

After You Company Limited and its subsidiary  
Report and financial statements  
31 December 2015

## **Independent Auditor's Report**

To the Shareholders of After You Company Limited and its subsidiary

I have audited the accompanying consolidated financial statements of After You Company Limited and its subsidiary, which comprise the consolidated statement of financial position as at 31 December 2015, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of After You Company Limited for the same period.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these 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.

### **Auditor's Responsibility**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



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I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

#### **Basis for Qualified Opinion**

I was appointed as the Company's auditor in October 2014 to examine the Company's financial statements for the year ended 31 December 2014 and therefore I did not observe the Company's taking of the physical inventories brought forward as at 1 January 2014, amounting to Baht 6.8 million. I was unable to apply alternative procedures to satisfy myself as to the volume of inventories at the beginning of the year, which formed a part of cost of sales for the year 2014. Therefore, I was unable to determine whether any adjustments were required to cost of sales and the brought forward balance of retained earnings for the year 2014. My opinion on the financial statements for the year ended 31 December 2014 was qualified with respect to this matter. My opinion on the current year's financial statements is also qualified as the matter may affect the comparison of the current year's and comparative figures.

#### **Qualified Opinion**

In my opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of After You Company Limited and its subsidiary and of After You Company Limited as at 31 December 2015, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Sumalee Reewarabandith  
Certified Public Accountant (Thailand) No. 3970

EY Office Limited  
Bangkok: 8 March 2016

**After You Company Limited and its subsidiary**

**Statement of financial position**

**As at 31 December 2015**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	82,271,637	32,955,453	81,763,140	32,955,453
Trade and other receivables	6, 8	1,594,492	5,084,445	1,648,585	5,084,445
Inventories	9	14,739,681	9,964,047	15,081,248	9,964,047
Other current assets	10	4,073,616	2,907,574	4,073,079	2,907,574
<b>Total current assets</b>		<b>102,679,426</b>	<b>50,911,519</b>	<b>102,566,052</b>	<b>50,911,519</b>
<b>Non-current assets</b>					
Investment in a subsidiary	11	-	-	999,700	-
Property, plant and equipment	12	235,839,152	125,262,725	235,839,152	125,262,725
Intangible assets	13	1,454,406	788,219	1,454,406	788,219
Advance for construction		-	6,000,000	-	6,000,000
Rental deposits		19,228,970	14,541,619	19,228,970	14,541,619
Deferred tax assets	24	1,519,475	1,268,115	1,519,475	1,268,115
Other non-current assets		3,071,773	2,407,780	3,071,773	2,407,780
<b>Total non-current assets</b>		<b>261,113,776</b>	<b>150,268,458</b>	<b>262,113,476</b>	<b>150,268,458</b>
<b>Total assets</b>		<b>363,793,202</b>	<b>201,179,977</b>	<b>364,679,528</b>	<b>201,179,977</b>

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

After You Company Limited and its subsidiary

Statement of financial position (continued)

As at 31 December 2015

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Trade and other payables	6, 14	47,456,286	22,887,232	49,683,317	22,887,232
Current portion of liabilities under finance lease agreements	15	629,578	339,848	629,578	339,848
Current portion of long-term loan from a related party	6	-	2,599,590	-	2,599,590
Current portion of long-term loans from banks	17	13,597,596	7,748,850	13,597,596	7,748,850
Income tax payable		8,750,812	4,825,533	8,549,252	4,825,533
Dividend payable	26	25,380,000	-	25,380,000	-
Other current liabilities	18	6,309,339	3,171,025	6,245,694	3,171,025
<b>Total current liabilities</b>		<b>102,123,611</b>	<b>41,572,078</b>	<b>104,085,437</b>	<b>41,572,078</b>
<b>Non-current liabilities</b>					
Liabilities under finance lease agreements	15	781,919	392,549	781,919	392,549
Long-term loan from a related party	6	-	8,623,916	-	8,623,916
Long-term loans from unrelated parties	16	101,413,699	-	101,413,699	-
Long-term loans from banks	17	31,927,660	36,329,624	31,927,660	36,329,624
Provision for decommissioning	19	5,434,439	3,856,078	5,434,439	3,856,078
Provision for long-term employee benefits	20	2,021,610	1,716,320	2,021,610	1,716,320
Other non-current liabilities		3,124,024	2,472,323	3,123,725	2,472,323
<b>Total non-current liabilities</b>		<b>144,703,351</b>	<b>53,390,810</b>	<b>144,703,052</b>	<b>53,390,810</b>
<b>Total liabilities</b>		<b>246,826,962</b>	<b>94,962,888</b>	<b>248,788,489</b>	<b>94,962,888</b>

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

After You Company Limited and its subsidiary

Statement of financial position (continued)

As at 31 December 2015

				(Unit: Baht)	
		Consolidated financial statements		Separate financial statements	
Note		2015	2014	2015	2014
<b>Shareholders' equity</b>					
	Share capital	21			
	Registered				
	540,000 ordinary shares of Baht 100 each (2014: 500,000 ordinary shares of Baht 100 each)	<u>54,000,000</u>	<u>50,000,000</u>	<u>54,000,000</u>	<u>50,000,000</u>
	Issued and paid-up				
	540,000 ordinary shares of Baht 100 each (2014: 500,000 ordinary shares of Baht 100 each)	54,000,000	50,000,000	54,000,000	50,000,000
	Retained earnings				
	Appropriated - Statutory reserve	22	5,400,000	-	5,400,000
	Unappropriated		<u>57,566,240</u>	<u>56,217,089</u>	<u>56,491,039</u>
	<b>Total shareholders' equity</b>		<u>116,966,240</u>	<u>106,217,089</u>	<u>106,217,089</u>
	<b>Total liabilities and shareholders' equity</b>		<u>363,793,202</u>	<u>201,179,977</u>	<u>364,679,528</u>

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

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Directors  
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After You Company Limited and its subsidiary  
Statement of comprehensive income  
For the year ended 31 December 2015

	(Unit: Baht)			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
Note	2015	2014	2015	2014
<b>Profit or loss:</b>				
<b>Revenues</b>				
Sales	414,384,597	311,144,800	414,384,597	311,144,800
Other income	545,865	458,661	552,103	458,661
<b>Total revenues</b>	<u>414,930,462</u>	<u>311,603,461</u>	<u>414,936,700</u>	<u>311,603,461</u>
<b>Expenses</b>				
Cost of sales	156,258,524	113,689,341	157,661,485	113,689,341
Selling expenses	122,159,085	95,215,502	122,159,085	95,215,502
Administrative expenses	58,316,274	41,444,561	58,196,312	41,444,561
<b>Total expenses</b>	<u>336,733,883</u>	<u>250,349,404</u>	<u>338,016,882</u>	<u>250,349,404</u>
<b>Profit before finance cost and income tax expenses</b>	78,196,579	61,254,057	76,919,818	61,254,057
Finance cost	(5,687,976)	(4,098,629)	(5,687,976)	(4,098,629)
<b>Profit before income tax expenses</b>	72,508,603	57,155,428	71,231,842	57,155,428
Income tax expenses	24 (14,999,452)	(11,400,422)	(14,797,892)	(11,400,422)
<b>Profit for the year</b>	<u>57,509,151</u>	<u>45,755,006</u>	<u>56,433,950</u>	<u>45,755,006</u>
<b>Other comprehensive income:</b>				
Other comprehensive income for the year	-	-	-	-
<b>Total comprehensive income for the year</b>	<u>57,509,151</u>	<u>45,755,006</u>	<u>56,433,950</u>	<u>45,755,006</u>
<b>Earnings per share</b>				
25				
Basic earnings per share				
Profit attributable to equity holders of the Company	108.52	311.00	106.50	311.00
	<u>108.52</u>	<u>311.00</u>	<u>106.50</u>	<u>311.00</u>
			(Unit: Share)	
Weighted average number of ordinary shares	529,918	147,123	529,918	147,123
	<u>529,918</u>	<u>147,123</u>	<u>529,918</u>	<u>147,123</u>

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

After You Company Limited and its subsidiary  
Statement of changes in shareholders' equity  
For the year ended 31 December 2015

(Unit: Baht)

<b>Consolidated financial statements</b>					
	Note	Issued and paid-up share capital	Retained earnings		Total
			Appropriated - statutory reserve	Unappropriated	
<b>Balance as at 1 January 2014</b>		5,000,000	-	10,462,083	15,462,083
Proceeds from share subscription	21	45,000,000	-	-	45,000,000
Total comprehensive income for the year		-	-	45,755,006	45,755,006
<b>Balance as at 31 December 2014</b>		<u>50,000,000</u>	<u>-</u>	<u>56,217,089</u>	<u>106,217,089</u>
<b>Balance as at 1 January 2015</b>		50,000,000	-	56,217,089	106,217,089
Proceeds from share subscription	21	4,000,000	-	-	4,000,000
Total comprehensive income for the year		-	-	57,509,151	57,509,151
Dividend paid	27	-	-	(50,760,000)	(50,760,000)
Transfer to statutory reserve	22	-	5,400,000	(5,400,000)	-
<b>Balance as at 31 December 2015</b>		<u>54,000,000</u>	<u>5,400,000</u>	<u>57,566,240</u>	<u>116,966,240</u>

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



After You Company Limited and its subsidiary  
Statement of changes in shareholders' equity  
For the year ended 31 December 2015

(Unit: Baht)

<b>Separate financial statements</b>					
	Note	Issued and paid-up share capital	Retained earnings		Total
			Appropriated - statutory reserve	Unappropriated	
Balance as at 1 January 2014		5,000,000	-	10,462,083	15,462,083
Proceeds from share subscription	21	45,000,000	-	-	45,000,000
Total comprehensive income for the year		-	-	45,755,006	45,755,006
<b>Balance as at 31 December 2014</b>		<b>50,000,000</b>	<b>-</b>	<b>56,217,089</b>	<b>106,217,089</b>
Balance as at 1 January 2015		50,000,000	-	56,217,089	106,217,089
Proceeds from share subscription	21	4,000,000	-	-	4,000,000
Total comprehensive income for the year		-	-	56,433,950	56,433,950
Dividend paid	27	-	-	(50,760,000)	(50,760,000)
Transfer to statutory reserve	22	-	5,400,000	(5,400,000)	-
<b>Balance as at 31 December 2015</b>		<b>54,000,000</b>	<b>5,400,000</b>	<b>56,491,039</b>	<b>115,891,039</b>

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

After You Company Limited and its subsidiary

Cash flow statement

For the year ended 31 December 2015

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	(Unit: Baht)			
<b>Cash flows from operating activities</b>				
Profit before tax	72,508,603	57,155,428	71,231,842	57,155,428
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	17,993,587	13,278,759	17,993,587	13,278,759
Provision for loss on obsolete inventory	-	110,160	-	110,160
Loss on sale of equipment	3,731	-	3,731	-
Write-off equipment	3,018,113	-	3,018,113	-
Reversal of decommissioning provision	(143,906)	-	(143,906)	-
Write-off rental deposits	1,203,350	-	1,203,350	-
Provision for long-term employee benefits	727,947	2,001,074	727,947	2,001,074
Interest income	(319,501)	(311,723)	(318,240)	(311,723)
Finance costs	3,934,218	4,055,078	3,934,218	4,055,078
Profit from operating activities before changes in operating assets and liabilities	98,926,142	76,288,776	97,650,642	76,288,776
Operating assets (increase) decrease				
Trade and other receivables	3,489,954	(5,071,882)	3,435,860	(5,071,882)
Inventories	(4,775,634)	(3,267,507)	(5,117,201)	(3,267,507)
Other current assets	(1,169,508)	(1,478,413)	(1,168,983)	(1,478,413)
Rental deposits	(5,890,702)	(3,695,868)	(5,890,702)	(3,695,868)
Other non-current assets	(663,993)	1,754,420	(663,993)	1,754,420
Operating liabilities increase (decrease)				
Trade and other payables	14,172,406	(3,399,839)	16,399,437	(3,399,839)
Other current liabilities	3,138,314	2,428,195	3,074,670	2,428,195
Other non-current liabilities	651,702	1,589,091	651,402	1,589,091
Cash flows from operating activities	107,878,681	65,146,973	108,371,132	65,146,973
Interest received	319,501	311,723	318,240	311,723
Interest paid	(3,088,819)	(3,890,440)	(3,088,819)	(3,890,440)
Cash paid for decommissioning of assets	(265,000)	-	(265,000)	-
Cash paid for long-term employee benefits	(422,657)	(388,700)	(422,657)	(388,700)
Cash paid for income tax	(11,322,067)	(8,284,171)	(11,322,054)	(8,284,171)
<b>Net cash flows from operating activities</b>	<b>93,099,639</b>	<b>52,895,385</b>	<b>93,590,842</b>	<b>52,895,385</b>

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

After You Company Limited and its subsidiary  
Cash flow statement (continued)  
For the year ended 31 December 2015

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<b>Cash flows from investing activities</b>				
Cash paid for investment in a subsidiary	-	-	(999,700)	-
Acquisition of buildings and equipment	(111,107,503)	(30,191,279)	(111,107,503)	(30,191,279)
Acquisition of computer software	(983,288)	(558,500)	(983,288)	(558,500)
Advance paid for construction	-	(6,000,000)	-	(6,000,000)
Proceed from sale of equipment	51	-	51	-
<b>Net cash flows used in investing activities</b>	<u>(112,090,740)</u>	<u>(36,749,779)</u>	<u>(113,090,440)</u>	<u>(36,749,779)</u>
<b>Cash flows from financing activities</b>				
Decrease in short-term loans from director	-	(89,810,969)	-	(89,810,969)
Decrease in liabilities under finance lease agreements	(535,991)	(306,349)	(535,991)	(306,349)
Cash receipt from long-term loans from unrelated parties	100,000,000	-	100,000,000	-
Cash receipt from long-term loans from banks	32,000,000	-	32,000,000	-
Repayment of long-term loan from a related party	(11,223,506)	(2,543,994)	(11,223,506)	(2,543,994)
Repayment of long-term loans from banks	(30,553,218)	(7,511,077)	(30,553,218)	(7,511,077)
Proceeds from increase in share capital	4,000,000	45,000,000	4,000,000	45,000,000
Dividend paid	(25,380,000)	-	(25,380,000)	-
<b>Net cash flows from (used in) financing activities</b>	<u>68,307,285</u>	<u>(55,172,389)</u>	<u>68,307,285</u>	<u>(55,172,389)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	49,316,184	(39,026,783)	48,807,687	(39,026,783)
Cash and cash equivalents at beginning of year	32,955,453	71,982,236	32,955,453	71,982,236
<b>Cash and cash equivalents at end of year</b>	<u>82,271,637</u>	<u>32,955,453</u>	<u>81,763,140</u>	<u>32,955,453</u>

**Supplemental cash flows information**

Non-cash items

Purchases of equipment under finance lease agreements	1,153,738	393,925	1,153,378	393,925
Transfer advance for construction to building and equipment accounts	6,000,000	-	6,000,000	-
Increase in payables for construction and purchase of equipment	10,291,421	419,793	10,291,421	419,793
Transfer equipment to computer software	-	(272,586)	-	(272,586)

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

## After You Company Limited and its subsidiary

### Notes to financial statements

For the year ended 31 December 2015

#### 1. General information

After You Company Limited ("the Company") is a limited company incorporated and domiciled in Thailand. The Company is principally engaged in operation of food and beverage outlets. The registered address of the Company, which is its head office, is at 324, 326 Pattanakarn 30, Suanluang, Suanluang, Bangkok. Its factory is located at 30/106 Moo1, Tumbon Kokkham, Amphur Muang Samut Sakorn, Samut Sakorn.

As at 31 December 2015, the Company has 15 branches (2014: 11 branches) in Bangkok and Nonthaburi.

#### 2. Basis of financial statement 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 dated 28 September 2011, 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 accounting policies.

#### 2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of After You Company Limited and its subsidiary (hereinafter called "the Group") as the following.

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2015	2014
			(%)	(%)
Aurum and Aurum Company Limited	Distribution of bakery products and equipment	Thailand	100	-

- b) The Company is deemed to have control over an investee or a subsidiary 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) A subsidiary is 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 subsidiary are prepared using the same significant accounting policies as the Company.
  - e) Material balances and transactions between the Company and its subsidiary have been eliminated from the consolidated financial statements.
- 2.3 The separate financial statements present investment in a subsidiary under the cost method.

### **3. New financial reporting standards**

Below is a summary of financial reporting standards that became effective in the current accounting year and those that will become effective in the future.

#### **(a) Financial reporting standards that became effective in the current year**

The Group has adopted the revised (revised 2014) and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements. However, some of these standards involve changes to key principles, which are summarised below.

#### **TAS 19 (revised 2014) Employee Benefits**

This revised standard requires that the entity recognise actuarial gains and losses immediately in other comprehensive income while the former standard allowed the entity to recognise such gains and losses immediately in either profit or loss or other comprehensive income, or to recognise them gradually in profit or loss.

This revised standard does not have any impact on the financial statements as the Group already recognises actuarial gains and losses immediately in other comprehensive income.

### **TFRS 10 Consolidated Financial Statements**

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the content of TAS 27 *Consolidated and Separate Financial Statements* dealing with consolidated financial statements. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee 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, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgement when reviewing whether the Group has control over investees and determining which entities have to be included in preparation of the consolidated financial statements.

This standard does not have any impact on the Group's financial statements.

### **TFRS 12 Disclosure of Interests in Other Entities**

This standard stipulates disclosures relating to an entity's interests in subsidiaries, joint arrangements and associates, including structured entities. This standard therefore has no financial impact on the financial statements of the Group.

### **TFRS 13 Fair Value Measurement**

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurement. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effects of the adoption of this standard are to be recognised prospectively.

This standard does not have any significant impact on the Group's financial statements.

### **(b) Financial reporting standards that will become effective in the future**

During the current year, the Federation of Accounting Professions issued a number of the revised (revised 2015) and new financial reporting standards and accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards. The Group's management believes that the revised and new financial reporting standards and accounting treatment guidance will not have any significant impact on the financial statements when it is initially applied.

#### **4. Significant accounting policies**

##### **4.1 Revenue recognition**

###### *Sales of goods*

This mainly represents revenues from sales of foods and beverages through the dessert cafe which are recognised upon goods being delivered and services being rendered. Sales are the invoiced value, excluding value added tax, of goods supplied and services rendered after deducting discounts and allowances.

###### *Customer loyalty program*

The Company has launched a customer loyalty program for registered members, under which the customers earn points when making purchases of foods and beverages at the specified amount. The points can be redeemed for gifts in accordance with the conditions set by the Company.

The fair value of accumulated points is determined based on the cost of redeemed gifts. The Company records such fair value based on the estimated customer redemption as a deduction against revenues from sales of foods and beverages and as unearned revenues. Revenues are recognised when the customers redeem the points for gifts.

The fair value of unredeemed accumulated points is recognised as revenues when the redemption period expires.

###### *Interest income*

Interest income is recognised on an accrual basis based on the effective interest rate.

##### **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 Trade accounts receivable**

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

#### **4.4 Inventories**

Finished goods and work in process are valued at the lower of cost and net realisable value. The cost of inventories is measured using the standard cost method, which approximates actual cost.

Products purchased for sales, 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.

#### **4.5 Investment**

Investment in a subsidiary is accounted for in the separate financial statements using the cost method.

#### **4.6 Property, plant and equipment and depreciation**

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

Depreciation of building and equipment is calculated by reference to their costs on the straight-line basis over the estimated useful lives as follows.

Buildings and building improvement	30 years and 5 years, respectively
Utility systems	5 years
Kitchenware and appliances	5 years
Furniture and office equipment	5 years
Motor vehicles	5 years

Depreciation is included in determining income.

No depreciation is provided on land and assets under construction and 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 profit or loss when the asset is derecognised.

#### **4.7 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.



#### **4.8 Intangible assets**

Intangible assets are stated at cost less accumulated amortisation and allowance for diminution in value (if any).

Intangible assets with finite lives are amortised on a systematic 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 profit or loss.

The estimated useful lives of computer software are 5 years.

#### **4.9 Related party transactions**

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

They also include associated companies and individuals 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.

#### **4.10 Long-term leases**

Leases of building or equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases are depreciated over the useful life of the asset.

Leases of building or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

#### **4.11 Impairment of assets**

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment 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.

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

#### **4.12 Employee benefits**

##### ***Short-term employee 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 benefit plans and other long-term employee benefits***

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law and other employee benefit plans. The Group treats 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 plans 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 benefits are recognised immediately in profit or loss.

#### **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 it recognises 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 reduces 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.

#### **4.18 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 its 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 technique 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**

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

### **Property plant and equipment/Depreciation**

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimate 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.

### **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 plans 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

The relationship between the Company and related parties are summarised below.

Name	Relationship
Aurum and Aurum Company Limited	Subsidiary
After You 2007 Company Limited	Common shareholder / director
BFrank Company Limited	Common shareholder / director
Prima Publishing Company Limited	Common shareholder / director
Looklarn Charoen Company Limited	Common shareholder / director
Chao Phraya Coldstorage Company Limited	Common director
Takzin Samut Company Limited	Common director
Pakfood Public Company Limited	Common director
Kanokthorn Foods Industry Company Limited	Common director
Okeanos Company Limited	Common director

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: Thousand Baht)

	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	2015	2014	2015	2014	
<b>Transactions with a subsidiary</b>					
(Eliminated from the consolidated financial statements)					
Purchase of raw materials	-	-	11,979	-	Cost plus margin
Service income	-	-	8	-	Rate stipulated in agreement

(Unit: Thousand Baht)

	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	2015	2014	2015	2014	
<b>Transactions with related parties</b>					
Purchase of raw materials	16,238	20,286	16,238	20,286	Cost plus margin
Sales of goods	-	20	-	20	Cost plus margin
<b>Transactions with related persons</b>					
Interest expense	-	630	-	630	4.50% per annum (Effective rate 8.17% per annum)
Rental expense	1,575	1,045	1,575	1,045	Rate stipulated in agreement

As at 31 December 2015 and 2014, the balances of the accounts between the Company and those related parties are as follows.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2015	2014	2015	2014
<b>Trade and other receivables (Note 8)</b>				
<u>Trade receivables - related party</u>				
A related company	-	5	-	5
Total	-	5	-	5
<u>Other receivables - related parties</u>				
Advance to a subsidiary	-	-	54	-
Advance to a related company	5	2	5	2
Advances to directors	-	1,881	-	1,881
Other receivable - a related person	640	-	640	-
Total	645	1,883	699	1,883
<b>Trade and other payables (Note 14)</b>				
<u>Trade payables - related parties</u>				
A subsidiary	-	-	4,281	-
A related company	53	18	53	18
Total	53	18	4,334	18
<u>Other payables - related parties</u>				
Advances from directors	283	-	283	-
Total	283	-	283	-

### Long-term loan from a related person

As at 31 December 2014, the Company had a long-term loan from a related person amounting to Baht 11.2 million. According to the loan agreement, the loan principal and interest were to be repaid in 60 monthly installments of Baht 0.3 million each (ending October 2018). The loan carried interest at a rate of 4.50% per annum.

During the year 2015, the Company made full repayments of long-term loan from a related person prior to the due dates stipulated in the agreement.

### Directors and management's benefits

During the years ended 31 December 2015 and 2014, the Group had employee benefit expenses payable to its directors and management as below.

(Unit: Thousand Baht)

	Consolidated / Separate financial statements	
	2015	2014
Short-term employee benefits	10,262	8,640
Post-employment benefits	39	37
Other long-term benefits	23	169
Total	10,324	8,846

### Guarantee by the Company's directors

As described in Note 17 to the financial statements, long-term loans from banks are guaranteed by the Company's directors without charging guarantee fee.

## 7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2015	2014	2015	2014
Cash	2,726	1,486	2,726	1,486
Bank deposits	79,546	31,469	79,037	31,469
Total	82,272	32,955	81,763	32,955

As at 31 December 2015, bank deposits in savings accounts carried interests between 0.10% and 0.40% per annum (2014: between 0.37% and 0.50% per annum).

## 8. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
<u>Trade receivables - related party</u>				
Aged on the basis of due dates				
Not yet due				
3 - 6 months	-	2	-	2
6 - 12 months	-	3	-	3
Total trade receivables - related party	-	5	-	5
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due				
Up to 3 months	572	2,932	572	2,932
3 - 6 months	-	2	-	2
6 - 12 months	17	8	17	8
Total trade receivables - unrelated parties	589	2,942	589	2,942
<u>Other receivables</u>				
Advances - related parties	5	1,883	59	1,883
Other receivable - a related person	640	-	640	-
Other receivables	361	254	361	254
Total other receivables	1,006	2,137	1,060	2,134
Total trade and other receivables	1,595	5,084	1,649	5,084



## 9. Inventories

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Finished goods	3,687	1,823	3,687	1,823
Work in process	149	50	149	50
Raw materials	7,819	5,846	8,160	5,846
Supplies	3,085	2,355	3,085	2,355
Total	14,740	10,074	15,081	10,074
Less: Provision for loss on obsolete inventory	-	(110)	-	(110)
Inventories - net	14,740	9,964	15,081	9,964

## 10. Other current assets

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Prepaid expenses	2,408	2,129	2,408	2,129
Other current assets	1,666	779	1,665	779
Total	4,074	2,908	4,073	2,908

## 11. Investment in a subsidiary

Details of investment in a subsidiary as presented in the separate financial statements are as follows.

Company's name	(Unit: Thousand Baht)					
	Paid-up capital		Shareholding percentage (%)		Cost	
	2015	2014	2015	2014	2015	2014
Aurum and Aurum Company Limited	1,000	-	100	-	1,000	-

## 12. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated / Separate financial statements							Total
	Land	Building and building improvement	Utility systems	Kitchenware and appliances	Furniture and office equipment	Motor vehicles	Assets under construction and installation	
<b>Cost</b>								
1 January 2014	72,949	-	3,211	12,333	29,690	2,165	1,084	121,432
Additions	-	-	2,562	6,221	7,216	723	14,010	30,732
Cost of assets decommissioning	-	-	-	-	1,207	-	-	1,207
Transfer in (out)	-	-	5,800	(386)	8,247	-	(12,930)	731
31 December 2014	72,949	-	11,573	18,168	46,360	2,888	2,164	154,102
Additions	-	893	4,974	5,140	8,554	3,838	107,032	128,552
Cost of assets decommissioning	-	-	-	-	1,879	-	-	1,879
Capitalised interest	-	-	-	-	-	-	843	843
Disposals / write-off	-	-	(1,147)	-	(2,950)	-	-	(4,097)
Transfer in (out)	-	88,495	3,963	2,724	12,308	-	(107,490)	-
31 December 2015	72,949	89,388	19,363	26,032	64,272	6,726	2,549	281,279
<b>Accumulated depreciation</b>								
1 January 2014	-	-	356	3,548	10,114	1,014	-	15,032
Depreciation for the year	-	-	1,918	3,129	7,666	365	-	13,078
Transfer in (out)	-	-	2,137	(50)	(1,358)	-	-	729
31 December 2014	-	-	4,411	6,627	16,422	1,379	-	28,839
Depreciation for the year	-	206	2,416	3,968	10,517	570	-	17,677
Depreciation on disposals / write-off	-	-	(299)	-	(777)	-	-	(1,076)
31 December 2015	-	206	6,528	10,595	26,162	1,949	-	45,440
<b>Net book value</b>								
31 December 2014	72,949	-	7,162	11,541	29,938	1,509	2,164	125,263
31 December 2015	72,949	89,182	12,835	15,437	38,110	4,777	2,549	235,839
<b>Depreciation for the years</b>								
2014 (Baht 3.1 million included in manufacturing cost, and the balance in selling and administrative expenses)								13,078
2015 (Baht 4.0 million included in manufacturing cost, and the balance in selling and administrative expenses)								17,677

During the year 2015, the Company had financed the construction of factory building and installation of machinery and equipment with long-term loans from bank. Borrowing costs amounting to Baht 0.8 million (2014: Nil) were capitalised as cost of assets. The weighted average rate of 5.53% has been used to determine the amount of borrowing costs eligible for capitalisation.

As at 31 December 2015, the Company had equipment with net book value of Baht 2.4 million (2014: Baht 1.3 million) which were acquired under finance lease agreements.

As at 31 December 2015, certain items of equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounting to Baht 8.8 million (2014: Baht 0.7 million).

The Company has pledged its land and factory building with net book value as at 31 December 2015 of Baht 162.1 million (2014: its land amounting to Baht 73.0 million) as collateral to secure long-term loans from banks.

### 13. Intangible assets

	(Unit: Thousand Baht)	
	Consolidated/Separate financial statements	
	2015	2014
Computer software - cost	2,209	1,226
Less: Accumulated amortisation	(755)	(438)
Net book value	<u>1,454</u>	<u>788</u>

	(Unit: Thousand Baht)	
	Consolidated/Separate financial statements	
	2015	2014
Net book value at beginning of year	788	159
Additions	983	558
Adjustment	-	273
Amortisation	(317)	(202)
Net book value at end of year	<u>1,454</u>	<u>788</u>

#### 14. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separated	
	financial statements		financial statements	
	2015	2014	2015	2014
Trade accounts payable - related parties	53	18	4,334	18
Trade accounts payable - unrelated parties	15,555	10,094	13,601	10,094
Other payables - related parties	283	-	283	-
Other payables - unrelated parties	8,205	2,807	8,205	2,807
Other payables for construction and purchase of equipment	11,040	748	11,040	748
Accrued expenses	12,320	9,220	12,220	9,220
Total	<u>47,456</u>	<u>22,887</u>	<u>49,683</u>	<u>22,887</u>

#### 15. Liabilities under finance lease agreements

(Unit: Thousand Baht)

	Consolidated/Separate	
	financial statements	
	2015	2014
Liabilities under finance lease agreements	1,522	784
Less: Deferred interest expense	(110)	(52)
Total	1,412	732
Less: Portion due within one year	(630)	(340)
Portion due more than one year	<u>782</u>	<u>392</u>

The Company has entered into the finance lease agreements with leasing companies for rental of motor vehicles for use in its operation, whereby it is committed to pay rental on a monthly basis. The terms of the agreements are generally between 3 years and 4 years.

Future minimum lease payments required under the finance lease agreements were as follows.

	(Unit: Thousand Baht)		
	Consolidated/Separate financial statements		
	As at 31 December 2015		
	Less than		
	1 year	1 - 4 years	Total
Future minimum lease payments	691	831	1,522
Deferred interest expense	(61)	(49)	(110)
Present value of future minimum lease payments	<u>630</u>	<u>782</u>	<u>1,412</u>

	(Unit: Thousand Baht)		
	Consolidated/Separate financial statements		
	As at 31 December 2014		
	Less than		
	1 year	1 - 3 years	Total
Future minimum lease payments	377	407	784
Deferred interest expense	(37)	(15)	(52)
Present value of future minimum lease payments	<u>340</u>	<u>392</u>	<u>732</u>

#### 16. Long-term loans from unrelated parties

As at 31 December 2015, the Company has outstanding balance of Thai Baht loans from two unrelated parties totaling Baht 101.4 million (2014: Nil). The loans carry interest at a rate of 4.0% per annum and the principal is to be repaid together with interest if any of the following events occur.

1. The maturity date of 2 years from the loan agreement date is reached.
2. The Company is granted approval to make an initial public offering of new shares and is able to sell those shares within 2 years from the loan agreement date. If the lenders wish to subscribe for such shares. The Company has to provide the lenders the right to subscribe new shares in accordance with the calculation method set out in the loan agreements at the initial public offering price.

As the due date is uncertain, the Company has classified the loans from unrelated parties as long-term loans.

## 17. Long-term loans from banks

			(Unit: Thousand Baht)	
			Consolidated/Separate	
			financial statements	
Loan	Interest rate (%)	Repayment schedule	2015	2014
1	MLR-1	Monthly installments for 84 periods, ending March 2020	-	27,165
2	MLR-1	Monthly installments for 84 periods, ending October 2020	14,067	16,913
3	MLR-1	Monthly installments for 90 periods, ending December 2022	22,000	-
4	MLR-1	Monthly installments for 84 periods, ending July 2022	9,458	-
Total			45,525	44,078
Less: Portion due within one year			(13,597)	(7,749)
Portion due more than one year			31,928	36,329

The long-term loans are secured by the mortgage of the Company's land and factory building, and guaranteed by the Company's directors.

As at 31 December 2014, the Company had a requirement to maintain several covenants as stipulated in loan agreement of facility 1 such as to maintain debt-to-equity ratio and debt service coverage ratio at the rates prescribed in the agreement.

As at 31 December 2015, the Company has no requirement to maintain covenants mentioned above because during the year 2015, the Company made a full repayment of loan facility 1 prior to the due dates stipulated in the agreement. The Company recorded prepayment fee of such loan amounting to Baht 1.1 million as accrued expenses.

As at 31 December 2015, the undrawn balance of long-term loan facility of the Company amounted to Baht 33.0 million (2014: Nil).

**18. Other current liabilities**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Unearned revenue - Customer				
loyalty program	1,000	366	1,000	366
Unearned revenue - Cash voucher	455	587	455	587
Withholding income tax payable	3,363	268	3,363	268
Value added tax payable	687	1,335	625	1,335
Social security fund payable	667	469	666	469
Others	137	82	137	82
<b>Total</b>	<b>6,309</b>	<b>3,107</b>	<b>6,246</b>	<b>3,107</b>

**19. Provision for decommissioning**

	(Unit: Thousand Baht)	
	Consolidated/Separate	
	financial statements	
	2015	2014
Balance at beginning of the year	3,856	2,566
Increase during the year	1,879	1,207
Finance cost	108	83
Decrease from actual payment	(265)	-
Reversal of provision	(144)	-
<b>Balance at end of the year</b>	<b>5,434</b>	<b>3,856</b>

The Company recognised a provision for decommissioning costs associated with the rental spaces for outlets, since the Company is obligated to remove decoration and fixtures and restore the rental spaces before returning them to the lessors at the end of the rental agreements.

## 20. Provision for long-term employee benefits

Provision for long-term employee benefits, as at 31 December 2015 and 2014 were as follows.

(Unit: Thousand Baht)

	Consolidated/Separate financial statements		
	Provision for post-employment benefits	Provision for other long-term employee benefits	Total
<b>Provision for long-term employee benefits</b>			
<b>as at 1 January 2014</b>	69	-	69
Included in profit or loss:			
Current service cost	60	507	567
Interest cost	2	33	35
Past service cost	-	1,433	1,433
Benefits paid during the year	-	(388)	(388)
<b>Provision for long-term employee benefits</b>			
<b>as at 31 December 2014</b>	131	1,585	1,716
Included in profit or loss:			
Current service cost	98	589	687
Interest cost	4	37	41
Benefits paid during the year	-	(422)	(422)
<b>Provision for long-term employee benefits</b>			
<b>as at 31 December 2015</b>	233	1,789	2,022

Line items in profit or loss under which long-term employee benefit expenses are recognised are as follows.

(Unit: Thousand Baht)

	Consolidated / Separate financial statements	
	2015	2014
Cost of goods sold	212	307
Selling and administrative expenses	516	1,305
<b>Total expenses recognised in profit or loss</b>	<b>728</b>	<b>1,612</b>

The Company expects to pay Baht 0.5 million of long-term employee benefits during the next year (2014: Baht 0.4 million).

As at 31 December 2015, the weighted average duration of the liabilities for long-term employee benefit is 13 years (2014: 13 years).



Significant actuarial assumptions are summarised below.

	(Unit: % per annum)	
	Consolidated / Separate financial statements	
	2015	2014
Discount rate	3.20	3.20
Salary increase rate	5.00	5.00
Employee turnover rate	0.00 - 50.00	0.00 - 50.00

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2015 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated / Separate financial statements	
	Increase 1%	Decrease 1%
Discount rate	(97)	112
Salary increase rate	54	(44)
	Increase 20%	Decrease 20%
Employee turnover rate	(728)	1,158

## 21. Share capital

During the years ended 31 December 2015 and 2014, the Company increased its registered and paid-up share capital as detailed below.

Date of approval by the Meeting of its shareholders	Date of registration of share capital increase at the Ministry of Commerce	(Unit: Million Baht)		
		Registered and paid-up share capital (par value at Baht 100 per share)		
		Old	Increase	New
Extraordinary General Meeting of the shareholders on 8 July 2014	22 July 2014	5.0	20.0	25.0
Extraordinary General Meeting of the shareholders on 17 December 2014	24 December 2014	25.0	25.0	50.0
Extraordinary General Meeting of the shareholders on 26 March 2015	7 April 2015	50.0	4.0	54.0

## 22. Statutory reserve

According to the Thai Civil and Commercial Code, the Company is required to set aside a statutory reserve at least 5% of its net profit each time the Company pays out a dividend, until the reserve reaches 10% of its registered share capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

## 23. Expenses by nature

Significant expenses classified by nature are as follows.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Salaries, wages and other employee benefits	109,051	81,874	108,976	81,874
Depreciation	17,677	13,078	17,677	13,078
Amortisation	317	202	317	202
Rental expenses from operating lease agreements	40,529	33,758	40,529	33,758
Raw materials and consumables used	139,580	101,969	141,747	101,969

## 24. Income tax

Income tax expenses for the years ended 31 December 2015 and 2014 are made up as follows.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
<b>Current income tax:</b>				
Current income tax charge	15,250	11,925	15,049	11,925
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(251)	(525)	(251)	(525)
<b>Income tax expense reported in the statement of comprehensive income</b>	<b>14,999</b>	<b>11,400</b>	<b>14,798</b>	<b>11,400</b>

The reconciliation between accounting profit and income tax expenses is shown below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Accounting profit before tax	72,509	57,155	71,232	57,155
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	14,502	11,431	14,246	11,431
Effects of elimination	68	-	-	-
Effects of:				
Non-deductible expenses	767	309	762	309
Additional expense deductions allowed	(210)	(340)	(210)	(340)
Tax rate and tax privileges for small and medium entities	(128)	-	-	-
Income tax expenses reported in the statement of comprehensive income	14,999	11,400	14,798	11,400

The components of deferred tax assets are as follows.

	(Unit: Thousand Baht)	
	Consolidated / Separate	
	financial statements	
	31 December 2015	31 December 2014
<b>Deferred tax assets</b>		
Provision for decommissioning	498	329
Provision for long-term employee benefits	404	343
Loss on write-off assets	35	280
Provision for loss on obsolete inventory	-	22
Adjustment of accrued rental expenses under straight- line method	172	198
Prepaid interest expense under effective interest rate	-	96
Others	410	-
<b>Total</b>	1,519	1,268

## 25. Earnings per share

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

## 26. 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 principally engaged in operation of food and beverage outlets. Its operations are carried on only in Thailand. 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 exclusively to the aforementioned reportable operating segment and geographical area.

For the years 2015 and 2014, the Group has no major customer with revenue of 10% or more of an entity's revenues.

## 27. Dividend

<u>Dividend</u>	<u>Approved by</u>	<u>Total dividend</u>	<u>Dividend</u>
		(Thousand Baht)	per share
			(Baht)
Final dividend for 2014	Annual General Meeting of the Company's shareholders on 30 April 2015	50,760	94
Total for 2015		<u>50,760</u>	<u>94</u>

## 28. Commitments and contingent liabilities

### 28.1 Capital commitments

As at 31 December 2015, the Group had no capital commitments relating to the construction of factory buildings and acquisition of machinery (2014: Baht 69.4 million).

### 28.2 Operating lease commitments

The Company has entered into several operating lease and service agreements relating to the leases of building spaces. The terms of the agreements are generally between 1 and 3 years.

Future minimum payments required under the above non-cancellable contracts are as follows.

(Unit: Million Baht)

Payable	Consolidated / Separate financial statements	
	2015	2014
In up to 1 year	42.0	37.5
In over 1 year and up to 3 years	37.0	58.9
In over 3 years	-	3.6

### 28.3 Commitment on financial advisory service fee

On 14 August 2014, the Company entered into a financial advisory service and underwriting agreement to appoint a local securities company as its financial advisor for the purpose of its application to the Office of the Securities and Exchange Commission for permission to make an initial public offering of its shares, to list the Company's new shares on the Stock Exchange of Thailand, and as underwriter for the sale of its shares through the initial public offering. The agreements were for a period of 22 months (from 14 August 2014 to 13 June 2016) unless both parties agreed in writing to extend the appointment or to terminate the agreement early. On 25 April 2015, the Company entered into an agreement to extend the term of the agreement by 8 months (from 14 June 2016 to 13 February 2017). As at 31 December 2015, under the agreement the Company was committed to pay financial advisory service fee and underwriting fee at the rates stipulated in the agreement.

## 29. Financial instruments

### 29.1 Financial risk management

The Group's financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade and other receivables, trade and other payables and long-term loans. 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 with respect to trade and other receivables in low level because sales are mostly cash sales. The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses.

### Interest rate risk

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

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

(Million Baht)

Consolidated financial statements						
As at 31 December 2015						
	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	More than 1 - 5 years				
<b>Financial assets</b>						
Cash and cash equivalents	-	-	79.6	2.7	82.3	0.10 - 0.40
Trade and other receivables	-	-	-	1.6	1.6	-
	-	-	79.6	4.3	83.9	
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	47.4	47.4	-
Liabilities under finance lease agreements	0.6	0.8	-	-	1.4	5.30 - 6.89
Long-term loans from unrelated parties	-	101.4	-	-	101.4	4.00
Long-term loans from banks	-	-	45.5	-	45.5	MLR - 1.00
	0.6	102.2	45.5	47.4	195.7	

(Million Baht)

Consolidated financial statements						
As at 31 December 2014						
	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	More than 1 - 5 years				
<b>Financial assets</b>						
Cash and cash equivalents	-	-	31.5	1.5	33.0	0.37 - 0.50
Trade and other receivables	-	-	-	5.1	5.1	-
	-	-	31.5	6.6	38.1	
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	22.9	22.9	-
Liabilities under finance lease agreements	0.3	0.4	-	-	0.7	5.70 - 6.89
Long-term loan from a related party	2.6	8.6	-	-	11.2	8.17
Long-term loans from banks	-	-	44.1	-	44.1	MLR - 1.00
	2.9	9.0	44.1	22.9	78.9	

(Million Baht)

## Separate financial statements

As at 31 December 2015

	Fixed interest rates				Total	Effective interest rate (% per annum)
	Within 1 year	More than 1 - 5 years	Floating interest rate	Non-interest bearing		
<b>Financial assets</b>						
Cash and cash equivalents	-	-	79.1	2.7	81.8	0.10 - 0.40
Trade and other receivables	-	-	-	1.3	1.3	-
	-	-	79.1	4.0	83.1	
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	49.7	49.7	-
Liabilities under finance lease agreements	0.6	0.8	-	-	1.4	5.30 - 6.89
Long-term loans from unrelated parties	-	101.4	-	-	101.4	4.00
Long-term loans from banks	-	-	45.5	-	45.5	MLR - 1.00
	0.6	102.2	45.5	49.7	198.0	

(Million Baht)

## Separate financial statements

As at 31 December 2014

	Fixed interest rates				Total	Effective interest rate (% per annum)
	Within 1 year	More than 1 - 5 years	Floating interest rate	Non-interest bearing		
<b>Financial assets</b>						
Cash and cash equivalents	-	-	31.5	1.5	33.0	0.37 - 0.50
Trade and other receivables	-	-	-	5.1	5.1	-
	-	-	31.5	6.6	38.1	
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	22.9	22.9	-
Liabilities under finance lease agreements	0.3	0.4	-	-	0.7	5.70 - 6.89
Long-term loan from a related party	2.6	8.6	-	-	11.2	8.17
Long-term loans from banks	-	-	44.1	-	44.1	MLR - 1.00
	2.9	9.0	44.1	22.9	78.9	

## **29.2 Fair values of financial instruments**

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

## **30. Capital management**

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2015, the Group's debt-to-equity ratio was 2.1:1 (2014: 0.9:1) and the Company's was 2.2:1 (2014: 0.9:1).

## **31. Events after the reporting period**

On 8 March 2016, the meeting of the Company's Board of Directors passed the following resolutions to be approved by the 2016 Annual General Meeting of the Company's shareholders.

- a) Approval of a dividend payment of Baht 104.50 per share from the retained earnings as at 31 December 2015, or a total of Baht 56,430,000.
- b) Approval of the conversion of the Company to a public limited company and the change of the Company's name to "After You Public Company Limited".
- c) Approval of the listing of the Company's shares on the Market for Alternative Investment.
- d) Approval of a change in the par value of the Company's ordinary shares from Baht 100.00 per share to Baht 0.10 per share, such that the Company's registered share capital of Baht 54.00 million would comprise 540.0 million ordinary shares at par value of Baht 0.10 each.
- e) Approval of an increase in the Company's registered share capital, from Baht 54.00 million to Baht 80.00 million, through the issuance of 260.0 million additional ordinary shares with a par value of Baht 0.10 each. The allocation of the new shares is as follows.
  - Allocation to a right offering to the existing shareholders, the Company's management and some employees at a price of Baht 0.10 per share
  - Allocation to an initial public offering (IPO), as well as to the Company's directors and the lenders of the long-term loans mentioned in Note 16 to the financial statements at the IPO price
  - Allocation to the Company's management and some employees at a price equal to 50% of the IPO price



### 32. Reclassification

The Group reclassified certain amounts in the financial statements for the year 2014 to conform to the current year's classification, as follows.

(Unit: Thousand Baht)

	Consolidated/Separate financial statements	
	As reclassified	As previously reported
Trade and other receivables	5,084	4,844
Other current assets	2,907	5,315
Rental deposits	14,542	14,782
Other non-current assets	2,408	-
Trade and other payables	22,887	22,512
Other current liabilities	3,171	3,546
Administrative expenses	41,444	41,488
Finance cost	4,099	4,055

The reclassifications had no effect to previously reported profit or shareholders' equity.

### 33. Approval of financial statements

These financial statements were authorised for issue by the Company's authorised directors on 8 March 2016.