disaggregated data to detect possible irregularities in sales and service transactions throughout the period, particularly for accounting entries made through journal vouchers.

Impairment of goodwill

I have focused my audit on the impairment of goodwill, as disclosed in Note 14 to the financial statements, because the assessment of impairment of goodwill is a significant accounting estimate requiring management to exercise a high degree of judgement in identifying the cash generating units, estimating the cash inflows that are expected to be generated from that group of assets in the future, and setting an appropriate discount rate and long-term growth rate. There are thus risks with respect to the amount of goodwill.

In addition, I assessed the identification of cash generating units and the financial models selected by management by gaining an understanding of management's decision-making process and assessing whether the decisions made were consistent with how assets are utilised. I also tested the significant assumptions applied by management in preparing estimates of the cash flows expected to be realised from the assets, by comparing those assumptions with information from both internal and external sources and comparing past cash flow projections to actual operating results in order to evaluate the exercise of management judgement in estimating the cash flow projections. I also evaluated the discount rate applied by management through analysis of the average costs of the Group and of the industry and involving expert to assist in the assessment of this information by comparing it to external sources based on an expert's knowledge and past experience, tested the calculation of the realisable values of the assets using the selected financial model and considered the impact of changes in key assumptions on those realisable values, especially changes in the discount rate and long-term revenue growth rates. Moreover, I reviewed the disclosure made with respect to impairment assessment for goodwill.

Other Information

Management is responsible for the other information. The other information comprises the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

I am responsible for the audit resulting in this independent auditor's report.

Wichart Lokatekrawee
Certified Public Accountant (Thailand) No. 4451

EY Office Limited
Bangkok: 26 February 2025

MK Restaurant Group Public Company Limited and its subsidiaries

Statements of financial position

As at 31 December 2024

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements		
		2024	2023	2024	2023	
Assets						
Current assets						
Cash and cash equivalents	7	670,401,484	786,459,393	399,075,075	561,849,246	
Trade and other receivables	6, 8	132,892,457	109,581,564	249,106,138	227,253,425	
Inventories	9	367,519,880	390,864,815	327,764,481	345,391,273	
Other current financial assets	10	5,779,060,932	7,078,151,226	4,976,281,022	5,841,823,668	
Other current assets		131,576,834	76,187,632	93,426,921	56,498,619	
Total current assets		7,081,451,587	8,441,244,630	6,045,653,637	7,032,816,231	
Non-current assets						
Other non-current financial assets	10	995,023,222	1,991,316,608	995,023,222	1,991,316,608	
Investments in subsidiaries	11	-	-	2,701,479,792	2,701,479,792	
Investments in joint ventures	12	872,573,671	848,228,511	870,625,000	870,625,000	
Property, plant and equipment	13	4,409,289,834	2,798,291,156	3,797,611,863	2,171,896,963	
Right-of-use assets	17	2,913,669,118	3,148,908,599	2,138,318,388	2,395,021,636	
Goodwill	14	1,477,657,048	1,477,657,048	-	-	
Intangible assets	15	782,712,092	807,392,601	55,283,901	56,467,359	
Deferred tax assets	24	227,122,619	233,696,953	172,353,129	173,449,251	
Deposits		612,244,377	600,516,092	404,850,315	393,421,588	
Total non-current assets		12,290,291,981	11,906,007,568	11,135,545,610	10,753,678,197	
Total assets		19,371,743,568	20,347,252,198	17,181,199,247	17,786,494,428	

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 December 2024

(Unit: Baht)

	<u>Note</u>	Consolidated financial statements		Separate financial statements		
		<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	
Liabilities and shareholders' equity						
Current liabilities						
Trade and other payables	6, 16	1,307,121,859	1,646,119,113	1,100,992,728	1,358,703,092	
Deferred income of membership fee		24,000,661	24,057,530	16,499,395	15,529,756	
Current portion of lease liabilities	17	1,029,588,177	1,076,871,227	733,452,699	777,819,998	
Income tax payable		109,603,541	158,439,004	99,356,030	149,074,593	
Other current liabilities		168,704,123	181,952,559	137,116,797	142,407,759	
Total current liabilities		<u>2,639,018,361</u>	<u>3,087,439,433</u>	<u>2,087,417,649</u>	<u>2,443,535,198</u>	
Liabilities and shareholders' equity						
Non-current liabilities						
Lease liabilities, net of current portion	17	1,836,281,207	2,007,932,839	1,371,000,084	1,571,868,668	
Provision for long-term employee benefits	18	742,184,187	698,198,039	641,516,920	606,157,597	
Deferred tax liabilities	24	143,059,285	148,686,144	-	-	
Other non-current liabilities		211,062,311	210,663,778	150,257,399	149,344,836	
Total non-current liabilities		<u>2,932,586,990</u>	<u>3,065,480,800</u>	<u>2,162,774,403</u>	<u>2,327,371,101</u>	
Total liabilities		<u>5,571,605,351</u>	<u>6,152,920,233</u>	<u>4,250,192,052</u>	<u>4,770,906,299</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 31 December 2024

(Unit: Baht)

<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Liabilities and shareholders' equity (continued)				
Shareholders' equity				
Share capital				
Registered				
920,878,100 ordinary shares of Baht 1 each	<u>920,878,100</u>	<u>920,878,100</u>	<u>920,878,100</u>	<u>920,878,100</u>
Issued and fully paid				
920,878,100 ordinary shares of Baht 1 each	<u>920,878,100</u>	<u>920,878,100</u>	<u>920,878,100</u>	<u>920,878,100</u>
Share premium	<u>8,785,027,903</u>	<u>8,785,027,903</u>	<u>8,785,027,903</u>	<u>8,785,027,903</u>
Capital reserve for share-based payment				
transactions	<u>656,331,057</u>	<u>656,331,057</u>	<u>656,331,057</u>	<u>656,331,057</u>
Treasury stocks	<u>19</u>	<u>(477,568,932)</u>	<u>-</u>	<u>(477,568,932)</u>
Retained earnings				
Appropriated - statutory reserve	<u>20</u>	<u>92,585,000</u>	<u>92,585,000</u>	<u>92,585,000</u>
Reserve for treasury stocks	<u>19</u>	<u>477,568,932</u>	<u>-</u>	<u>477,568,932</u>
Unappropriated		<u>2,973,853,987</u>	<u>3,388,407,779</u>	<u>2,476,185,135</u>
Other component of shareholders' equity		<u>461,852</u>	<u>135,033</u>	<u>-</u>
Equity attributable to owners of the Company		<u>13,429,137,899</u>	<u>13,843,364,872</u>	<u>12,931,007,195</u>
Non-controlling interests of the subsidiaries		<u>371,000,318</u>	<u>350,967,093</u>	<u>-</u>
Total shareholders' equity	<u>13,800,138,217</u>	<u>14,194,331,965</u>	<u>12,931,007,195</u>	<u>13,015,588,129</u>
Total liabilities and shareholders' equity	<u>19,371,743,568</u>	<u>20,347,252,198</u>	<u>17,181,199,247</u>	<u>17,786,494,428</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

Director

Director

MK Restaurant Group Public Company Limited and its subsidiaries

Income statements

For the year ended 31 December 2024

(Unit: Baht)

	<u>Note</u>	Consolidated financial statements		Separate financial statements	
		<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Revenues					
Sales and service income		15,418,332,632	16,660,755,710	12,676,878,060	13,892,005,119
Dividend income	11	-	-	480,549,829	-
Other income	10	391,137,027	312,795,703	574,608,627	469,710,453
Total revenues		<u>15,809,469,659</u>	<u>16,973,551,413</u>	<u>13,732,036,516</u>	<u>14,361,715,572</u>
Expenses					
Cost of sales and services		5,028,488,874	5,647,519,397	4,972,432,745	5,599,633,051
Selling and distribution expenses		7,485,031,908	7,815,490,023	5,562,692,382	5,864,265,038
Administrative expenses		1,520,918,293	1,472,024,196	1,147,355,046	1,096,885,125
Total expenses		<u>14,034,439,075</u>	<u>14,935,033,616</u>	<u>11,682,480,173</u>	<u>12,560,783,214</u>
Profit from operating activities					
Finance income	21	47,249,344	52,584,267	46,399,613	52,219,083
Share of profit (loss) from investments in joint ventures	12	7,878,360	(8,846,783)	-	-
Finance cost	22	(104,353,336)	(95,120,094)	(79,308,750)	(73,502,306)
Profit before income tax expenses		<u>1,725,804,952</u>	<u>1,987,135,187</u>	<u>2,016,647,206</u>	<u>1,779,649,135</u>
Income tax	24	(264,378,950)	(279,903,860)	(245,105,762)	(267,962,848)
Profit for the year		<u>1,461,426,002</u>	<u>1,707,231,327</u>	<u>1,771,541,444</u>	<u>1,511,686,287</u>
Profit attributable to:					
Equity holders of the Company		1,441,568,757	1,681,944,596	<u>1,771,541,444</u>	<u>1,511,686,287</u>
Non-controlling interests of the subsidiaries		19,857,245	25,286,731		
		<u>1,461,426,002</u>	<u>1,707,231,327</u>		
Earnings per share					
Basic earnings per share	25				
Profit attributable to equity holders of the Company		1.57	1.83	1.93	1.64

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

Director

Director

MK Restaurant Group Public Company Limited and its subsidiaries

Statements of comprehensive income

For the year ended 31 December 2024

(Unit: Baht)

Note	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
Profit for the year	<u>1,461,426,002</u>	<u>1,707,231,327</u>	<u>1,771,541,444</u>	<u>1,511,686,287</u>
Other comprehensive income:				
<i>Other comprehensive income reclassified or to be reclassified to profit or loss in subsequent periods:</i>				
Exchange differences on translation of financial statements in foreign currency	<u>502,799</u>	<u>(11,480,812)</u>	<u>-</u>	<u>-</u>
Other comprehensive income reclassified or to be reclassified to profit or loss in subsequent periods				
- net of income tax	<u>502,799</u>	<u>(11,480,812)</u>	<u>-</u>	<u>-</u>
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>				
Actuarial gain	<u>18.2</u>	<u>-</u>	<u>143,347,637</u>	<u>-</u>
Less: Income tax effect		<u>-</u>	<u>(28,669,527)</u>	<u>-</u>
Other comprehensive income not to be reclassified to profit or loss in subsequent periods				
- net of income tax		<u>-</u>	<u>114,678,110</u>	<u>-</u>
Other comprehensive income for the year	<u>502,799</u>	<u>103,197,298</u>	<u>-</u>	<u>94,781,302</u>
Total comprehensive income for the year	<u>1,461,928,801</u>	<u>1,810,428,625</u>	<u>1,771,541,444</u>	<u>1,606,467,589</u>
Total comprehensive income attributable to:				
Equity holders of the Company	<u>1,441,895,576</u>	<u>1,781,859,312</u>	<u>1,771,541,444</u>	<u>1,606,467,589</u>
Non-controlling interests of the subsidiaries	<u>20,033,225</u>	<u>28,569,313</u>		
	<u>1,461,928,801</u>	<u>1,810,428,625</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 changes in shareholders' equity

For the year ended 31 December 2024

(Unit: Baht)

Consolidated financial statements													
Equity attributable to owners of the Company													
Note	Issued and paid-up share capital			Capital reserve for share-based payment transactions			Retained earnings			Other component of shareholders' equity			
	Share capital	Share premium	656,331,057	Treasury stocks	Appropriated - statutory reserve	Reserve for treasury stocks	Unappropriated	translation of financial statements in foreign currencies	Total other components of shareholders' equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity	
Balance as at 1 January 2023	920,878,100	8,785,027,903	656,331,057	-	92,585,000	-	2,976,349,701	11,615,845	11,615,845	13,442,787,606	322,397,780	13,765,185,386	
Profit for the year	-	-	-	-	-	-	1,681,944,596	-	-	1,681,944,596	25,286,731	1,707,231,327	
Other comprehensive income for the year	-	-	-	-	-	-	111,395,528	(11,480,812)	(11,480,812)	99,914,716	3,282,582	103,197,298	
Total comprehensive income for the year	-	-	-	-	-	-	1,793,340,124	(11,480,812)	(11,480,812)	1,781,859,312	28,569,313	1,810,428,625	
Dividend paid	27	-	-	-	-	-	(1,381,282,046)	-	-	(1,381,282,046)	-	(1,381,282,046)	
Balance as at 31 December 2023	920,878,100	8,785,027,903	656,331,057	-	92,585,000	-	3,388,407,779	135,033	135,033	13,843,364,872	350,967,093	14,194,331,965	
Balance as at 1 January 2024	920,878,100	8,785,027,903	656,331,057	-	92,585,000	-	3,388,407,779	135,033	135,033	13,843,364,872	350,967,093	14,194,331,965	
Profit for the year	-	-	-	-	-	-	1,441,568,757	-	-	1,441,568,757	19,857,245	1,461,426,002	
Other comprehensive income for the year	-	-	-	-	-	-	326,819	326,819	326,819	326,819	175,980	502,799	
Total comprehensive income for the year	-	-	-	-	-	-	1,441,568,757	326,819	326,819	1,441,895,576	20,033,225	1,461,928,801	
Treasury stocks	19	-	-	-	(477,568,932)	-	477,568,932	(477,568,932)	-	-	(477,568,932)	-	(477,568,932)
Dividend paid	27	-	-	-	-	-	(1,378,553,617)	-	-	(1,378,553,617)	-	(1,378,553,617)	
Balance as at 31 December 2024	920,878,100	8,785,027,903	656,331,057	(477,568,932)	92,585,000	477,568,932	2,973,853,987	461,852	461,852	13,429,137,899	371,000,318	13,800,138,217	

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

Director

Director

MK Restaurant Group Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity (continued)

For the year ended 31 December 2024

(Unit: Baht)

Note	Separate financial statements							
	Capital reserve			Retained earnings				Total shareholders' equity
	Issued and paid-up share capital	Share premium	for share-based payment transactions	Treasury stocks	Appropriated - statutory reserve	Reserve for treasury stocks	Unappropriated	
Balance as at 1 January 2023	920,878,100	8,785,027,903	656,331,057	-	92,585,000	-	2,335,580,526	12,790,402,586
Profit for the year	-	-	-	-	-	-	1,511,686,287	1,511,686,287
Other comprehensive income for the year	-	-	-	-	-	-	94,781,302	94,781,302
Total comprehensive income for the year	-	-	-	-	-	-	1,606,467,589	1,606,467,589
Dividend paid	27	-	-	-	-	-	(1,381,282,046)	(1,381,282,046)
Balance as at 31 December 2023	920,878,100	8,785,027,903	656,331,057	-	92,585,000	-	2,560,766,069	13,015,588,129
Balance as at 1 January 2024	920,878,100	8,785,027,903	656,331,057	-	92,585,000	-	2,560,766,069	13,015,588,129
Profit for the year	-	-	-	-	-	-	1,771,541,444	1,771,541,444
Other comprehensive income for the year	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	-	1,771,541,444	1,771,541,444
Treasury stocks	19	-	-	-	(477,568,932)	-	477,568,932	(477,568,932)
Dividend paid	27	-	-	-	-	-	(1,378,553,446)	(1,378,553,446)
Balance as at 31 December 2024	920,878,100	8,785,027,903	656,331,057	(477,568,932)	92,585,000	477,568,932	2,476,185,135	12,931,007,195

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

Director

Director

MK Restaurant Group Public Company Limited and its subsidiaries

Cash flow statements

For the year ended 31 December 2024

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Cash flows from operating activities				
Profit before tax	1,725,804,952	1,987,135,187	2,016,647,206	1,779,649,135
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Gain on sales of investments	(121,589,941)	(105,243,550)	(100,399,991)	(87,637,022)
Loss (gain) on revaluation of investments in debt instruments	(29,682,384)	5,270,095	(28,382,983)	6,294,838
Unrealised loss (gain) on exchange	(29,938,786)	6,492,497	(29,938,786)	6,492,497
Share of loss (gain) from investments in joint venture	(7,878,360)	8,846,783	-	-
Loss (gain) on sales of investments in subsidiary and joint venture	-	(9,666,434)	-	11,843,957
Loss on damaged inventories	4,025,932	19,698,889	4,025,932	19,698,889
Amortisation of prepaid expenses	38,126,493	24,779,116	32,824,550	20,295,257
Depreciation and amortisation	1,946,257,208	1,980,480,715	1,374,984,019	1,428,617,598
Loss (gain) on disposals and write-off of equipment, right-of-use assets and intangible assets	(1,956,636)	44,845,615	(18,264,701)	23,576,885
Provision for long-term employee benefits	74,281,516	64,118,491	62,960,047	50,499,632
Realisation of gift voucher, net of sales and cash received during the year	(28,377,187)	(34,376,187)	(20,419,547)	(23,962,949)
Realisation of deferred income, net of sales and cash received during the year	(24,057,530)	(20,553,051)	(15,529,756)	(12,404,866)
Dividend income	-	-	(480,549,829)	-
Interest income	(47,249,344)	(52,576,850)	(46,399,612)	(52,219,082)
Interest expenses	104,352,638	95,119,788	79,308,051	73,502,306
Profit from operating activities before changes in operating assets and liabilities	3,602,118,571	4,014,371,104	2,830,864,600	3,244,247,075

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

Director

Director

MK Restaurant Group Public Company Limited and its subsidiaries

Cash flow statements (continued)

For the year ended 31 December 2024

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Cash flows from operating activities (continued)				
Operating assets (increase) decrease				
Trade and other receivables	(47,669,280)	25,615,337	(46,211,099)	31,068,641
Inventories	19,319,003	3,661,602	13,600,860	3,401,935
Other current assets	(88,889,499)	20,569,858	(69,752,851)	12,712,152
Deposits	(11,728,285)	(12,055,214)	(11,428,727)	(7,258,933)
Operating liabilities increase (decrease)				
Trade and other payables	(261,425,157)	117,301,883	(198,404,667)	98,025,006
Other current liabilities	15,128,751	(27,696,295)	15,128,585	(30,331,153)
Deferred income	24,000,661	24,057,530	16,499,395	15,529,756
Provision for long-term employee benefits	(30,295,368)	(33,203,680)	(27,600,724)	(28,328,512)
Other non-current liabilities	2,244,853	636,436	1,685,230	121,963
Cash from operating activities	3,222,804,250	4,133,258,561	2,524,380,602	3,339,187,930
Cash received from interest income	71,607,730	38,301,651	70,757,998	37,943,883
Cash paid for income tax	(316,893,135)	(305,272,391)	(293,728,203)	(284,304,142)
Net cash from operating activities	2,977,518,845	3,866,287,821	2,301,410,397	3,092,827,671

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

..... Director

..... Director

MK Restaurant Group Public Company Limited and its subsidiaries

Cash flow statements (continued)

For the year ended 31 December 2024

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Cash flows from investing activities				
Decrease (increase) in investments in debt				
instruments and fixed deposits	2,476,594,791	(310,880,642)	2,020,557,792	(214,980,644)
Cash paid for investment in joint venture	(15,964,000)	(39,359,992)	-	-
Cash paid for purchases of property, plant and equipment	(2,282,317,864)	(621,723,773)	(2,135,270,300)	(441,902,061)
Cash paid for intangible assets	(22,148,110)	(9,686,576)	(14,569,683)	(7,167,878)
Proceeds from disposal of equipment and intangible assets	4,160,703	4,297,361	32,293,767	20,476,032
Proceeds from disposal of investment in subsidiary	-	30,478,500	-	30,478,500
Cash received from dividend income	-	-	480,549,829	-
Net cash from (used in) investing activities	160,325,520	(946,875,122)	383,561,405	(613,096,051)
Cash flows from financing activities				
Cash paid to settle liabilities under lease liabilities	(1,397,779,725)	(1,382,027,240)	(991,623,594)	(1,007,600,700)
Dividend paid	(1,378,553,617)	(1,381,282,046)	(1,378,553,447)	(1,381,282,046)
Cash paid for treasury stocks	(477,568,932)	-	(477,568,932)	-
Net cash used in financing activities	(3,253,902,274)	(2,763,309,286)	(2,847,745,973)	(2,388,882,746)
Net increase (decrease) in cash and cash equivalents	(116,057,909)	156,103,413	(162,774,171)	90,848,874
Cash and cash equivalents at beginning of year	786,459,393	630,355,980	561,849,246	471,000,372
Cash and cash equivalents at end of year	670,401,484	786,459,393	399,075,075	561,849,246
(Note 7)				

Supplemental disclosure of cash flows information

Non-cash items

Accounts payable for purchases of plant and equipment	51,850,631	129,422,728	35,761,482	95,067,179
Increase in right-of-use assets	1,102,607,237	1,257,336,844	699,574,407	897,408,453

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

Director

Director

MK Restaurant Group Public Company Limited and its subsidiaries
Notes to financial statements
For the year ended 31 December 2024

1. General information

MK Restaurant Group Public Company Limited ("the Company") was incorporated as a limited company under Thai laws and subsequently registered the change of its status to a public limited company under the Public Limited Companies Act, and domiciled in Thailand. The Company is principally engaged in sales of foods and beverages through restaurants, under the trademark "MK Restaurants". The registered office of the Company is at 1200 Debaratna Road, Bangnatai, Bangna, Bangkok.

As at 31 December 2024, the Group had operated 692 branches (the Company only: 461 branches) (2023: 703 branches, the Company only: 466 branches) which can be separately presented by brand as follows:

Trademarks	Number of branches as at	
	31 December	
	2024	2023
MK Suki	441	448
Yayoi	191	198
Laem Charoen Seafood	40	39
Others	20	18
Total	692	703

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the notes on accounting policies.

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of MK Restaurant Group Public Company Limited (“the Company”) and its subsidiaries (“the subsidiaries”) as follows:

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2024 Percent	2023 Percent
<u>Direct subsidiaries (held by the Company)</u>				
MK Interfood Company Limited	Restaurant	Thailand	100	100
MK Service Training Center Company Limited	Training service provider	Thailand	100	100
International Food Supply Company Limited	Manufacture and distribution of foods	Thailand	100	100
Catapult Company Limited	Invest in food business	Thailand	100	100
<u>Indirect subsidiaries</u>				
Laemcharoen Seafood Company Limited (held by Catapult Company Limited)	Restaurant	Thailand	65	65
LCS International Company Limited (held by Laemcharoen Seafood Company Limited)	Invest in food business	Thailand	100	100
LCS Food Supply Co., Ltd. (held by Laemcharoen Seafood Company Limited)	Manufacture and distribution of foods	Thailand	100	100

b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.

c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.

d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.

e) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.

f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

- g) The excess of the fair value of net assets at the date of the acquisition of the subsidiaries over related cost of investment is accounted as "Goodwill" in the consolidated statement of financial positions.
- 2.3 The separate financial statements present investments in subsidiaries and joint venture under the cost method.

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current year

During the year, the Group has adopted the 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 of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2025

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 2025. 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 of the standards.

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

4. Accounting policies

4.1 Revenue and expense recognition

Sales and service income

These mainly represent revenues from sales of foods and beverages through the restaurants which are recognised upon goods being delivered and services being rendered. Sales and service income are the invoiced value, excluding value added tax, of goods supplied and services rendered after deducting discounts and allowances.

Membership fee

Income from membership cards is recognised on a straight-line basis over the membership period.

Interest income

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

Dividends

Dividends are recognised when the right to receive the dividends is established.

Other income

Other income is recognised on an accrual basis.

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.3 Inventories

Finished goods are valued at the lower of cost (first-in, first-out method) and net realisable value. Cost is defined as all the costs of production including labour cost and attributable factory overheads.

Raw materials and supplies are valued at the lower of cost (first-in, first-out method) and net realisable value, and are charged to production costs whenever consumed.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

4.4 Investments in subsidiaries and joint ventures

Investments in joint ventures are accounted for in the consolidated financial statements using the equity method.

Investments in subsidiaries and joint ventures are accounted for in the separate financial statements using the cost method.

4.5 Property, plant and equipment and depreciation

Land is stated at cost. Plant and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of plant and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Land improvement	5 years
Building	20 years
Leasehold improvement	Lease term
Utility system	10 years
Kitchen utensils and operating equipment	5 years
Machinery and equipment	5 years and 10 years
Furniture, fixtures and office equipment	3 years and 5 years
Motor vehicles	5 years

Depreciation is included in determining income.

No depreciation is provided on land, construction in progress and equipment under installation.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in the income statement when the asset is derecognised.

4.6 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Group's cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Group estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

4.7 Intangible assets

Intangible assets acquired through business combination are initially recognised at their fair value on the date of business acquisition while intangible assets acquired in other cases are recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on the straight-line basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to the income statement.

A summary of intangible assets with finite useful lives is as below.

<u>Useful lives</u>	
Computer software	5 years and 10 years
Trademark	30 years

4.8 Related party transactions

Related parties comprise individuals or enterprises that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

4.9 Leases

The Group as a lessee

At inception of contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

Right-of-use assets are measured at cost, less any accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their costs, on the straight-line basis over the shorter of their estimated useful lives and the lease term.

Right-of-use building space	3 - 15 years
Kitchen utensils and operating equipment	Lease term
Furniture, fixture and office equipment	5 years
Intangible assets	5 years
Leasehold right	Lease term

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

The Group as a lessor

Operating leases

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee. Lease receivables from operating leases is recognised as income in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying assets and recognised as an expense over the lease term on the same basis as the lease income.

4.10 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Group's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

4.11 Impairment of non-financial assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment, right-of-use asset and intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Group could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in the income statement.

4.12 Employee benefits

Short-term benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits and other long-term employee benefits

Defined contribution plans

The Group and their employees have jointly established a provident fund. The fund is monthly contributed by the employees and the Group. The fund's assets are held in a separate trust fund and the Group's contributions are recognised as expenses when incurred.

Defined benefit plans and other long-term employee benefits

The Group has obligations in respect of the severance payments they must make to employees upon retirement under labor law. The Group treat these severance payment obligations as a defined benefit plan. In addition, the Group provides other long-term employee benefit plan, namely long service awards.

The obligation under the defined benefit plan and other long-term employee benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

Actuarial gains and losses arising from other long-term employee benefits are recognised immediately in the income statement.

4.13 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.14 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognises deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group reviews and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.15 Financial instruments

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI), or fair value through profit or loss (FVTPL). The classification of financial assets at initial recognition is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in the income statements when the asset is derecognised, modified or impaired.

Financial assets at FVOCI (debt instruments)

The Group measures financial assets at FVOCI if the financial asset is held to collect contractual cash flows and to sell the financial asset and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the income statements and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to the income statements.

Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in the income statements.

These financial assets include derivatives, security investments held for trading, equity investments which the Group has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Dividends on listed equity investments are recognised as other income in the income statements.

Classification and measurement of financial liabilities

Except for derivative liabilities, at initial recognition the Group's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the income statements when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any discounts or premiums on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the income statements.

Regular way purchases and sales of financial assets

Regular way purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace are recognised on the trade date, i.e., the date on which the Group commits to purchase or sell the asset / the settlement date, i.e., the date on which an asset is delivered.

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Group considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due, and considers a financial asset as credit impaired or default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade receivables the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

ECLs are calculated based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

4.16 Derivatives

The Group uses derivatives, such as forward currency contracts, to hedge its foreign currency risks.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes are recognised in profit or loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivatives are presented as non-current assets or non-current liabilities if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

4.17 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation techniques that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categories of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Leases

Determining the lease term with extension and termination options - The Group as a lessee

In determining the lease term, the management is required to exercise judgement in assessing whether the Group is reasonably certain to exercise the option to extend or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Group to exercise either the extension or termination option.

Estimating the incremental borrowing rate - The Group as a lessee

The Group cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercises judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk (both bank and counterparty), liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the disclosures of fair value hierarchy.

Property, plant and equipment and depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of plant and equipment and to review estimated useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Goodwill and intangible assets

The initial recognition and measurement of goodwill and intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash-generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Post-employment benefits under defined benefit plans and other long-term employee benefits

The obligation under the defined benefit plan and other long-term employee benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

6. Related party transactions

During the years, 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 Group and those related parties.

					(Unit: Million Baht)
	Consolidated		Separate		Transfer pricing policy
	financial statements	2024	financial statements	2024	2023
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Sales of goods	-	-	1,064	1,228	Cost plus margin
Sublease and subservice income	-	-	13	15	At the rate stipulated in the agreements
Management service income	-	-	223	208	At the rate stipulated in the agreements
Dividend income	-	-	481	-	At declared rate
Sales of fixed assets	-	-	30	17	Net book value plus margin
Rental income	-	-	6	6	At the rate stipulated in the agreements
Operation support service income	-	-	36	19	At the rate stipulated in the agreements
Purchases of goods	-	-	219	251	Market price
Training expenses	-	-	112	173	Market price
<u>Transactions with related companies</u>					
Sales of goods	178	4	178	4	Cost plus margin
Sales of fixed assets	-	2	-	2	Net book value plus margin
Royalty fee income	5	11	1	1	At the rate stipulated in the agreements
Management service income	6	6	6	6	At the rate stipulated in the agreements
Operation support service income	7	7	7	7	At the rate stipulated in the agreements
Rental income	9	-	9	-	At the rate stipulated in the agreements
Purchases of fixed assets	1,700	4	1,700	4	Market price
Purchases of goods	30	53	30	53	Market price
Rental expenses for operating equipment	42	42	24	24	Market price
Rental expenses for land and construction	38	42	38	42	At the rate stipulated in the agreement
Logistic expenses	180	178	175	174	At the rate stipulated in the agreement
Service expenses	-	148	-	113	Contractually agree prices
Warehousing service expenses	164	167	163	166	At the rate stipulated in the agreement
Import and export services	1	-	1	-	Contractually agree prices

As at 31 December 2024 and 2023, the balances of the accounts between the Company and its subsidiaries and those related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
Trade and other receivables - related parties (Note 8)				
Subsidiaries	-	-	135,685	139,739
Joint ventures	4,229	1,809	3,385	1,804
Related companies (related by common directors)	45,832	2,434	46,082	1,646
Total trade and other receivables - related parties	<u>50,061</u>	<u>4,243</u>	<u>185,152</u>	<u>143,189</u>
Trade and other payable - related parties (Note 16)				
Subsidiaries	-	-	24,430	27,789
Joint ventures	33,524	34,229	32,925	33,699
Related companies (related by common directors)	11,611	12,286	9,945	9,940
Total trade and other payable - related parties	<u>45,135</u>	<u>46,515</u>	<u>67,300</u>	<u>71,428</u>

Significant agreements with related parties

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

During the year 2023, 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.

Management service agreements

The Company entered into management service agreements with its subsidiaries, whereby the Company agreed to provide management service to the subsidiaries in areas of branch operations, business development, engineering, procurement, marketing, accounting and finance, human resources, quality assurance and information technology support. The subsidiaries agreed to pay management fee to the Company the rate stipulated in the agreements. The agreements shall continue for a term of 1 year, and thereafter shall be automatically extended for another 1 year until the subsidiaries give a written notice of termination 3 months prior to its expiration.

Sublease and subservice agreements

The Company entered into several sublease and subservice agreements, granting the leasehold right to the subsidiaries. Sublease and subservice fees are charged according to the terms of the agreements. The agreements are effective for a period of 3 years and will be renewed automatically for another 3 years unless the subsidiaries have breached them.

Land and building lease agreement

International Food Supply Co., Ltd.

The Company entered into a lease agreement for lease of building to International Food Supply Co., Ltd. (“IFS”), under which IFS agrees to pay rental to the Company at a rate stipulated in the agreement. The lease agreement is for a period of 3 years, from 1 May 2022 to 30 April 2025.

M-Senko Logistics Company Limited

The Company entered into a lease agreement for lease of building to M-Senko Logistics Company Limited (“M-Senko”), under which M-Senko agrees to pay rental to the Company at a rate stipulated in the agreement. The lease agreement is for a period of 1 year, from 1 September 2024 to 31 August 2025.

The Company entered into a lease agreement for lease of land to M-Senko Logistics Company Limited (“M-Senko”), under which M-Senko agrees to pay rental to the Company at a rate stipulated in the agreement. The lease agreement is for a period from 5 July 2024 to 30 June 2033.

Land and construction lease thereon agreement

Global Asset Development Co., Ltd.

The Company and Global Asset Development Co., Ltd. entered into a lease agreement, whereby the latter agrees to lease land and construction thereon to the Company and the Company agrees to pay the rental to Global Asset Development Co., Ltd. at a rate stipulated in the agreement. This agreement will be effective until 31 December 2026.

Land and distribution center building lease agreement

The Company and Global Asset Development Co., Ltd. entered into a lease agreement, whereby the latter agrees to lease Land and distribution center building to the Company and the Company agrees to pay the rental to Global Asset Development Co., Ltd. at a rate stipulated in the agreement. This agreement will be effective until 31 October 2033.

Subsequently, 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, this rental agreement between the Company and this related company was terminated.

Operation support service agreement

The Company entered into operation support service agreement with M-Senko Logistics Company Limited ("M-Senko"), whereby the Company agreed to provide management service to M-Senko in areas of procurement, accounting and finance, human resources and information technology support. M-Senko agreed to pay management fee to the Company and at a rate stipulated in the agreement. This agreement is effective from 1 January 2024 to 31 December 2024 and the Company has extended this service agreement until 31 December 2025.

The Company entered into operation support service agreement with M-Senko Logistics Company Limited ("M-Senko"), whereby the Company agreed to provide service of utilities and truck repair and maintenance to M-Senko. M-Senko agreed to pay service fee to the Company at a rate stipulated in the agreement. This agreement is effective from 1 January 2024 to 31 December 2024 and the Company has extended this service agreement until 31 December 2025.

The Company entered into operation support service agreement with Laemcharoen Seafood Company Limited ("LCS"), whereby the Company agreed to provide call-center service and delivery to LCS. LCS agreed to pay service fee to the Company at a rate stipulated in the agreement. This agreement is effective from 1 January 2024 to 31 December 2024 and the Company has extended this service agreement until 31 December 2025.

Warehousing and logistics service agreement

The Company entered into a warehousing and logistics service agreement with M-Senko Logistics Company Limited (“M-Senko”), whereby the latter agrees to provide the service for the warehousing and logistics to the Company and the Company agrees to pay the service fee at the rate stipulated in the agreement. The agreement is expired on 30 June 2025.

Directors and management's benefits

During the years ended 31 December 2024 and 2023, the Group had employee benefit expenses payable to their directors and management as below.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Short-term employee benefits	201	193	187	173
Post-employment benefits	5	6	5	5
Total	<u>206</u>	<u>199</u>	<u>192</u>	<u>178</u>

During the year 2024, the Company has paid post-employment benefits to its directors and management amount of Baht 8 million. (2023: the Company has no paid post-employment benefits to its directors and management).

7. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Cash	69,905	110,729	52,191	87,476
Bank deposits	600,496	675,730	346,884	474,373
Total	<u>670,401</u>	<u>786,459</u>	<u>399,075</u>	<u>561,849</u>

As at 31 December 2024, bank deposits in savings accounts carried interests between 0.02 and 0.40 percent per annum (2023: 0.05 and 0.125 percent per annum).

8. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
<u>Trade accounts receivable - related parties</u>				
Aged on the basis of due dates				
Not yet due	46,291	1,508	148,701	115,909
Total trade accounts receivable - related parties	46,291	1,508	148,701	115,909
<u>Trade accounts receivable - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	16,473	28,335	9,093	18,187
Total trade accounts receivable - unrelated parties	16,473	28,335	9,093	18,187
Total trade accounts receivable	62,764	29,843	157,794	134,096
<u>Other receivables</u>				
Other receivables - related parties	3,770	2,735	36,451	27,280
Advances	10,325	8,463	6,922	6,161
Accrued interest receivable	7,355	31,713	7,355	31,713
Others	48,678	36,828	40,584	28,003
Total other receivables	70,128	79,739	91,312	93,157
Total trade and other receivables	132,892	109,582	249,106	227,253

9. Inventories

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Finished goods	236,898	265,497	205,670	229,283
Raw materials	43,513	50,585	39,713	45,606
Supplies	87,109	74,783	82,381	70,502
Total	367,520	390,865	327,764	345,391

10. Other financial assets

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
<u>Debt instruments at amortised cost</u>				
Fixed deposits	1	1	1	1
<u>Other financial assets at FVTPL</u>				
Investments in debt instruments	6,774,083	9,060,465	5,971,303	7,824,137
Derivatives-forward exchange contracts	-	9,002	-	9,002
Total other financial assets at FVTPL	6,774,083	9,069,467	5,971,303	7,833,139
Total other financial assets	6,774,084	9,069,468	5,971,304	7,833,140
Consisted of:				
Current	5,779,061	7,078,151	4,976,281	5,841,823
Non-current	995,023	1,991,317	995,023	1,991,317

During the year the Group has gain on sale of investment of Baht 122 million (the Company only: Baht 100 million) (2023: Baht 105 million (the Company only: Baht 88 million)) which were recognised as other income in income statements.

11. Investments in subsidiaries

11.1 Details of investments in subsidiaries as presented in the separate financial statements are as follows:

Company's name	Shareholding				Dividends income				(Unit: Thousand Baht)	
	Paid-up capital		percentage		Cost		for the year		2024	2023
	2024	2023	2024	2023	2024	2023	2024	2023		
MK Interfood Company Limited	400,000	400,000	100	100	299,050	299,050	350,000	-		
MK Service Training Center Company Limited	35,000	35,000	100	100	52,430	52,430	50,750	-		
International Food Supply Company Limited	280,000	280,000	100	100	280,000	280,000	79,800	-		
Catapult Company Limited	2,070,000	2,070,000	100	100	2,070,000	2,070,000	-	-		
Total					2,701,480	2,701,480	480,550	-	-	-

11.1.1 During the year 2023, 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. 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.

On 15 November 2023, the Extraordinary General Meeting of shareholders of the LCS Food Supply Co., Ltd. passed a resolution to increase the registered share capital by Baht 50.0 million (5.0 million ordinary shares of Baht 10 each) from Baht 31.098 million (3.1098 million ordinary shares of Baht 10 each) to Baht 81.098 million (8.1098 million ordinary shares of Baht 10 each). This subsidiary registered the share capital increase with the Ministry of Commerce on 17 November 2023.

11.1.2 During the year 2024, 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. Currently, this subsidiary is in the process of constructing a production plant.

11.2 Details of investments in subsidiary that have material non-controlling interests

Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Profit allocated to non-controlling interests during the year	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	(Percent)	(Percent)				
Investment of						
Catapult Company Limited ("the subsidiary")						
Laemcharoen Seafood Company Limited and subsidiaries	35	35	371,000	350,967	19,857	25,287

11.3 Summarised financial information that based on amounts before inter-company elimination about subsidiary that have material non-controlling interests

Summarised information about financial position

	(Unit: Thousand Baht)	
	<u>2024</u>	<u>2023</u>
Current assets	350,566	280,751
Non-current assets	570,330	447,098
Current liabilities	107,396	116,067
Non-current liabilities	29,621	26,622

Summarised information about comprehensive income

	(Unit: Thousand Baht)	
	<u>2024</u>	<u>2023</u>
Revenue	1,059,137	1,015,161
Profit	56,735	72,248
Other comprehensive income	-	-
Total comprehensive income	56,735	72,248

12. Investments in joint ventures

12.1 Details of investments in joint ventures

Investments in joint ventures represent investments in entities which are jointly controlled by the Company and other companies. Details of these investments are as follows:

Joint venture	Nature of business	Country of incorporation	Paid-up capital	Shareholding percentage		Carrying amount based on equity method		Cost		(Unit: Thousand Baht)
				2024	2023	2024	2023	2024	2023	
				(Percent)	(Percent)					
M-Senko Logistics Co., Ltd.	Warehousing and logistic services	Thailand	Baht 1,750 million	49.75	49.75	830,447	814,932	870,625	870,625	
MT Restaurant Sdn Bhd.	Restaurant	Malaysia	MYR 14 million	50.00	50.00	42,127	33,297	-	-	
Total						872,574	848,229	870,625	870,625	

.....Director

.....Director

12.1.1 During the year 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.

12.1.2 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).

12.1.3 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.

12.2 Share of profit (loss)

During the years, share of gain (loss) from investments in joint ventures in the consolidated financial statements was as follows:

Joint ventures	(Unit: Thousand Baht)	
	2024	2023
Plenus and MK Pte Ltd.	-	(3,110)
M-Senko Logistics Co., Ltd.	15,515	461
MT Restaurant Sdn Bhd.	(7,637)	(6,198)
	<u>7,878</u>	<u>(8,847)</u>

12.3 Summarised financial information about joint ventures

Summarised information about financial position

(Unit: Thousand Baht)

	As at 31 December					
	M-Senko		Plenus and MK Pte Ltd.		MT Restaurant Sdn	
	Logistics Co., Ltd.		Bhd.		Bhd.	
	2024	2023	2024	2023	2024	2023
Current assets	604,257	482,611	-	-	33,569	24,230
Non-current assets	1,164,361	1,255,499	-	-	59,840	49,310
Total assets	1,768,618	1,738,110	-	-	93,409	73,540
Current liabilities	55,478	59,235	-	-	13,245	11,131
Non-current liabilities	43,900	40,821	-	-	1,142	371
Total liabilities	99,378	100,056	-	-	14,387	11,502
Net assets	1,669,240	1,638,054	-	-	79,022	62,038
Shareholding percentage (%)	49.75	49.75	-	-	50.00	50.00
Share of net assets	830,447	814,932	-	-	39,511	31,019
Carrying amounts of joint ventures based on equity method	830,447	814,932	-	-	39,511	31,019

Summarised information about comprehensive income

(Unit: Thousand Baht)

	For the year ended 31 December					
	M-Senko		Plenus and MK		MT Restaurant Sdn	
	Logistics Co., Ltd.		Pte Ltd.		Bhd.	
	2024	2023	2024	2023	2024	2023
Revenue	530,502	534,333	-	134,580	109,562	27,719
Other income	11,580	8,087	-	2,990	11,139	3,484
Cost of sales and services	(488,562)	(510,983)	-	(31,217)	(43,319)	(12,909)
Selling and administrative expenses	(22,334)	(30,510)	-	(112,572)	(92,658)	(30,690)
Profit (loss) for the year	31,186	927	-	(6,219)	(15,276)	(12,396)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	31,186	927	-	(6,219)	(15,276)	(12,396)
Shareholding percentage (%)	49.75	49.75	-	50.00	50.00	50.00
Comprehensive income as shareholding percentage	15,515	461	-	(3,110)	(7,637)	(6,198)
Share of profit (loss) from investments in joint ventures	15,515	461	-	(3,110)	(7,637)	(6,198)

.....Director

.....Director

13. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements												
	Land			Leasehold			Kitchen			Furniture, fixtures and		Construction in progress and equipment under	
	Land	improvement	Building	improvement	Utility	systems	utensils and operating	Machinery and equipment	office equipment	Motor vehicles	installation	Total	
Cost													
31 December 2022	313,587	22,437	506,114	2,797,815	2,563,125	2,071,715	282,983	3,253,478	53,192	48,921	11,913,367		
Additions	29,979	-	675	16,719	15,919	101,635	14,600	67,562	1,100	436,918	685,107		
Transfers in (out)	-	-	-	136,535	125,197	11,827	-	57,492	-	(320,159)	10,892		
Disposals/write-off	-	-	-	(109,562)	(98,669)	(49,869)	(1,239)	(140,620)	-	(6,583)	(406,542)		
31 December 2023	343,566	22,437	506,789	2,841,507	2,605,572	2,135,308	296,344	3,237,912	54,292	159,097	12,202,824		
Additions	1,708,470	-	710	13,142	25,709	115,597	5,878	96,163	27	244,325	2,210,021		
Transfers in (out)	-	-	14,610	75,721	78,077	2,564	54,015	51,353	-	(276,341)	(1)		
Disposals/write-off	-	-	(1,493)	(97,848)	(73,472)	(48,398)	(4,872)	(149,659)	(1,080)	(14,308)	(391,130)		
31 December 2024	2,052,036	22,437	520,616	2,832,522	2,635,886	2,205,071	351,365	3,235,769	53,239	112,773	14,021,714		
Accumulated depreciation													
31 December 2022	-	22,370	397,309	1,658,255	2,083,671	1,835,416	191,721	2,826,903	52,767	-	9,068,412		
Depreciation for the year	-	25	10,794	159,843	154,355	104,000	23,562	161,625	465	-	614,669		
Depreciation on disposals/write-off	-	-	-	(91,433)	(91,369)	(46,869)	(1,239)	(145,750)	-	-	(376,660)		
31 December 2023	-	22,395	408,103	1,726,665	2,146,657	1,892,547	214,044	2,842,778	53,232	-	9,306,421		
Depreciation for the year	-	16	10,881	151,925	107,927	93,948	31,912	164,621	353	-	561,583		
Depreciation on disposals/write-off	-	-	(658)	(74,811)	(64,916)	(46,017)	(4,490)	(161,720)	(1,080)	-	(353,692)		
31 December 2024	-	22,411	418,326	1,803,779	2,189,668	1,940,478	241,466	2,845,679	52,505	-	9,514,312		

..... Director

..... Director

(Unit: Thousand Baht)

Consolidated financial statements(cont.)

	Kitchen utensils and fixtures and office equipment										Construction in progress and equipment under installation	
	Land	Land improvement	Building	Leasehold improvement	Utility systems	operating equipment	Machinery and equipment	office equipment	Motor vehicles		Total	
Allowance for impairment loss												
31 December 2022	-	-	-	-	-	98,112	-	-	-	-	98,112	
31 December 2023	-	-	-	-	-	98,112	-	-	-	-	98,112	
31 December 2024	-	-	-	-	-	98,112	-	-	-	-	98,112	
Net book value												
31 December 2023	343,566	42	98,686	1,114,842	458,915	144,649	82,300	395,134	1,060	159,097	2,798,291	
31 December 2024	2,052,036	26	102,290	1,028,743	446,218	166,481	109,899	390,090	734	112,773	4,409,290	
Depreciation for the year												
2023 (Baht 112 million included in producing cost, and the balance in selling and administrative expenses)												614,669
2024 (Baht 94.0 million included in producing cost, and the balance in selling and administrative expenses)												561,583

..... Director

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(Unit: Thousand Baht)

	Separate financial statements										
	Land		Leasehold		Kitchen		Furniture,		Construction in		
	Land	improvement	Building	improvement	Utility	utensils and	fixtures and	progress and			
Cost											
31 December 2022	303,337	22,437	458,265	2,320,045	2,060,478	1,369,438	200,100	2,687,884	52,499	51,617	9,526,100
Additions	-	-	675	15,256	13,261	76,408	14,198	56,199	1,100	317,050	494,147
Transfers in (out)	-	-	-	109,551	79,423	3,047	-	40,750	-	(232,879)	(108)
Disposals/write-off	-	-	-	(85,057)	(72,876)	(49,810)	(1,239)	(126,858)	-	(6,583)	(342,423)
31 December 2023	303,337	22,437	458,940	2,359,795	2,080,286	1,399,083	213,059	2,657,975	53,599	129,205	9,677,716
Additions	1,708,470	-	710	10,707	21,163	73,785	4,526	85,295	27	171,282	2,075,965
Transfers in (out)	-	-	32	57,268	47,741	(314)	54,015	34,911	-	(193,654)	(1)
Disposals/write-off	-	-	-	(72,359)	(49,086)	(48,305)	(4,873)	(140,371)	(1,080)	(14,308)	(330,382)
31 December 2024	2,011,807	22,437	459,682	2,355,411	2,100,104	1,424,249	266,727	2,637,810	52,546	92,525	11,423,298
Accumulated depreciation											
31 December 2022	-	22,370	367,363	1,391,866	1,724,527	1,236,139	150,213	2,348,201	51,949	-	7,292,628
Depreciation for the year	-	25	8,402	120,166	113,908	60,290	15,350	121,332	465	-	439,938
Depreciation on											
disposals/write-off	-	-	-	(72,887)	(68,822)	(37,146)	(1,239)	(126,250)	-	-	(306,344)
31 December 2023	-	22,395	375,765	1,439,145	1,769,613	1,259,283	164,324	2,343,283	52,414	-	7,426,222
Depreciation for the year	-	16	8,435	117,147	72,489	52,897	23,549	128,066	353	-	402,952
Depreciation on											
disposals/write-off	-	-	-	(58,240)	(47,130)	(32,426)	(4,490)	(139,719)	(1,080)	-	(283,085)
31 December 2024	-	22,411	384,200	1,498,052	1,794,972	1,279,754	183,383	2,331,630	51,687	-	7,546,089

.....Director

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(Unit: Thousand Baht)

Separate financial statements(cont.)

	Kitchen utensils and operating equipment										Furniture, fixtures and office equipment		Construction in progress and equipment under installation	
	Land improvement		Building		Leasehold improvement		Utility systems				Motor vehicles			
	Land	improvement	Building	Leasehold improvement	Utility systems	operating equipment	Machinery and equipment	office equipment	Motor vehicles	Construction in progress and equipment under installation	Total			
Allowance for impairment loss														
31 December 2022	-	-	-	-	-	79,597	-	-	-	-	-	-	79,597	
31 December 2023	-	-	-	-	-	79,597	-	-	-	-	-	-	79,597	
31 December 2024	-	-	-	-	-	79,597	-	-	-	-	-	-	79,597	
Net book value														
31 December 2023	<u>303,337</u>	<u>42</u>	<u>83,175</u>	<u>920,650</u>	<u>310,673</u>	<u>60,203</u>	<u>48,735</u>	<u>314,692</u>	<u>1,185</u>	<u>129,205</u>	<u>2,171,897</u>			
31 December 2024	<u>2,011,807</u>	<u>26</u>	<u>75,482</u>	<u>857,359</u>	<u>305,132</u>	<u>64,898</u>	<u>83,344</u>	<u>306,180</u>	<u>859</u>	<u>92,525</u>	<u>3,797,612</u>			
Depreciation for the year														
	2023 (Baht 96.0 million included in producing cost, and the balance in selling and administrative expenses)												<u>439,938</u>	
	2024 (Baht 78.0 million included in producing cost, and the balance in selling and administrative expenses)												<u>402,950</u>	

As at 31 December 2024 and 2023, certain equipment items of the Group have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets amounted to approximately Baht 7,221 million and Baht 6,301 million, respectively (the Company only: Baht 5,884 million and Baht 5,178 million, respectively).

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14. Goodwill

Goodwill arising from the acquisition of indirect interest in Laemcharoen Seafood Company Limited; which has been invested by Catapult Company Limited ("a subsidiary"), are Baht 1,478 million. The Group has reviewed for impairment of goodwill annually.

The Group has determined recoverable amounts of its cash generating units (CGUs) based on value in use calculation using cash flow projections from financial budgets approved by the management covering a five-year period.

Key assumptions used in value in use calculations summarise as follows:

	(Unit: Percent per annum)	
	<u>2024</u>	<u>2023</u>
Long-term revenue growth rate	3.0	1.8
Discount rate	11.0	10.5

The management has considered the growth rate from policy, business plan, expected overall market growth rate, and discount rate which are the rates before income tax which relate to the specific risk in that operating segment.

The management has considered and believed that no impairment was required for goodwill.

15. Intangible assets

Details of intangible assets which are as follows:

	Consolidated financial statements			Separate financial statements	
	Computer software	Trademark	Total	Computer software	Total
Cost					
31 December 2022	261,946	857,310	1,119,256	241,511	241,511
Additions	9,686	-	9,686	7,168	7,168
Write-off	(22)	-	(22)	(3)	(3)
31 December 2023	271,610	857,310	1,128,920	248,676	248,676
Additions	22,147	-	22,147	14,570	14,570
Write-off	(33,294)	-	(33,294)	(33,276)	(33,276)
31 December 2024	260,463	857,310	1,117,773	229,970	229,970
Accumulated amortisation					
31 December 2022	186,253	88,112	274,365	175,552	175,552
Amortisation for the year	18,605	28,577	47,182	16,658	16,658
Amortisation on write-off	(20)	-	(20)	(1)	(1)
31 December 2023	204,838	116,689	321,527	192,209	192,209
Amortisation for the year	18,251	28,577	46,828	15,753	15,753
Amortisation on write-off	(33,294)	-	(33,294)	(33,276)	(33,276)
31 December 2024	189,795	145,266	335,061	174,686	174,686
Net book value					
31 December 2023	66,772	740,621	807,393	56,467	56,467
31 December 2024	70,668	712,044	782,712	55,284	55,284
Amortisation for the year					
2023	18,605	28,577	47,182	16,658	16,658
2024	18,251	28,577	46,828	15,753	15,753

16. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Trade accounts payable -				
related party	3,299	3,715	25,115	26,337
Trade accounts payable -				
unrelated parties	343,097	399,474	316,502	370,487
Other payables - related parties	41,836	42,800	42,185	45,091
Other payables - unrelated parties	94,244	100,608	78,356	79,994
Accounts payable for purchases				
of plant and equipment	51,851	129,423	35,762	95,067
Accrued expenses	740,240	935,429	579,033	715,341
Others	<u>32,555</u>	<u>34,670</u>	<u>24,040</u>	<u>26,386</u>
Total	<u>1,307,122</u>	<u>1,646,119</u>	<u>1,100,993</u>	<u>1,358,703</u>

17. Liabilities under lease agreements

17.1 The Group as a lessee

The Group has lease contracts for various items of property, plant, and equipment used in its operations. Leases generally have lease terms between 3 and 20 years.

a) Right-of-use assets

Movements of right-of-use assets for the years ended 31 December 2024 and 2023 are summarised below:

	(Unit: Thousand Baht)				
	Consolidated financial statements				
	Right-of-use building space	Kitchen utensils and operating equipment	Furniture, fixture and office equipment	Intangible assets	Leasehold right
1 January 2023	2,918,715	167,555	7,469	7,994	108,469
Additions	1,342,312	11,068	-	-	-
Write-off	(82,410)	(12,371)	-	-	(1,262)
Depreciation for the year	<u>(1,252,049)</u>	<u>(37,442)</u>	<u>(4,893)</u>	<u>(5,239)</u>	<u>(19,007)</u>
31 December 2023	2,926,568	128,810	2,575	2,756	88,200
Additions	1,320,030	6,035	-	-	-
Write-off	(221,797)	(895)	-	-	(767)
Depreciation for the year	<u>(1,262,749)</u>	<u>(51,975)</u>	<u>(2,575)</u>	<u>(2,756)</u>	<u>(17,791)</u>
31 December 2024	2,762,052	81,975	-	-	69,642

(Unit: Thousand Baht)

	Separate financial statements					
	Right-of-use building space	Kitchen utensils and operating equipment	Furniture, fixture and office equipment	Intangible assets	Leasehold right	
1 January 2023	2,237,197	116,012	7,469	7,994	100,964	2,469,636
Additions	971,111	3,712	-	-	-	974,823
Write-off	(76,153)	-	-	-	(1,261)	(77,414)
Depreciation for the year	(909,796)	(33,999)	(4,894)	(5,238)	(18,096)	(972,023)
31 December 2023	2,222,359	85,725	2,575	2,756	81,607	2,395,022
Additions	889,656	5,214	-	-	-	894,870
Write-off	(194,528)	-	-	-	(767)	(195,295)
Depreciation for the year	(898,225)	(35,798)	(2,575)	(2,756)	(16,925)	(956,279)
31 December 2024	2,019,262	55,141	-	-	63,915	2,138,318

b) Lease liabilities

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Lease payments	3,084,146	3,322,884	2,269,162	2,542,719
Less: Deferred interest expenses	(218,277)	(238,080)	(164,709)	(193,030)
Total	2,865,869	3,084,804	2,104,453	2,349,689
Less: Portion due within one year	(1,029,588)	(1,076,871)	(733,453)	(777,820)
Lease liabilities - net of current portion	<u>1,836,281</u>	<u>2,007,933</u>	<u>1,371,000</u>	<u>1,571,869</u>

A maturity analysis of lease payments is disclosed in Note 30.1 under the liquidity risk.

Movements of the lease liability account during the years ended 31 December 2024 and 2023 are summarised below:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Balance at beginning of year	3,084,804	3,094,358	2,349,689	2,376,111
Add: Additions during the period	1,326,686	1,346,743	891,910	971,572
Accretion of interest	101,134	92,017	77,104	71,345
Less: Payments during the period	(1,397,780)	(1,382,027)	(991,624)	(1,007,601)
Decrease from cancellation of lease agreements	(248,975)	(66,287)	(222,626)	(61,738)
Balance at end of year	<u>2,865,869</u>	<u>3,084,804</u>	<u>2,104,453</u>	<u>2,349,689</u>

c) Expenses relating to leases that are recognised in profit or loss

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Depreciation expense of right-of-use assets	1,338,353	1,318,630	956,278	972,023
Interest expense on lease liabilities	101,134	92,017	77,104	71,345
Expense relating to leases of low-value assets	55,074	55,882	37,558	38,123
Expense relating to variable lease payments that do not depend on an index or a rate	140,890	147,066	116,984	102,777

The Group has lease contracts for building space that contains variable payments based on sales. The lease term is 1 - 3 years.

d) Others

The Group had total cash outflows for leases for the year ended 31 December 2024 of Baht 1,594 million (2023: Baht 1,585 million) (the Company only: Baht 1,146 million, 2023: Baht 1,149 million), including the cash outflow related to short-term lease, leases of low-value assets and variable lease payments that do not depend on an index or a rate.

17.2 The Group as a lessor

The Group has entered into operating leases for buildings with lease terms ranging between 1 and 6 years.

The Group has future minimum rentals receivable under non-cancellable operating leases as at 31 December 2024 and 2023 as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	2024	2023
Within 1 year	17,164	978	19,104	6,797
Over 1 and up to 5 years	74,380	-	74,380	7,758
Over 5 years	77,241	-	77,241	-
Total	<u>168,785</u>	<u>978</u>	<u>170,725</u>	<u>14,555</u>

18. Provision for long-term employee benefits

18.1 Defined contribution plans

The Group and their permanent employees have jointly registered a provident fund scheme under Provident Fund Act B.E. 2530. Such fund is monthly contributed by both the employees and the Group by using the percentage of the employees' basic salaries. The fund, which is managed by TISCO Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the year 2024, the contributions of the Group amounting to Baht 33.2 million (2023: Baht 29.6 million) and of the Company amounting to Baht 27.8 million (2023: Baht 24.8 million) were recognised as expenses.

18.2 Defined benefit plans and other long-term employee benefits

(Unit: Thousand Baht)

Consolidated financial statements			
	Employee retirement benefits	Other long-term employee benefits	Total
As at 1 January 2023	748,805	61,826	810,631
Included in profit or loss:			
Current service cost	54,522	6,089	60,611
Interest cost	12,754	817	13,571
Actuarial loss (gain)			
Financial assumptions changes	-	(4,283)	(4,283)
Experience adjustments	-	(5,781)	(5,781)
Included in other comprehensive income:			
Actuarial loss (gain)			
Financial assumptions changes	(150,855)	-	(150,855)
Experience adjustments	7,507	-	7,507
Benefits paid during the year	(20,043)	(13,160)	(33,203)
As at 31 December 2023	652,690	45,508	698,198
Included in profit or loss:			
Current service cost	46,071	5,208	51,279
Interest cost	21,589	1,413	23,002
Benefits paid during the year	(24,075)	(6,220)	(30,295)
As at 31 December 2024	696,275	45,909	742,184

(Unit: Thousand Baht)

	Separate financial statements		
	Employee	Other long-term	Total
	retirement benefits	employee benefits	
As at 1 January 2023	652,975	52,227	705,202
Included in profit or loss:			
Current service cost	42,749	4,842	47,591
Interest cost	11,127	684	11,811
Actuarial loss (gain)			
Financial assumptions changes	-	(3,582)	(3,582)
Experience adjustments	-	(5,320)	(5,320)
Included in other comprehensive income:			
Actuarial loss (gain)			
Financial assumptions changes	(124,512)	-	(124,512)
Experience adjustments	6,036	-	6,036
Transfer-out	(2,574)	(165)	(2,739)
Benefits paid during the year	(17,029)	(11,300)	(28,329)
As at 31 December 2023	568,772	37,386	606,158
Included in profit or loss:			
Current service cost	38,930	4,098	43,028
Interest cost	18,772	1,160	19,932
Benefits paid during the year	(22,511)	(5,090)	(27,601)
As at 31 December 2024	<u>603,963</u>	<u>37,554</u>	<u>641,517</u>

The Group expects to pay Baht 17.5 million for long-term employee benefits during the next year (separate financial statements: Baht 15.2 million) (2023: Baht 25.6 million, separate financial statements: Baht 23.2 million).

As at 31 December 2024, the weighted average duration of the liabilities for long-term employee benefits of the Group is 11 years (Separate financial statements: 11 years) (2023: 11 years, separate financial statements: 11 years).

Significant actuarial assumptions are summarised below.

(Unit: % per annum)

Consolidated financial statements/ Separate financial statements

	<u>2024</u>	<u>2023</u>
Discount rate	3.4	3.4
Future salary increase rate (depending on age of employees)	4.0 - 5.5	4.0 - 5.5

The results of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2024 and 2023 are summarised below.

31 December 2024

(Unit: Million Baht)

Consolidated financial statements

	Future salary increase rate			
	Discount rate		increase rate	
	Increase	Decrease	Increase	Decrease
	1%	1%	1%	1%
Employee retirement benefits	(73.3)	86.0	84.4	(73.4)
Other long-term employee benefits	(2.1)	2.4	-	-

(Unit: Million Baht)

Separate financial statements

	Future salary increase rate			
	Discount rate		increase rate	
	Increase	Decrease	Increase	Decrease
	1%	1%	1%	1%
Employee retirement benefits	(63.1)	74.0	72.6	(63.2)
Other long-term employee benefits	(1.8)	2.0	-	-

31 December 2023

(Unit: Million Baht)

	Consolidated financial statements			
	Discount rate		Future salary increase rate	
	Increase	Decrease	Increase	Decrease
	1%	1%	1%	1%
Employee retirement benefits	(68.0)	79.8	78.3	(68.2)
Other long-term employee benefits	(2.2)	2.4	-	-

	Separate financial statements			
	Discount rate		Future salary increase rate	
	Increase	Decrease	Increase	Decrease
	1%	1%	1%	1%
Employee retirement benefits	(58.8)	68.9	67.7	(58.9)
Other long-term employee benefits	(1.8)	2.0	-	-

19. 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 31 December 2024, the Company had an outstanding treasury stocks of 17.25 million shares in the account with an average cost of Baht 27.69 per share. The total cost was Baht 477.57 million. The treasury stocks of 17.25 million shares have a par value of Baht 1.00 per share, with Baht 477.57 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.

20. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

21. Finance income

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Interest income on bank deposits	11,645	6,924	10,800	6,567
Interest received from investment in debt instruments at FVTPL	35,557	45,645	35,557	45,638
Other	47	15	43	14
Total	47,249	52,584	46,400	52,219

22. Finance cost

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Interest expenses on provision for decommissioning	3,219	3,103	2,205	2,157
Interest expenses on lease liabilities	101,134	92,017	77,104	71,345
Total	104,353	95,120	79,309	73,502

23. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Salaries, wages and other employee benefits	4,744,007	4,985,783	3,648,983	3,803,902
Raw materials and consumables used	2,734,907	3,242,029	2,470,096	2,910,149
Rental and service expenses from operating lease agreements	1,153,269	1,075,835	535,679	497,758
Depreciation of plant and equipment and amortisation of intangible assets	608,279	661,851	418,575	456,596
Depreciation of right-of-use assets	1,337,846	1,318,630	956,279	972,023
Utilities expenses	701,968	780,881	510,845	587,013
Advertising expenses	275,562	229,968	192,856	164,290
Logistic expenses	183,311	181,333	178,046	176,531
Repair and maintenance expenses	250,416	267,096	197,362	202,418
Training expenses	4,864	11,558	115,799	178,133
Travelling expenses	35,513	35,302	23,788	20,884
Changes in finished goods	28,208	20,513	23,614	22,551

24. Income tax

24.1 Income tax expenses for the years ended 31 December 2024 and 2023 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Current income tax:				
Current income tax charge	267,127	309,672	247,778	287,754
Adjustment in respect of income tax of previous year	(3,696)	(3,509)	(3,768)	(3,482)
Deferred tax:				
Relating to origination and reversal of temporary differences	948	(26,259)	1,096	(16,309)
Income tax reported in the income statements	<u>264,379</u>	<u>279,904</u>	<u>245,106</u>	<u>267,963</u>

The reconciliation between accounting profit and income tax expenses for the years ended 31 December 2024 and 2023 is presented below.

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Accounting profit before tax	<u>1,725,805</u>	<u>1,987,135</u>	<u>2,016,647</u>	<u>1,779,649</u>
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	345,161	397,427	403,329	355,930
Adjustment in respect of income tax of previous year	(3,696)	(3,509)	(3,768)	(3,482)
Effects of:				
Income not subject to tax	(23,779)	(20,684)	(115,651)	(17,584)
Reversal of allowance for impairment loss in investment in joint venture	-	(21,377)	-	(21,377)
Promotional privileges (Note 24.2)	(4,100)	(4,445)	(3,293)	(1,310)
Non-deductible expenses	2,922	2,554	2,456	2,306
Unrecognised tax losses of subsidiaries	31	44	-	-
Additional expense deductions allowed	(52,160)	(70,106)	(37,967)	(46,520)
Total	<u>(77,086)</u>	<u>(114,014)</u>	<u>(154,455)</u>	<u>(84,485)</u>
Income tax reported in the income statements	<u>264,379</u>	<u>279,904</u>	<u>245,106</u>	<u>267,963</u>

The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

	Statements of financial position as at 31 December			
	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
Deferred tax assets				
Allowance for impairment of assets	19,622	19,622	15,919	15,919
Provision for long-term employee benefits	143,381	134,583	128,090	121,018
Lease	43,961	47,309	34,700	37,399
Unused tax losses	25,533	32,239	-	-
Others	3,034	7,404	1,556	1,997
Total	235,531	241,157	180,265	176,333
Deferred tax liabilities				
Intangible assets	142,409	148,124	-	-
Unrealised gain on changes in value of investments in debt in instruments	9,059	6,222	7,912	1,084
Derivative contract receivable	-	1,800	-	1,800
Total	151,468	156,146	7,912	2,884
Net deferred tax assets	84,063	85,011	172,353	173,449

As at 31 December 2024 and 2023, the above deferred tax assets and liabilities are presented in the statements of financial position as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Deferred tax assets	227,122	233,697	172,353	173,449
Deferred tax liabilities	<u>(143,059)</u>	<u>(148,686)</u>	-	-
Total deferred tax assets - net	<u>84,063</u>	<u>85,011</u>	<u>172,353</u>	<u>173,449</u>

As at 31 December 2024, the subsidiaries have deductible temporary differences and unused tax losses totaling Baht 17.8 million (2023: Baht 19.6 million), on which deferred tax assets have not been recognised as the subsidiaries considers that future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

The unused tax losses of the subsidiaries amounting to Baht 17.8 million will expire by 2025.

24.2 Promotional privileges

The Group has received tax promotional privileges under the Investment Promotion Act. B.E. 2520 as approved by the Board of Investment. Subject to certain imposed conditions, certain significant privileges are as follows:

Company name	International Food Supply Company Limited	MK Restaurant Group Public Company Limited	MK Restaurant Group Public Company Limited	MK Restaurant Group Public Company Limited
Certificate No.	58-2617-1-00-1-0	64-0540-1-04-1-0	66-0023-1-04-1-0	67-1066-2-05-1-0
1. Certificate date	18 December 2015	24 May 2021	3 January 2023	21 May 2024
2. Promotional privileges for	Manufacture of processed food and semi-frozen foods	Manufacture of chilled processed food and semi-frozen foods	Manufacture of chilled processed food and semi-frozen foods	Sukiyaki sauce
3. The significant privileges are:				
3.1 Exemption from import duty on machinery as approved by the Board.	Granted	Granted	Granted	Granted
3.2 Exemption from corporate income tax on net income from promoted operations, not over a hundred percent of investments excluding cost of land and working capital, for a period of eight years from the date on which the income is first derived from such operations.	Granted	-	-	-
3.3 Fifty percent reduction in the normal income tax rate on the net profit derived from certain operations for a period of five years, commencing from the expiry date in exemption of corporate income tax.	Granted	-	-	-
3.4 Exemption from corporate income tax on net income from promoted operations of fifty percent of the investment capital to improve manufacturing productivity (excluding cost of land and working capital), for a period of three years from the date on which the income is first derived from such operations.	-	Granted	Granted	Granted
3.5 Exemption from income tax on dividends paid from the profit of the promoted operations, throughout the period in which the corporate income tax is exempted.	Granted	Granted	Granted	Granted
4. Date of first earning of operating income	7 July 2016	1 August 2021	1 April 2023	24 May 2024

.....Director

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The Group's operating revenues for the years ended 31 December 2024 and 2023, divided between promoted and non-promoted operations, are summarised below.

(Unit: Million Baht)						
Consolidated financial statements						
	Promoted operations		Non-promoted operations		Total	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Sales	328	349	15,090	16,312	15,418	16,661

(Unit: Million Baht)						
Separate financial statements						
	Promoted operations		Non-promoted operations		Total	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Sales	241	165	12,436	13,727	12,677	13,892

25. Earnings per share

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

25.1 Weighted average number of ordinary shares

(Unit: Thousand shares)		
Consolidated financial statements /		
Separate financial statements		
For the year ended 31 December		
	<u>2024</u>	<u>2023</u>
Balance brought forward	920,878	920,878
Less: The weighted average number of treasury stocks during the year	(4,887)	-
Weighted average number of ordinary shares	<u>915,991</u>	<u>920,878</u>

25.2 Reconciliation of earnings per share

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

	For the year ended 31 December			
	Consolidated financial statements		Separate financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Profit for the year (Thousand Baht)	1,441,569	1,681,945	1,771,541	1,511,686
Weighted average number of ordinary shares (Thousand shares)	915,991	920,878	915,991	920,878
Basic earnings per share (Baht/share)	1.57	1.83	1.93	1.64

26. 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 is engaged in two business segments which are restaurant business and other businesses that support restaurant business including training service provider and 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.

Major customers

For the years 2024 and 2023, the Group has no major customer with revenue of 10 percent or more of an entity's revenues.

27. Dividends

Dividends declared during the years ended 31 December 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
Interim dividend from the operating period 1 January 2024 to 30 June 2024	Board of Directors' meeting on 13 August 2024	457.7	0.5	10 September 2024
Total		1,378.5	1.5	
<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		1,381.3	1.5	

28. Commitments and contingent liabilities

28.1 Capital commitments

As at 31 December 2024, the Group had significant outstanding capital commitments in respect of agreements related to construction of building, purchase of machinery and equipment of Baht 128.0 million, the Company only: Baht 33.6 million (2023: Baht 6.4 million, the Company only: Baht 6.4 million).

28.2 Lease of low-value assets and other service commitments

The Group has entered into several lease agreements in respect of the leases of the low-value assets and other services. The terms of the agreements are generally between 1 and 5 years.

As at 31 December 2024 and 2023, the Group had payments and services fee payables under these lease and other service agreements were summarised below:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Payable within:				
Less than 1 year	636	603	472	439
1 to 5 years	916	872	695	660
More than 5 years	149	131	108	110

28.3 Futures contracts

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

28.4 Commitments related to franchise agreements

In 2024, the Company entered into a restaurant system license agreement with a foreign company for a period of 8 years, whereby the latter has granted the Company the right to operate a restaurant in Thailand using the trademarks "Hikiniku to Come". In consideration thereof, the Company agreed to pay the fees as stipulated in the agreement. The Company is also required to adhere to the terms and conditions set forth in the agreement.

28.5 Bank guarantees

As at 31 December 2024, the Group had outstanding bank guarantees of approximately Baht 38.2 million (2023: Baht 31.2 million) and the Company's was Baht 37.9 million (2023: Baht 30.9 million) issued by the bank on behalf of the Group in respect of certain performance bonds as required in the normal course of business, such as guarantee payments due to creditors and facility usage.

29. Fair value hierarchy

As at 31 December 2024 and 2023, the Group had the financial assets that were measured at fair value based on levels of inputs as follows:

(Unit: Million Baht)				
Consolidated financial statements				
As at 31 December 2024				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at FVTPL				
Debt investments	-	6,774	-	6,774

(Unit: Million Baht)				
Consolidated financial statements				
As at 31 December 2023				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at FVTPL				
Debt investments	-	9,060	-	9,060
Derivatives - forward exchange contracts - gain	-	9	-	9

(Unit: Million Baht)

Separate financial statements				
As at 31 December 2024				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at FVTPL				
Debt investments	-	5,971	-	5,971

(Unit: Million Baht)

Separate financial statements				
As at 31 December 2023				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at FVTPL				
Debt investments	-	7,824	-	7,824
Derivatives - forward exchange contracts				
- gain	-	9	-	9

30. Financial instruments

30.1 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade accounts receivable and investments. The financial risks associated with these financial instruments and how they are managed is described below.-

Credit risk

The Group is exposed to credit risk primarily with respect to trade accounts receivable, deposits with banks and financial institutions and other financial instruments. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

Financial instruments and cash deposits

The Group manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Group's Executive Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The credit risk on debt instruments and derivatives is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Market risk

There are two types of market risk comprising currency risk and interest rate risk.

Foreign currency risk

The Group's exposure to the foreign currency risk relates primarily to its trading transactions and borrowings that are denominated in foreign currencies.

As at 31 December 2024 and 2023, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Consolidated		Separate		Exchange rate	
	financial statements		financial statements		2024 (Baht per 1 foreign currency unit)	2023
	2024 (Million)	2023 (Million)	2024 (Million)	2023 (Million)		
Financial assets						
US dollar	-	10.0	-	10.0	-	34.0590
Japanese yen	5.0	-	5.0	-	0.2121	0.2388
Financial liabilities						
Singapore dollar	0.1	0.2	-	-	25.3317	26.2659

The Group uses foreign exchange forward contracts to manage some of its transaction exposures. The contracts are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from 1 to 18 months.

As at 31 December 2023, the Group had outstanding foreign exchange forward contracts which the Group measured at fair value, and recognised unrealised gain on fair value adjustment presented as part of other current financial assets. Details are summarised below.

Derivatives - Forward exchange contracts

	(Unit: Million Baht)	
	Consolidated	
	financial statements /	
	Separate	
	financial statements	
	<u>2024</u>	<u>2023</u>
Derivative assets		
Derivative assets not designated as hedging instruments		
Forward exchange contracts	- _____	9 _____
Total derivative assets	- _____	9 _____

The Group had the following outstanding forward exchange contracts:

Foreign currency	Consolidated		Contractual maturity date
	statements/Separate financial statements	Contractual exchange rate (Baht per 1 foreign currency unit)	
	(Million)		
<u>As at 31 December 2023</u>			
Sold amount			
US dollar	10.0	34.39	July 2024

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its cash at banks. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Group's policy is to maintain borrowings at fixed rates of interest of not more than 50%, excluding borrowings that relate to discontinued operations. To manage this, the Group enters into, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

As at 31 December 2024 and 2023, significant financial assets and liabilities classified by type of interest rate are summarised below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

Significant financial assets and liabilities classified by type of interest rate are summarised in the table below.

Consolidated financial statements as at 31 December 2024							(Unit: Million Baht)
	Fixed interest rates			Floating	Non-interest	Effective	(% per annum)
	Within 1 year	1 - 5 years	Over 5 years	interest rate	bearing	Total	
Financial assets							
Cash and cash equivalents	-	-	-	600	70	670	0.02 - 0.40
Trade and other receivables	-	-	-	-	133	133	-
Other financial assets	-	995	-	-	5,779	6,774	1.76 - 3.74
	-	995	-	600	5,982	7,577	
Financial liabilities							
Trade and other payables	-	-	-	-	1,307	1,307	-
Lease liabilities	1,030	1,573	263	-	-	2,866	1.67 - 4.61
	1,030	1,573	263	-	1,307	4,173	

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2023

	Fixed interest rates			Floating	Non-interest	Effective	
	Within 1 year	1 - 5 years	Over 5 years	interest rate	bearing	Total	interest rate (% per annum)
Financial assets							
Cash and cash equivalents	-	-	-	675	111	786	0.05 - 0.13
Trade and other receivables	-	-	-	-	110	110	-
Other financial assets	-	343	-	-	8,726	9,069	0.50 - 3.11
	-	343	-	675	8,947	9,965	
Financial liabilities							
Trade and other payables	-	-	-	-	1,646	1,646	-
Lease liabilities	1,077	1,694	314	-	-	3,085	1.67 - 4.61
	1,077	1,694	314	-	1,646	4,731	

(Unit: Million Baht)

Separate financial statements as at 31 December 2024

	Fixed interest rates			Floating	Non-interest	Effective	
	Within 1 year	1 - 5 years	Over 5 years	interest rate	bearing	Total	interest rate (% per annum)
Financial assets							
Cash and cash equivalents	-	-	-	347	54	399	0.02 - 0.40
Trade and other receivables	-	-	-	-	249	249	-
Other financial assets	-	995	-	-	4,976	5,971	1.76 - 3.74
	-	995	-	347	5,277	6,619	
Financial liabilities							
Trade and other payables	-	-	-	-	1,101	1,101	-
Lease liabilities	733	1,182	189	-	-	2,104	1.67 - 4.61
	733	1,182	189	-	1,101	3,205	

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(Unit: Million Baht)

Separate financial statements as at 31 December 2023

	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective
	Within 1 year	1 - 5 years	Over 5 years				interest rate
							(% per annum)
Financial assets							
Cash and cash equivalents	-	-	-	475	87	562	0.05 - 0.13
Trade and other receivables	-	-	-	-	227	227	-
Other financial assets	-	343	-	-	7,490	7,833	0.50 - 3.11
	-	343	-	475	7,804	8,622	
Financial liabilities							
Trade and other payables	-	-	-	-	1,359	1,359	-
Lease liabilities	778	1,295	277	-	-	2,350	1.67 - 4.61
	778	1,295	277	-	1,359	3,709	

Liquidity risk

The Group monitors the risk of shortage of liquidity position by maintain level of cash and cash equivalent and has credit lines with various banks. As at 31 December 2024 and 2023, the Group has assessed the sufficient of the Group's net working capital to refinancing its debt in financial statements and concluded it to be low.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities as at 31 December 2024 and 2023 based on contractual undiscounted cash flows:

	Consolidated financial statements			
	2024			
	Within 1 year	1 - 5 years	Over 5 years	Total
Non-derivatives				
Trade and other payables	1,307	-	-	1,307
Lease liabilities	1,030	1,573	263	2,866
Total non-derivatives	2,337	1,573	263	4,173

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(Unit: Million Baht)

Consolidated financial statements

	2023			
	Within		Over	
	1 year	1 - 5 years	5 years	Total
Non-derivatives				
Trade and other payables	1,646	-	-	1,646
Lease liabilities	1,077	1,694	314	3,085
Total non-derivatives	2,723	1,694	314	4,731

(Unit: Million Baht)

Separate financial statements

	2024			
	Within		Over	
	1 year	1 - 5 years	5 years	Total
Non-derivatives				
Trade and other payables	1,101	-	-	1,101
Lease liabilities	733	1,182	189	2,104
Total non-derivatives	1,834	1,182	189	3,205

(Unit: Million Baht)

Separate financial statements

	2023			
	Within		Over	
	1 year	1 - 5 years	5 years	Total
Non-derivatives				
Trade and other payables	1,359	-	-	1,359
Lease liabilities	778	1,295	277	2,350
Total non-derivatives	2,137	1,295	277	3,709

30.2 Fair values of financial instruments

Since the majority of the Group's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statements of financial position.

31. Capital management

The primary objective of the Group's capital management is to ensure that it has an appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2024, the Group's debt-to-equity ratio was 0.40:1 (2023: 0.43:1) and the Company's was 0.33:1 (2023: 0.37:1).

32. Events after the reporting period

On 26 February 2025, the meeting of the Company's Board of Directors No. 1/2025 passed the resolution to propose to the Annual General Meeting of Shareholders for approval of an annual dividend payment for the year 2024 of Baht 1.5 per share or Baht 1,361.3 million in total. An interim dividend of Baht 0.50 per share, totaling Baht 457.7 million, was paid by the Company on 10 September 2024. Pending shareholder approval on 24 April 2025, the final dividend of Baht 1.0 per share, totaling Baht 903.6 million, will be paid.

33. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 26 February 2025.