

**After You Public Company Limited and its subsidiary**  
**Notes to interim consolidated financial statements**  
**For the three-month and six-month periods ended 30 June 2017**

**1. General information**

**1.1 Corporate information**

After You Public Company Limited (“the Company”) is a public limited company incorporated and domiciled in Thailand. The Company is principally engaged in operation of food and beverage outlets. Its registered address, which is the Company’s head office, is at 1319/9 Pattanakarn, Suanluang, Suanluang, Bangkok. Its factory is located at 30/106 Moo1, Tumbon Kokkham, Amphur Muang Samut Sakhon, Samut Sakhon.

As at 30 June 2017, the Company has 22 branches (31 December 2016: 20 branches) in Bangkok, Samutprakan, Pathumthani and Nonthaburi.

**1.2 Basis of preparation of interim financial statements**

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2016) *Interim Financial Reporting*, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

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

**1.3 Basis of consolidation**

The interim consolidated financial statements include the financial statements of After You Public Company Limited and its subsidiary (hereinafter called “the Group”), and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2016, with no change in shareholding structure of subsidiary during the current period.

#### 1.4 New financial reporting standards

During the period, the Group has adopted the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which are effective for fiscal years beginning on or after 1 January 2017. 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.

#### 2. Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2016. There were additional accounting policies in respect of investments in securities held for trading and investments in debt securities expected to be held to maturity during the current period in order to conform with the new transactions of the Company. Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss. Investments in debt securities expected to be held to maturity are recorded at amortised cost. The premium/discount on debt securities is amortised/accreted by the effective rate method with the amortised/accreted amount presented as an adjustment to the interest income.

#### 3. Related party transactions

During the periods, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Group and those related parties.

	(Unit: Thousand Baht)				Transfer pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	For the three-month periods ended 30 June				
	2017	2016	2017	2016	
<b>Transactions with a subsidiary</b>					
(Eliminated from the consolidated financial statements)					
Purchase of raw materials	-	-	10,229	9,905	Cost plus margin
Service income	-	-	22	23	Rate stipulated in agreement

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	For the three-month periods ended 30 June				
	2017	2016	2017	2016	
<b>Transactions with related parties</b>					
Purchase of raw materials	789	-	789	-	Cost plus margin
Service expense	-	120	-	120	Agreed upon basis
Other income	5	5	5	5	Agreed upon basis
<b>Transactions with related persons</b>					
Rental expense	424	394	394	394	Rate stipulated in agreement

(Unit: Thousand Baht)

	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	For the six-month periods ended 30 June				
	2017	2016	2017	2016	
<b>Transactions with a subsidiary</b>					
(Eliminated from the consolidated financial statements)					
Purchase of raw materials	-	-	16,582	18,135	Cost plus margin
Service income	-	-	47	43	Rate stipulated in agreement
<b>Transactions with related parties</b>					
Purchase of raw materials	1,161	-	1,161	-	Cost plus margin
Service expense	-	120	-	120	Agreed upon basis
Other income	12	19	12	19	Agreed upon basis
<b>Transactions with related persons</b>					
Rental expense	848	788	788	788	Rate stipulated in agreement

The balances of the accounts between the Group and those related parties are as follows.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
<b>Trade and other receivables (Note 5)</b>				
<u>Other receivables - related parties</u>				
Advance to a subsidiary	-	-	59	24
Other receivable - a subsidiary	-	-	-	4,000
Total	-	-	59	4,024

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
<b>Trade and other payables</b>				
<u>Trade payables - related parties</u>				
A subsidiary	-	-	4,201	6,040
Related companies	330	43	330	43
Total	<u>330</u>	<u>43</u>	<u>4,531</u>	<u>6,083</u>

Directors and management's benefits

During the periods, the Group had employee benefit expenses payable to its directors and management as below.

(Unit: Thousand Baht)

	Consolidated / Separate	
	financial statements	
	For the three-month periods ended 30 June	
	2017	2016
Short-term employee benefits	3,371	3,280
Post-employment benefits	85	61
Other long-term benefits	13	5
Total	<u>3,469</u>	<u>3,346</u>

(Unit: Thousand Baht)

	Consolidated / Separate	
	financial statements	
	For the six-month periods ended 30 June	
	2017	2016
Short-term employee benefits	6,763	6,346
Post-employment benefits	170	71
Other long-term benefits	26	11
Total	<u>6,959</u>	<u>6,428</u>

(Unaudited but reviewed)

#### 4. Current investments

	(Unit: Thousand Baht) Consolidated/Separate financial statements
	30 June 2017
<b>Investments in securities held for trading</b>	
Unit trusts - fixed income fund	270,015
Add: Change in fair value	1,308
Total investments in securities held for trading	271,323
<b>Held-to-maturity investments</b>	
Short-term derivative debentures	200,000
Total held-to-maturity investments	200,000
Total	471,323

#### 5. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2017	2016	2017	2016
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due				
Up to 3 months	720	4,014	720	4,014
Total trade receivables - unrelated parties	720	4,014	720	4,014
<u>Other receivables</u>				
Advances to a subsidiary	-	-	59	24
Other receivable - a subsidiary	-	-	-	4,000
Other receivables	2,442	3,254	2,442	3,254
Total other receivables	2,442	3,254	2,501	7,278
Total	3,162	7,268	3,221	11,292

## 6. Property, plant and equipment

Movements of the property, plant and equipment account during the six-month period ended 30 June 2017 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>
<b>Net book value as at 1 January 2017</b>	282,994	282,948
Acquisitions during the period - at cost	99,260	99,260
Transfer from advances for acquisition of assets	5,349	5,349
Estimated cost of assets decommissioning	841	841
Write-off during the period - net book value at write-off date	(692)	(692)
Depreciation for the period	(15,695)	(15,689)
<b>Net book value as at 30 June 2017</b>	<u>372,057</u>	<u>372,017</u>

As at 30 June 2017, the Company had equipment with net book value of Baht 1.1 million (31 December 2016: Baht 1.5 million) which were acquired under finance lease agreements.

The Company had pledged some of its land and factory building with net book value as at 31 December 2016 of Baht 122.0 million as collateral to secure long-term loans from bank. During the current period, the Company made full repayments of long-term loans ahead of the schedules to the bank and redeemed the pledged assets.

## 7. Long-term loans from bank

Movements of the long-term loans from bank account during the six-month period ended 30 June 2017 are summarised below.

	(Unit: Thousand Baht)
	Consolidated / Separate
	<u>financial statements</u>
Balance as at 1 January 2017	66,312
Less: Repayment of loans	(66,312)
Balance as at 30 June 2017	<u>-</u>

## 8. Share capital

On 27 April 2017, the Annual General Meeting of the Company's shareholders for the year 2017 passed a resolution to increase the Company's registered share capital by Baht 9,062,500.00, from the existing registered share capital of Baht 72,500,000.00 to Baht 81,562,500.00, by issuing up to 90,625,000.00 new ordinary shares with a par value of Baht 0.10, to accommodate the stock dividend payment.

The Company registered the increase in its registered capital with the Ministry of Commerce on 11 May 2017.

Subsequently, the Company paid the stock dividend of 90,623,561 new ordinary shares, as mentioned in Note 9 to the financial statements, increasing the Company's issued and paid-up share capital to Baht 81,562,356.10. The Company registered the increase in its paid-up capital with the Ministry of Commerce on 25 May 2017.

On 23 March 2016, the 2016 Annual General Meeting of the Company's shareholders passed the following resolutions.

- a) 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, comprised 540.0 million ordinary shares at par value of Baht 0.10 each.
- b) Approval of an increase in the Company's registered 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 allocations of the new shares were as follows.
  - Allocation of 20.0 million ordinary shares to be offered to the existing shareholders in proportion to the shareholding of each shareholder at a price of Baht 0.10 per share
  - Allocation of 236.5 million ordinary shares to an initial public offering (IPO)
  - Allocation of 1.5 million ordinary shares to be offered to the Company's directors at a price equal to the IPO price
  - Allocation of 2.0 million ordinary shares to be offered to the Company's management and/or employees according to the Company's employee stock option plan (ESOP) at a price of Baht 0.10 per share and a price equal to 50% of the IPO price

The Company registered the change in the par value of ordinary shares, and the increase in its registered capital with the Ministry of Commerce on 28 March 2016.

In April 2016, the Company received share subscription from the existing shareholders amounting to Baht 2.00 million. The Company registered the increase in its paid-up capital with the Ministry of Commerce on 25 April 2016.

## **9. Dividends**

On 27 April 2017, the Annual General Meeting of the Company's shareholders for the year 2017 approved the dividend payment from the results of the Company's business operation for the fiscal year ended 31 December 2016 in the amount of not exceeding Baht 92.9 million. The final dividend payment after deducting the interim dividend payment of Baht 78.4 million paid on 27 December 2016 is in the amount of not exceeding Baht 14.5 million, or at the rate of Baht 0.02 per share. The dividends were paid in stock dividends and cash dividends in May 2017 as follows.

- The Company paid the stock dividends by issuing 90,623,561 newly issued ordinary shares, with a par value of Baht 0.10 per share, to the Company's shareholders, at the ratio of every 8 existing shares for 1 stock dividend, in the total amount of Baht 9,062,356.10, or equivalent to the cash dividends at the rate of Baht 0.0125 per share. Any fractional shares therefrom received cash at the rate of Baht 0.0125 per share in lieu of the stock dividends.
- The Company paid cash dividends at the rate of Baht 0.0075 per share or in the total amount of Baht 5,437,479.75.

On 23 March 2016, the Annual General Meeting of the Company's shareholders for the year 2016 approved the dividend payment of Baht 104.50 per shares from the retained earnings as at 31 December 2015, or a total of Baht 56.4 million.



**10. Income tax**

Interim corporate income tax was calculated on profit before income tax for the period, using the estimated effective tax rate for the year.

Income tax expenses for the three-month and six-month periods ended 30 June 2017 and 2016 are made up as follows.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the three-month periods ended 30 June			
	2017	2016	2017	2016
<b>Current income tax</b>				
Interim corporate income tax charge	6,900	6,236	6,650	6,116
<b>Deferred tax</b>				
Relating to origination and reversal of temporary differences	98	219	98	219
<b>Income tax expenses reported in the statements of comprehensive income</b>	<b>6,998</b>	<b>6,455</b>	<b>6,748</b>	<b>6,335</b>

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the six-month periods ended 30 June			
	2017	2016	2017	2016
<b>Current income tax</b>				
Interim corporate income tax charge	11,357	12,294	10,983	12,071
<b>Deferred tax</b>				
Relating to origination and reversal of temporary differences	65	193	65	193
<b>Income tax expenses reported in the statements of comprehensive income</b>	<b>11,422</b>	<b>12,487</b>	<b>11,048</b>	<b>12,264</b>

**11. Earnings per share**

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

**12. Segment information**

The Group is principally engaged in an operating segment which is 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.

**13. Commitments and contingent liabilities****13.1 Capital commitments**

As at 30 June 2017, the Group had capital commitments of Baht 11.0 million relating to extension of factory building, implementation of computer software, acquisition of equipment and improvement of new outlets (31 December 2016: Baht 46.7 million, relating to the construction of its new office and distribution center, acquisition of equipment and improvement of new branch outlets).

**13.2 Operating lease and service agreement commitments**

The Group 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 contracts are as follows.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
Payable	30 June 2017	31 December 2016	30 June 2017	31 December 2016
In up to 1 year	58.6	38.4	58.5	38.2
In over 1 year and up to 3 years	61.7	29.1	61.7	29.1

**13.3 Commitment under purchase of raw material agreements**

The Company entered into memorandum and agreements to purchase raw materials from several unrelated companies, at prices and per conditions as stipulated in the memorandum and agreements. The terms of the memorandum and agreements are between 1 and 3 years.

**14. Fair value hierarchy**

As of 30 June 2017, the Group had the assets those were measured at fair value or disclosed fair value using different levels of inputs as follows.

(Unit: Thousand Baht)

	Consolidated/separate financial statements			
	As at 30 June 2017			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Investments in securities held for trading				
Unit trusts - fixed income fund	-	271,323	-	271,323
<b>Assets for which fair value are disclosed</b>				
Held-to-maturity investments				
Short-term derivative debentures	-	200,610	-	200,610

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

**15. Approval of financial statements**

These interim financial statements were authorised for issue by the Company's Board of Directors on 11 August 2017.