



aFter You
Dessert Café



ANNUAL REPORT 2016

AFTER YOU PUBLIC COMPANY LIMITED

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MESSAGE FROM CHAIRMAN AND MANAGING DIRECTOR



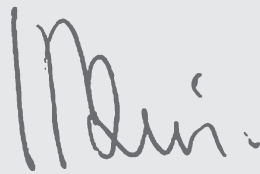
A handwritten signature in black ink, appearing to be 'Premon Pinskiul'.

Mr. Premon Pinskiul
Chairman of the Board

Year 2016 has been such a challenging and exciting year for After You Public Company Limited, as everyone recognized, the Company's has registered in the Stock Exchange of Thailand which the event was held at the end of December 2016. We received very positive responses and feedbacks beyond our expectation and we sincerely feel very thankful to our customers, investors and all supportive parties, who have jointly contributed to both our moral and business success along the way. In 2016, The Company has opened totally 5 branches throughout the year in both Bangkok and its vicinity, consisting of 3 branches for After You which located at Terminal 21, Seacon Square and Central Plaza Pinklao. We have also opened 2 branches for our sub brand Maygori, with the Japanese style shaved-ice products located at The Commons - Thonglor and Siam Square. The Company has achieved its 2016 sales of Baht 606 million, which is more than the estimated amount of Baht 600 million or 46 percent increased from last year, with the net profit of Baht 99 million or 72 percent increased from last year. Although we have successfully attained the sales target, yet such performance of the company was a huge challenge, especially in the third and fourth quarters of 2016 where there the situation at the time was not helpful as the market was very sluggish, mainly due to the unusual weather in the rainy season. Also in the period around New Year's Eve celebration and holidays the market was slow down, due to the lower Thai and foreign customer's spending activities.

However, the company has managed to adjust and renew strategies to keep the sales performance moving forward. One of the practices we have been promoting all along is to always create new products with special taste and look for our consumers. For example, recently we have introduced a brand latest menu, the 'mango sticky rice kakigori', this menu immediately attained high popularity and results a rapid growth in sales. The menu is now considered as one of our special products similar to the previous famous or signature menus such as 'marian plum frappe' which has been our recommended menu by season for several years.

Another important part of our strategy is the branch expansion which we have always emphasized on many significant factors such as the aiming for the high potential locations or high demand area, as well as the cost-effective utilities which is usually the main factor of operating cost. Additionally, the style of decoration in every branch has always been designed to express our feeling of warmth, welcoming, and easy to access. These practices have been implemented as a part of the Company's standard in parallel with the impressive services, all of which shall be carried on toward the future operation whenever we plan to open a new branch.



Mr. Maetup T. Suwan
Managing Director



Continuing in year 2017, despite a persistence in economy slowdown, the company still have many more exciting plans to come while maintaining the initial plan of 2017 which is to open 7 more branches. The Company has also established a better relationship with each of the property owners and landlords, for the purpose of obtaining long-term contracts which would mutually agree on the fair and reasonable prices. The first branch of the year is now officially opened at The Portal, Impact Arena, and the rest are on their way. However, the highlight of our works for this year would be to open the first branch in another provinces which will take place around the end of the second quarter, this will open a new door for our branch expansion and a start of many more to come.

To accommodate the expansion, the Company is in the process of expanding the production factory in which the area and facilities will be larger by 40%. Additionally, more machines will be purchased and modified to increase productivity as well as quality. Another important practice that the company has been supporting is the effective system in staff training. With our new headquarter that will be operated at the end of May 2017, all the training staff as well as our new employees will be able to utilize the large and modernized training center for the services and work training courses provided by the Company.

Nevertheless, The Company and its executives have considered the overall operation in 2017 to be the beginning of our big step and the foundation must be concreted for the strength to move forward, starts from branches expansion to staff training to maintain product quality. Our main policy is to serve the customers, and investors who trust in the Company, by creating quality products in parallel with excellent services. We wish to continue to be the best dessert café to live up with the expectation and support we have received from all parties.

Again, the Company wishes to express our gratitude to all of the supportive customers, shareholders, investors, business partners, including all staffs and employees. We sincerely feel pleased and proud to be able to serve and co-ordinate with every party. In turn, the Company will work with dedication, perfection, and integrity, so that After You will continuing be loved by all.

FINANCIAL INFORMATION HIGHLIGHTS

Financial Performance		2016	2015	2014
Total assets	Baht	981,933,022	363,793,202	201,179,977
Total liabilities	Baht	173,099,297	246,826,962	94,962,888
Total shareholders' equity	Baht	808,833,725	116,966,240	106,217,089
Sales	Baht	606,377,892	414,273,599	311,144,800
Total revenues	Baht	608,387,550	414,856,463	311,603,461
Total comprehensive income for the year	Baht	98,621,665	57,509,151	45,755,006
Earnings per share	Baht	0.18	0.11	0.31

Financial Ratio

Gross profit margin	%	64.08	62.30	63.46
Operating profit margin	%	20.76	18.74	19.54
Net profit margin	%	16.23	13.86	14.68
Return on equity	%	21.34	51.54	75.21
Return on assets	%	14.68	20.36	22.67
Return on fixed assets	%	48.82	41.05	50.79
Debt to equity ratio	Times	0.21	2.11	0.89
Interest coverage ratio	Times	18.81	34.81	16.73
Dividend payout ratio	%	93.75	99.99	110.74
Liquidity ratio	Times	6.42	1.01	1.22
Average collection period	Days	1.37	1.54	1.70
Average inventory period	Days	7.29	6.35	5.39
Average payable period	Days	29.16	29.63	24.84

DIRECTORS AND EXECUTIVES



Mr. Premon Pinskul
*Chairman of the Board,
Independent Director and
Audit Committee Member*



Mr. Wiwat Kanokwatanawan
*Vice Chairman of the
Board*



Mr. Phiched Bhimayothin
*Independent Director and
Chairman of Audit
Committee*



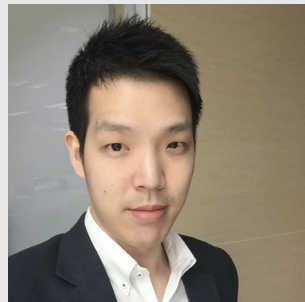
Dr. Thamnoon Ananthothai
*Independent Director and
Audit Committee Member*



Mr. Maetup T.Suwan
*Director and Managing
Director*



Ms. Gulapat Kanokwatanawan
*Director and Deputy
Managing Director*



Mr. Mill Kanokwatanawan
*Director and Assistant
Managing Director*



Mr. Songpon Tasnasathienkij
Director of Operations



Ms. Uraiwan Samanwong
Director of Manufacturing



Mrs. Pornsirin Thongtan
*Director of Human
Resource*



Ms. Chamaiporn Tungkittisuwan
*Director of Finance &
Accounting*



Ms. Chantanee Tantasuralerk
Company Secretary

DETAIL OF DIRECTORS, MANAGEMENT, CONTROLLING PARTIES AND COMPANY SECRETARY

Name-Surname / Position / Date appointed	Age (yrs)	Education	Share-holding (%) ^{1/}	Family relationship between management	Work experience			
					Period	Position	Company	
1. Mr. Premon Pinskul Date appointed : 5 November 2015 Independent director and audit committee member 8 April 2016 Chairman of the Board	60	<ul style="list-style-type: none"> - Master of Arts (Economics), University of Detroit, USA - Master of Business Administration, University of Detroit, USA - Bachelor of Accounting, Thammasat University - IOD Program, Thai Institute of Directors ● Directors Certification Program (DCP) ● Audit Committee Program (ACP) ● Monitoring Fraud Management (MFM) ● Monitoring of the Quality of Financial Reporting (MFR) ● Monitoring the Internal Audit Function (MIA) ● Monitoring the System of Internal Control & Risk Management (MIR) 	0.07	-None-	2015 - Present	Chairman of the Board, Independent Director, and Audit Committee Member	After You PCL.	
					Others			
					2016 - Present	Chief Financial Officer	Impact Electrons Siam Co.,Ltd. (Energy business)	
					2016 - Present	Director	Impact Solar Co.,Ltd. (Alternative Energy business)	
					2013 - Present	Independent Director and Chairman of Audit Committee	JAS Asset PCL. (Real Estate business)	
					2011 - 2015	Chief Financial Officer	GMM Grammy PCL. (Media business)	
					2015	Director	GDC Co.,Ltd. (Media business)	
					2015	Director	GMM C J O Shopping Co.,Ltd. (Media business) Co.,Ltd. (Media business)	
					2015	Director	GMM Z Co.,Ltd. (Media business)	
					2015	Director	GMM TV Co.,Ltd. (Media business)	
					2015	Director	GMM B Co.,Ltd. (Media business)	

Name-Surname / Position / Date appointed	Age (yrs)	Education	Share-holding ¹ (%)	Family relationship between management	Work experience		
					Period	Position	Company
					2015	Director	GMM One TV Co.,Ltd. (Media business)
					2015	Director	GMM HD Digital TV Trading Co.,Ltd. (Media business)
					2015	Director	GMM Channel Co.,Ltd. (Media business)
					2015	Director	GMM SD Digital TV Trading Co.,Ltd. (Media business)
					2015	Director	G S-ONE Co.,Ltd. (Media business)
					2015	Director	Z Trading Co.,Ltd. (Media business)
					2015	Director	Digital Gen Co.,Ltd. (Media business)
					2015	Director	Digi Stream Co.,Ltd. (Media business)
					2015	Director	The News TV Co.,Ltd. (Media business)
					2015	Director	3-RD Co.,Ltd. (Media business)
					2015	Director	Teen Talk Co.,Ltd. (Media business)
					2015	Director	Radio Concept Co.,Ltd. (Media business)
					2015	Director	Image Publishing Co.,Ltd. (Media business)

Name-Surname / Position / Date appointed	Age (yrs)	Education	Share- holding ¹ (%)	Family relationship between management	Work experience		
					Period	Position	Company
					2015	Director	Agent Event Agency Co.,Ltd. (Media business)
					2015	Director	A-Time Media Co.,Ltd. (Media business)
					2015	Director	ST GMM Co.,Ltd. (Media business)
					2015	Director	GMM Channel Co.,Ltd. (Media business)
					2015	Director	GMM Channel Trading Co.,Ltd. (Media business)
					2015	Director	GMM One TV Trading Co.,Ltd. (Media business)
					2004 - 2011	Deputy Chief Financial Officer	Total Access Communication PCL. (Telecommunication business)

Name-Surname / Position / Date appointed	Age (yrs)	Education	Share-holding ¹ (%)	Family relationship between management	Work experience		
					Period	Position	Company
2. Mr. Wiwat Kanokwatanawan ^{1/2} Date appointed : 5 November 2015 Director 12 May 2016 Vice Chairman of the Board	62	- Bachelor of Engineering, University of Kentucky, USA	0.41	- Father of Ms. Gulapat Kanonwatanawan and Mr. Mill Kanonwatanawan - Uncle of Mr. Maetup T.Suwan	2015 - Present <u>Others</u> 1979 - Present Present Present Present Present Present	Vice Chairman of the Board Director and Chief Executive Officer Director Director Director Director Director Director	After You PCL. Pakfood PCL. (Seafood and frozen food business) Okeanos Co.,Ltd. (Seafood and frozen food business) Chao Phraya Coldstorage Co.,Ltd. (Rental property business) Takzin Samut Co.,Ltd. (Rental property business) Looklam Charoen Co.,Ltd. (Food business) Kanokthorn Foods Industry Co.,Ltd. (Food business)
3. Mr. Phiched Bhimayothin Date appointed : 5 November 2015 Independent director and audit committee member 12 May 2016 Chairman of Audit Committee	57	- Bachelor of Science, Kasetsart University - IOD Program, Thai Institute of Directors • Directors Accreditation Program (DAP)	0.07	-None-	2015 - Present <u>Others</u> 2014 – Present 1993 – 2014	Independent Director and Chairman of Audit Committee Advisor Factory Manager	After You PCL. Pakfood PCL. (Seafood and frozen food business) Pakfood PCL. (Seafood and frozen food business)

Name-Surname / Position / Date appointed	Age (yrs)	Education	Share-holding ¹ (%)	Family relationship between management	Work experience		
					Period	Position	Company
4. Dr. Thamnoon Ananthothai Independent Director and Audit Committee Member Date appointed : 5 November 2015 Independent director and audit committee member	59	<ul style="list-style-type: none"> - Ph.D. in International Management, Walden University Naples, Florida, USA - Master of Business Administration, The University of Sarasota, Sarasota City, Florida, USA - Bachelor Degree in Accountancy & Management, Eckerd College-St. Petersburg, Florida, USA - IOD Program, Thai Institute of Directors <ul style="list-style-type: none"> ● Directors Certification Program (DCP) ● Director Accreditation Program (DAP) ● Audit Committee Program (ACP) ● The Role of Chairman Program (RCP) ● Understanding the Fundamental of Financial Statement (UFS) 	0.07	-None-	2015 - Present	Independent Director, and Audit Committee Member	After You PCL.
					<u>Others</u> 2014 - Present 2014 - Present 2007 - Present 2007 - Present 2007 - Present 2004 - Present 2004 - Present 2001 - 2015 1997 - Present	Executive Committee Executive Committee Vice Chairman of the Board and Chairman of Audit Committee Vice Chairman of the Board and Chairman of Audit Committee Executive Committee Independent Director, Audit Committee Member, and Chairman of the Nomination and Remuneration Committee Subcommittee of the Executive Board and Subcommittee of Clearing House Executive Committee of Investment and Debt	Merchant Partners Asset Management Co.,Ltd. (Financing business) Merchant Partners Co.,Ltd. (Financing business) Better World Green PLC. (Services business) IFS Capital (Thailand) PCL. (Financing business) Merchant Partners Securities PCL. (Financing business) Thai Union Group PCL. (Seafood and frozen food business) The Agricultural Futures Exchange of Thailand The Federation of Thai Industries

Name-Surname / Position / Date appointed	Age (yrs)	Education	Share-holding ¹ (%)	Family relationship between management	Work experience		
					Period	Position	Company
5. Mr. Maetup T.Suwan ² Director and Managing Director	42	<ul style="list-style-type: none"> - Master Degree in Industrial Design, Pratt Institute, USA - Bachelor Degree in Interior Design, School of Visual Arts, USA - Bachelor Degree in Business Administration, St. Thomas Aquinas College, USA - IOD Program, Thai Institute of Directors ● Directors Accreditation Program (DAP) 	29.40	<ul style="list-style-type: none"> - Nephew of Mr. Wiwat Kanokwatanawan 	2009 - 2015	Restructuring and Development Equity Market	Bangkok University
					2005 - 2015	Audit Committee Member Independent Director, and Audit Committee Member	Property Perfect PCL. (Real estate business)
6. Ms. Gulapat Kanokwatanawan ² Director and Deputy Managing Director	34	<ul style="list-style-type: none"> - Bachelor Degree in Business Administration (International Program, Marketing, Thammasat University - IOD Program, Thai Institute of Directors ● Directors Accreditation Program (DAP) 	35.00	<ul style="list-style-type: none"> - Daughter of Mr. Wiwat Kanokwatanawan - Older sister of Mr. Mill Kanokwatanawan 	2007 - Present	Director and Deputy Managing Director	After You PCL.
					2015 - Present	Director	Aurum and Aurum Co.,Ltd.
					Others		
					2010 - Present Present	Director Director	M & M 2007 Co., Ltd. Prima Publishing (Publishing business) Looklam Charoen Co.,Ltd. (Food business)

Name-Surname / Position / Date appointed	Age (yrs)	Education	Shareholding (%) ¹	Family relationship between management	Work experience		
					Period	Position	Company
7. Mr. Mill Kanokwatanawan ² Director and Assistant Managing Director Date appointed : 5 November 2015 Director	29	- Bachelor of Arts in Economics (International Program), Chulalongkorn University	1.75	- Son of Mr. Wiwat Kanonwatanawan - Younger brother of Ms. Gulapat Kanokwatanawan	2015 - Present	Director	After You PCL.
					2016 - Present	Assistant Managing Director	After You PCL.
					Others 2012 - 2016	Relationship Manager	Siam Commercial Bank PCL. (Financing business)
8. Mr. Songpon Tasasathienkij Director of Operations	40	- Bachelor Degree in Accounting, University of Thai Chamber of Commerce	0.06	-None-	2010 - Present	Director of Operations	After You PCL.
9. Ms. Uraiwai Samanwong Director of Manufacturing	37	- Bachelor of Home Economics, Food and Nutrition, Rajamangala University of Technology Krungthep	0.06	-None-	2007 - Present	Director of Manufacturing	After You PCL.
10. Mrs. Pomsirin Thongtan Director of Human Resource	41	- Master Degree in Business Administration, International Business, Eastern Asia University - Bachelor Degree in Business Administration, Bangkok University	0.02	-None-	2015 - 2016	Director of Human Resource	After You PCL.
					Others 2005 - 2015	Talent Acquisition	Pepsi-Cola (Thai) Trading Co., Ltd. (Beverage business)
11. Ms. Chamaiporn Tungkititsuwan Director of Finance & Accounting	37	- Master of Business Administration, California State Polytechnic University Pomona, USA - Bachelor Degree in Accounting (Honors), Chulalongkorn University	0.06	-None-	2013 - Present	Director of Finance & Accounting	After You PCL.
					Others 2007 - 2013	Chief Accountant	Bumrungrad International Limited (Hospital business)

Name-Surname / Position / Date appointed	Age (yrs)	Education	Shareholding ^{1/} (%)	Family relationship between management	Work experience		
					Period	Position	Company
12. Ms. Chantanee Tantasuralerk Company Secretary	40	<ul style="list-style-type: none"> - Master Degree in International Business, University of Wollongong, Australia - Bachelor Degree in Business Administration, Assumption University - Mini Master of Management , National Institute of Development Administration - Certificate in Business Analysis, Chulalongkorn University - IOD Program, Thai Institute of Directors <ul style="list-style-type: none"> • Company Reporting Program (CRP) • Company Secretary Program (CSP) 	-None-	-None-	2016 <u>Others</u> 2011 – 2016	Company Secretary Senior Manager – Strategic Department	After You PCL. Total Access Communication PCL. (Telecommunication business)

Remark: ^{1/} Shareholdings information as at 6 January 2017

^{2/} Authorized Director to sign on behalf of the Company

CORPORATE PROFILE

Company information

Company name	:	After You Public Company Limited
Type of business	:	Dessert cafe
Head office	:	324, 326 Soi Pattanakarn 30, Patanakarn, Suanluang, Bangkok 10250
Company registration number	:	0107559000109
Telephone	:	0 2318 4488
Fax	:	0 2318 1022
Website/Homepage	:	http://www.afteryoudessertcafe.com
Registered capital as at 31 December 2016	:	72.50 million Baht
Issued and paid-up capital as at 31 December 2016	:	72.50 million Baht
Type and amount of outstanding shares	:	725,000,000 Ordinary shares at 0.10 Baht per share

References

Securities registrar

Securities registrar	:	Thailand Securities Depository Company Limited
Head office	:	93 Ratchadaphisek Road, Dindang, Bangkok 10400
Telephone	:	0 2009 9000
Fax	:	0 2009 9991

Auditor

Auditor	:	EY Office Limited
Head office	:	Lake Rajada Office Complex 193/136-137, 33 rd Floor Rajadapisek Road, Klongtoey, Bangkok 10110
Telephone	:	0 2264 0777
Fax	:	0 2264 0789-90

Internal auditor

Internal auditor	:	DIA Audit Company Limited
Head office	:	958 On-Nut Road, Suanluang, Bangkok 10250
Telephone	:	0 2332 9806
Fax	:	0 2311 5567

POLICY AND OVERALL BUSINESS OPERATIONS

Business vision and goal

After You Public Company Limited (Hereinafter “the Company”) is committed to be the leader in the dessert business which emphasizes on the standard of quality, and maintain the popularity of consumers by each of the products under the brand name “After You”. With attention to detail, including the continuous creation of new menus, adding variety to novelty and to accommodate the changing of consumer needs, including the development of business opportunities to enhance the competitiveness in the ASEAN Economic Community (AEC). The Company has planned to add more branches to cover the service area throughout Bangkok metropolitan area, and also plans to expand into large cities in different provinces with high potential and purchasing power. In addition, the Company is seeking opportunities to expand the business into the neighboring countries, along with the expanding distribution channels and diversified product lines as well.

Significant Changes and Progression

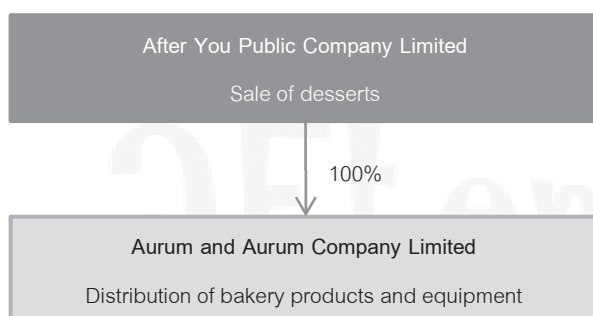
Year	Changes / Progression
2005	- The Company was established as Sea Munch Co., Ltd. by the Kanokwatanawan, T. Suwan, and Kinship family, to operate a restaurant business with the starting capital of Baht 2 million.
2007	- Increased registered capital from Baht 2 million to Baht 5 million in March. - Changed business line and operated as a dessert café, launching under the brand name "After You", opened its first outlet at J Avenue, Soi Thonglor 13.
2008	- Changed the Company name into After You Co., Ltd. to be consistent with the brand.
2009	- Opened the second branch of After You at La Villa, Phaholyothin.
2010	- The Company has structured a group holding company by establishing After You 2007 Co.,Ltd. ("After You 2007") on March 17, 2010, and transferred all of the assets from Thonglor's branch into this company. - Opened the new branch at Central World, under the supervision of the Company. - Central World branch was closed down, due to the fire incident at Central World.
2011	- Opened two new branches; Siam Paragon and Crystal Park, under the supervision of the Company - Added product lines such as cookies and plastic wrapped dessert for take-away and for

Year	Changes / Progression
2012	<ul style="list-style-type: none"> - The Company has reorganized its structure and purchased all the assets from After You 2007, which previously transferred from Thonglor branch. - Continuity of branch expansion, both in the shopping center and community mall, opening new three branches of After You at Central Ladprao under the supervision of The Company, and at Int-Intersect Rama III and Silom Complex under the supervision of After You 2007. - Expand distribution channels such as off-site catering services and wholesale products.
2013	<ul style="list-style-type: none"> - Re-opening of After You in the Central World after the fire incident. - The Company has restructured the group again, by purchasing and transferring all the assets of Int-Intersect Rama III and Silom Complex branches from After You 2007, to be the assets of the Company on 1st July, 2013.
2014	<ul style="list-style-type: none"> - Increased registered capital from Baht 5 million to Baht 25 million in July, and onto Baht 50 million in December, to support the branch expansion and operations. - Continuity of branch expansion by opening 2 new branches: The Mall Bangkapi and Siam Square. - Expanded new product line by opening a home-made ice cream shop, under the “Crumb” trademark at Central Embassy in June. - Started selling souvenirs under After You trademark.
2015	<ul style="list-style-type: none"> - Increased the registered capital from Baht 50 million to Baht 54 million in April to support the expansion of operations and branches. - Opened five more branches at: The Crystal Ratchaphruek, Tha Maharaj Mega Bangna, The Mall Bangkae, and Future Park Rangsit, in order to cover the urban areas. - Established the new factory in Sinsakhon Industrial Estate, Samut Sakhon to support the expansion of business and future growth. - Aurum and Aurum Company Limited, a subsidiary of the Company was registered and established to carry out procurement of raw materials for production to the Company. - Close the “Crumb” homemade ice cream shop at Central Embassy, in September because the outcomes failed to meet the expectation.
2016	<ul style="list-style-type: none"> - Started production at the new factory in Sinsakhon Industrial Estates, Samut Sakhon in January. - Continuously expanded After You branch. There are three new branches opened at Terminal 21, Seacon Square and Central Pinklao.

Year	Changes / Progression
	<ul style="list-style-type: none"> - Expanded new product line: The ice shave shop “Maygori” was debuted at The Commons, Soi Thonglor 17 in February and its 2nd branch at Siam Square in June. - The Company was transformed into a public company and changed its name to After You Public Company Limited in March. - Changed par value from Baht 100 per share, into the value of Baht 0.10 per share and increased the registered capital from Baht 54 million to Baht 56 million in April. - Increased registered capital from Baht 56 million to Baht 72.50 million, offering 1.50 million shares to the Company's directors, executive and/ or employees for 1.91 million shares and 161.59 million shares to the public. - The Company offered 165 million shares at a par value of Baht 0.10 per share to the public (IPO), including offering to the directors, executive and/ or employees of the Company on 14 - 16 December 2016. - The Company was listed on the MAI on 23 December 2016. - Started construction of new office building to use as an office, employee training facility, and distribution center, to support future business expansion of the Company.

Business Structure

As at 31 December 2016, the Company has one subsidiary under its supervision, from which the following business structure implemented:



NATURE OF BUSINESS OPERATION

Revenue structure

Revenue structure of the Company varied in each of the following types of business:

Product line / Business type	Operated by	2016		2015		2014	
		Million Baht	%	Million Baht	%	Million Baht	%
<u>Sale revenue</u>							
1. Sale from dessert cafe	Company	597.83	98.26	406.53	97.99	305.42	98.02
2. Catering and OEM sale	Company	8.55	1.41	7.74	1.87	5.72	1.83
Total sale revenue		606.38	99.67	414.27	99.86	311.14	99.85
Other revenues		2.01	0.33	0.58	0.14	0.46	0.15
Total revenues		608.39	100.00	414.86	100.00	311.60	100.00

Remark: Other revenues includes interests, material leftovers, incentive from book sales, revenue recognition from unused gift vouchers, and the money received as a compensation for delayed-construction.

Services and Product Lines

1) Dessert café

1.1) After You

The Company operates a dessert café under the brand name “After You”, which offers a warm, family-like atmosphere, decorated with the concept of a casual restaurant which easily accessed by customers of all genders and age. At present, the Company releases more than 100 dessert and beverage products, divided into the following main categories:

- Dessert consists of freshly prepared desserts, served hot with ice cream. There are many menus which have been popular among customers such as Shibuya honey toast, Chocolate lava, and Kakigori, including the breakfast menu made from pancakes, ice cream, and cakes. There are also cookies and plastic-wrapped dessert available for take-away customer or as a souvenirs
- Beverages such as tea, coffee, chocolate and fruit juices
- Souvenirs such as shirts, books, glasses, and dessert tools.



Shibuya honey toast



*Strawberry cheesecake
kakigori*



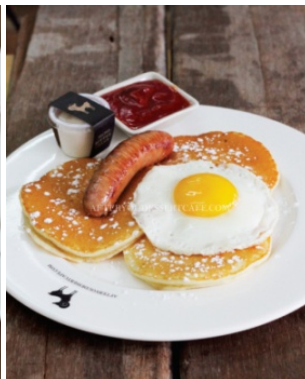
Hot latte



Banana muffin



Chocolate lava



*Pancake with sausage
and fried egg*



Strawberry frappe



Souvenirs

As at 31 December 2016, After You operated in 18 branches as follows;

No.	Branches	Provinces	Type of location of branches	Operation time
1	J Avenue Thonglor 13	Bangkok	Community mall	11.00 – 24.00
2	La Villa Paholyothin	Bangkok	Community mall	Mon-Thu 10.00 – 22.30 Fri-Sun 10.00 – 23.00
3	Siam Paragon	Bangkok	Shopping center	10.00 – 22.30
4	Crystal Park	Bangkok	Community mall	Mon-Thu 11.00 – 22.00 Fri-Sun 10.00 – 23.00
5	Central Ladprao	Bangkok	Shopping center	10.00 – 22.00
6	Int-Intersect Rama III	Bangkok	Community mall	11.00 – 22.00
7	Silom Complex	Bangkok	Shopping center	10.30 – 22.00
8	Central World	Bangkok	Shopping center	10.00 – 22.00
9	The Mall Bangkapi	Bangkok	Shopping center	Mon-Fri 10.30 – 21.30 Sat-Sun 10.00 – 22.00
10	Siam Square One	Bangkok	Shopping center	12.00 – 24.00
11	Crystal SB Rajapruek	Nonthaburi	Community mall	11.00 – 22.00
12	Tha Maharaj	Bangkok	Community mall	10.00 – 22.00
13	Mega Bangna	Samut Prakarn	Shopping center	10.00 – 22.00
14	The Mall Bangkae	Bangkok	Shopping center	Mon-Fri 10.30 – 22.00 Sat-Sun 10.00 – 22.00
15	Future Park Rangsit	Pathum Thani	Shopping center	Mon-Thu 10.30 – 21.30 Fri 10.30 – 22.00 Sat-Sun 10.00 – 22.00
16	Terminal 21	Bangkok	Shopping center	Mon-Fri 10.30 – 22.00 Sat-Sun 10.00 – 22.00
17	Seacon Square	Bangkok	Shopping center	Mon-Fri 10.30 – 22.00 Sat-Sun 10.00 – 21.30
18	Central Pinklao	Bangkok	Shopping center	Mon-Thu 10.30 – 21.30 Fri 10.30 – 22.00 Sat 10.00 – 22.00 Sun 10.00 – 21.30

1.2) Maygori

In 2015, the shave ice menu called 'Kakigori' which served in After You Dessert café received popularity and a very good response from consumers. The company foresees a business opportunity to expand market share. Thus, in 2016 the Company created new product line called 'Maygori'. The decoration of this shop

aims at comfortable atmosphere and makes the customer feel at home, with the menu concept of Thai traditional dessert, i.e. shave ice topping with tropical fruits. The regular customers for this menu are diverse, not just students, but also women and the elderly There are also variety of shave ice menus such as Ichigo and yogurt, Mont Blanc Chestnut, Hojicha, Ume, etc.



Ichigo and Yogurt

Mont Blanc Chestnut

Hojicha

Ume

As at 31 December 2016, Maygori operated in 2 branches as follows:

No.	Branches	Provinces	Type of location of branches	Operation time
1	The Commons	Bangkok	Community mall	12.00 – 24.00
2	Siam Square One	Bangkok	Shopping center	Mon-Fri 12.00 – 22.00 Sat-Sun 11.00 – 22.00

2) Catering and OEM sale

The Company has expanded its service lines into the off-site catering services for the organizers such as weddings and various events. The main products offered in the catering are such as Shibuya honey toast, Chocolate lava Strawberry crumble and many more. In addition, the Company has also contracted to produce products under the trademark of the Company for the group of customers such as airlines and restaurants, the main products offered are such as pies or bread cookies.



Catering service



OEM sale under the Company's trademark

Marketing and Competition

Making a Difference in Products and Services

There're many factors that support Company's steady growth, but the vital part is to differentiate ourselves from other operators. The methods are as follows:

1) Brand Awareness

Since the opening of the first branch of dessert and bakery café under the brand name "After You" in 2007, the Company has been well recognized by consumers, either via the word of mouth or social network communication, about the quality of our products and services. After You Dessert Café started with the passion for sweet dessert in the childhood of Ms. Gulapat Kanokwatanawan, a major shareholder of the Company, coupling with her long time experience of making desserts, including the writing of "May Made" dessert recipe book, all of which making 'After You' well known among people who love to make and eat desserts. Assembled with the identity of the café is a dessert served hot, plus the attention to detail, and the continuity of new menus, combining with the cozy and friendly decoration concept, all are factors which make After You maintains popularity among people of all ages, from children, students, workers, to the elders.

2) Quality and Taste

One of the Company main policy is to focus on inventing new products and offering products which are different from competitors, including the aspect of quality, the freshness of raw materials used, a variety of products, and unique ways to present to the customers. The Company first started with the menu presentation of ice cream topling with freshly made desserts, which was a different practice from the general dessert café at that time, until being recognized as the first leading café of freshly cooked desserts. Furthermore, the Company emphasizes on quality control, i.e. raw material supply, the selection of good quality ingredients, and nutritional standards. We always implement the quality inspection of raw materials before the production process begins. The process is operated by the Company's own central kitchen and there is a transportation system for the raw materials and foods, transported from the central kitchen to the branches, including the use of standard shipping companies. These processes enable the control of the quality of raw materials and products sent to various branches. Products that are cooked at the branch will also be subject to quality checks before serving to customers, which maintains the Company's product quality and standard equally in all branches.

In addition, the Company usually develops and invents new products, offering a special menu to customers during major festivals such as Halloween and Valentine's Day. Generally, the new menus will be introduced every 2 months to create options for the customers, as well as a difference from the competition. Those menus are mostly popular and well recognized by customers, and the more popular menus would be listed as a regular menu to add variety to the service.

3) Excellent Service

The Company emphasizes on the quality of services and maintains impression among consumers every time they have dessert served by us. The customers will be greeted by employees with a cheerful smile, friendly, and courteous, while recommending the products to suit with customer's appetite. Fast service and cleanliness are also important factors in our food and dessert business, the standard control manager, will randomly run the quality check of service for all employees, ranging from kitchen staff, waiters, and cashier, to ensure that all employees follow the practices of the Company, as well as to improve the quality and skills of the regular staff. In addition, the Company also does the random survey in customer satisfaction about the dessert at the café through the questionnaire, in order to make a correct improvement.

4) Consumer Satisfaction

The Company attaches great importance to creating and maintaining the satisfaction of customers. We give a concern to every suggestions, feedback, and comments. In addition, the Company has the policy of encouraging the staff to ask about the level of satisfaction from the customers on a regular basis.

5) Maintaining and Expansion of Customer Base

As at 31 December 2016, After You has accumulated a total of 246,000 members who will receive 100 points for every 100 Baht which can be redeemed for the prize within the following year. Moreover, the Company usually releases new menus or newsletters available through member information such as email, etc., to create awareness of the Company's trademarks. In addition, the customer memberships can be used to collect statistics and to analyze statistic data to better understand the customer behaviors.

6) Social Marketing

The Company focuses on social media marketing through various channels.

- facebook of the Company (<https://www.facebook.com/afteryoufanpage>)
- Instagram of After You (<https://www.instagram.com/afteryoudessertcafe>)
- Instagram of Maygori (<https://www.instagram.com/maygori>)
- Instagram of Ms. Gulapat Kanokwatanawan (<https://www.instagram.com/mayafteryou>)

All of the above marketing channels give access to new generation lifestyles and target customers of the Company. Most of them are teenagers who like to share the meal with friends or take their family to dessert café. Marketing through such channels has created incentives for repurchase of repeat customers and expansion of new customer base, as well as foster the strength of the brand. In addition, the Company resorts to the e-mail channel as a way to present new products. The Company believes that the viral marketing or a buzz through online society is a marketing strategy that suits the business of the Company which can increase the sales and proved to be high efficiency, because it can spread more quickly and influent the decision of the customer, while maintaining the low cost of marketing.

7) Strategic Location

The Company Group expanded the branch from a central area with a population density of its target customers in a location such as Thonglor, Phaholyothin, Ladprao and Siam Square, and extends its branches every year to cover all the target area. As at 31 December 2016, the Company has a total of 20 branches located in the leading shopping centers and community malls.

Distribution channels

The Company has 5 channels of distribution: 1) Retail Dessert café in Bangkok and suburb area 2) Take-Away 3) Dessert catering services 4) Original Equipment Manufacturing (OEM) and 5) Gift card sales (gift voucher)

Pricing policy

The Company has a pricing policy that concerns many key costs and expenses such as raw material costs, operating expenses, rental and personnel expenses, current market prices and the level of acceptability from customers. Products that Company manufactures and assembles are at the premium grades, with the quality ingredients and attention to detail in every step, therefore the price is considered medium to high. Nevertheless, the Company believes that the pricing of the Company's products is reasonable compared to the quality.

Type/ Brand	Target Groups	Pricing
1. After You Dessert café	Students, adult, and elders, who have medium – high income and who likes to have a meal with friends and/or families	Dessert price per a menu Baht 125 - 255 Beverage price per a menu Baht 95 - 145
2. Maygori shaved ice	Students, teenager, adult who have medium – high income	Price per a menu Baht 185 - 235

Industrial Competition

The restaurant business market in Thailand consists of 6 main categories; small restaurants, cafés / bars, full service restaurants, fast food, takeaway restaurants and food courts.

- 1) Street Stalls / Kiosks is a small, inexpensive restaurant with limited food items. It will serve one dish that focuses on fast food, such as five-star roast chicken or Chai-Si Dumpling and Noodle.
- 2) Café / Bars is the outlet with many kind of beverages, including the desserts and a variety of menus in it such as Starbucks, Coffee Café, Amazon Coffee, After You, and other dessert cafés.

- 3) Full-Service Restaurant is a type of restaurant that serves meals at the restaurant, focusing more on serving foods over drinks. The restaurant offers a variety of delicacies such as MK Suki, S & P, Fuji. A full-service restaurant does not include restaurants that serve food by self-service at the counter.
- 4) Fast Food is a restaurant with limited food items, or highlighting a few items. It is fast and convenient. There are also home-based and drive-through as optional services for customers, as seen in McDonald's KFC 7-Eleven.
- 5) Take Away Restaurant (100% Home Delivery / Takeaway) is a restaurant with no table service, and only ordering back home, such as Oishi.
- 6) Food Court (Self-Service cafeterias) is a restaurant with no standby service at the table. Customers will have to pick up and pay their own food at the food, dessert and beverage counter, all of which can be varied greatly in each of the popular shopping centers such as Food Court in Tesco Lotus, Big C and Tops.

The Company is categorized as a café / bar business which can be divided into 4 sub-categories: bars / pubs, café, juices cafés, and coffee shop, from which the café business is mostly related to the identity of the Company. The competitors, therefore, are those dessert and beverage café with similar menu styles. Either operate in the department store or as a single shop, such as Iberry, Kyo Roll En, including any coffee shop selling desserts such as Coffee World.

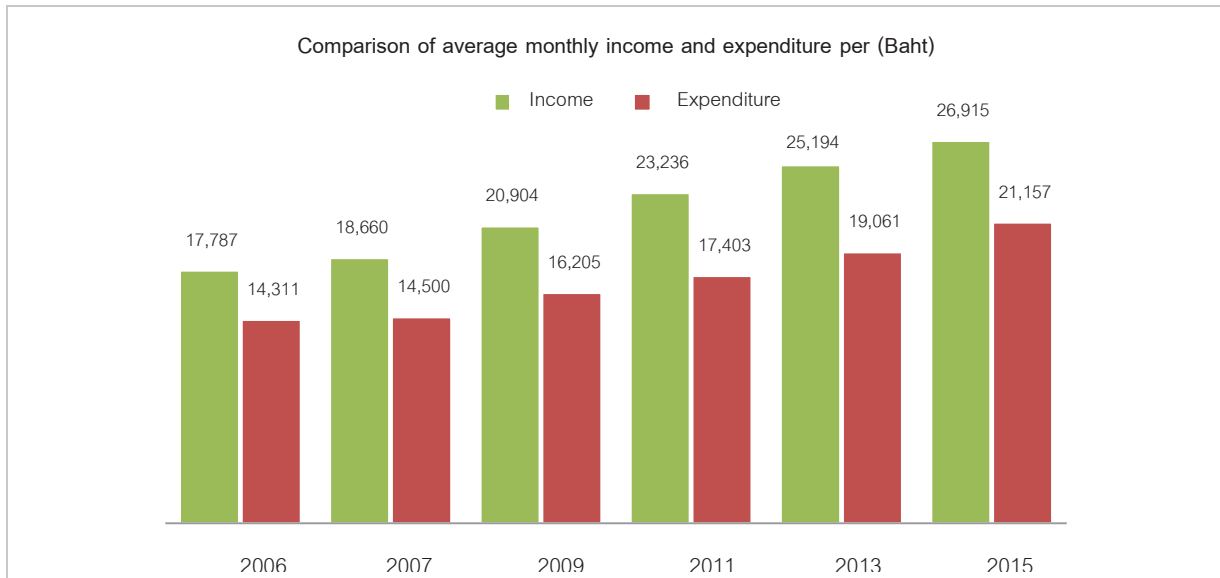
Brands	Number of branches in Thailand
After You	18
Maygori	2
Coffee World	79
Farm Design	28
Kyo Roll En	16
Iberry	17
Bake a wish	8

Source: Information from website of each brand (branches in Thailand only) as at 31 December 2016

However, the café / bar business sector consists of vast varieties of shop owners, since there are many independent shops or stores with less than 10 branches (Independent Players) and account for 96.2% of overall market share, especially in the business of bars / pubs, cafés and juice shops, for it is a high growth sector with the low investing cost and low level of barriers to entry.

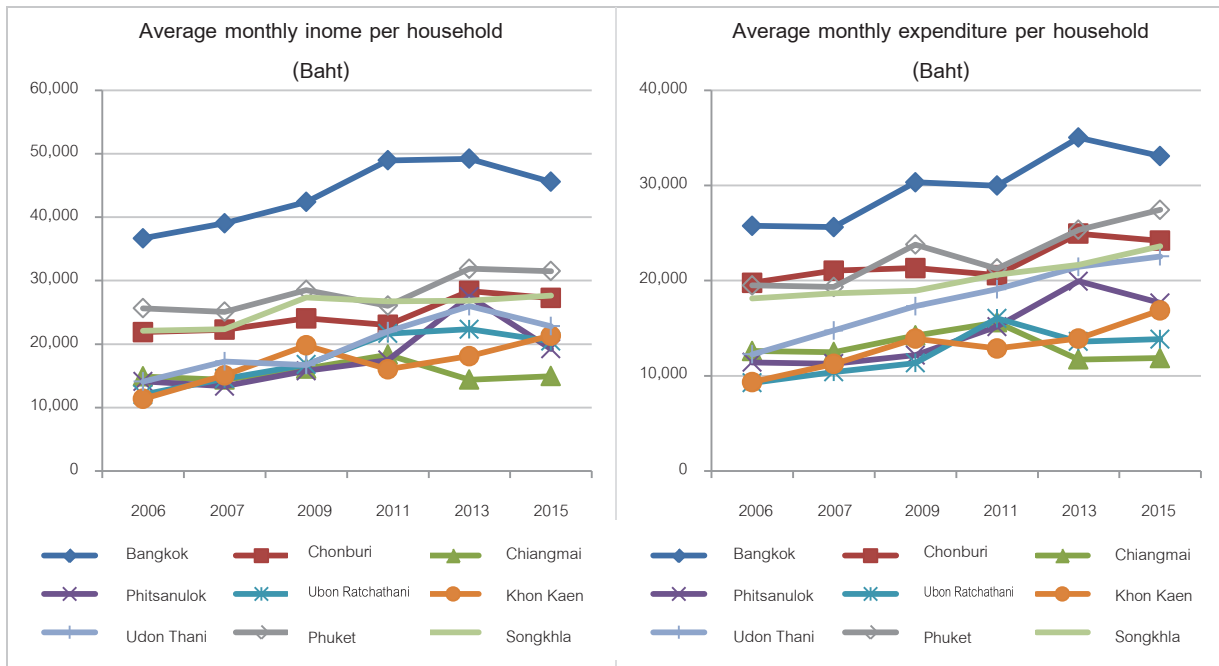
The growth trend of the restaurant market in Thailand is mainly depended on the consumer's spending capacity, and also the adaptability of the entrepreneur to the change of consumer behavior. Considering

consumer spending ability based on average income and average household expenditure, it is estimated that between 2006 and 2015, household incomes and expenditures have increased steadily and consistently. Income per household increased from around 17,800 Baht per month to 27,000 Baht per month, or a cumulative annual growth rate of 4.70 percent per year, and household expenses increased from 14,300 Baht per month to 21,200 Baht per month, or a cumulative annual growth rate of 4.39 percent per year, showing that consumers have the capability to spend more.



Source: National Statistic Organization (Income data is only collected from the even year, thus 2016 is missing)

Considering the growth of income and average household expenditures in Thailand over the past 10 years (2006 – 2015), the growth came mainly from the provinces / major cities in Thailand caused by the expansion of the city and the increase in business activity. This resulted in the development of quality of life and increased diversity of careers as seen in the example of provinces / major cities in Thailand.



Source: National Statistic Organization (Income data is only collected from the even year, thus 2016 is missing)

In the aspect of adjustment to the change of consumer behavior, the main challenge is to adapt and respond quickly to the fast-changing nature of consumer needs and behaviors. This is due to the high technology, convenience, and the influences of social media, the food or meal of choices for consumers tend to derived from their social media friends.



Supply of Products or Services

The supply of products and services is divided into two main sections: a central kitchen and a dessert café. The details are as follows:

Central kitchen

In January 2016, the Company moved its production line from the original 70 square meters central kitchen plant on Pattanakarn Road, Bangkok, into the new factory located at Sinsakhon Industrial Estate, Samut Sakhon with the usable area of 5,000 square meters. This is to expand production capacity and raise production level to meet international standards and support the future business growth. This new central kitchen plant can accommodate up to 40 - 45 branches in one shift.

The central kitchen is the unit for raw material supply, quality control, dessert preparation and production for the best taste. It provides clean and safety environment, for storing raw materials and goods, in order to maintain the quality of raw materials and goods, before distributing them to various branches. The steps to procure products and services in a central kitchen plant can be divided into six steps.

1) Raw material procurement

The main raw materials for dessert are flour, sugar, egg, chocolate, butter, milk and fruit, all of which are supplied by both domestic and foreign suppliers. The manufacturing department will plan the production based on the sales estimates data that each branch manager inputs into the warehouse department to evaluate the quantity of raw materials and send the purchase requisition to the purchasing department.

Purchasing Department will have a process and procedure for selecting suppliers of these raw materials, by comparing at least 2 - 3 characteristics of the manufacturers, and consider both features and qualities in each one of them, including their offering price and services. For raw materials that are regularly ordered, prices and quality will be reviewed at least twice a year, except for items with frequent price changes such as fresh or agricultural produce, then prices is reviewed at least every three month.

For raw materials with large quantities of orders or regular orders, the Company managed to contract with manufacturers and distributors of such items, in order to control the volume and pricing, for cost effective and to mitigate the risk of raw material shortages. In 2016, the Company Group placed orders for goods and raw materials from the first 10 major manufacturers and suppliers at 63 percent of the overall order value, and does not solely rely on any single manufacturer or supplier for more than 30%.

2) Quality Inspection

When raw materials are delivered to the central kitchen, the warehouse department will be responsible for inspecting all raw materials received as accurate and complete. About 5% of the raw materials will be randomly inspected, to check the date of manufacture and expiry, packaging, freshness, color, odor, size and

weight as prescribed, etc. Then the raw materials will be stored in the freezer, refrigerator or storage room temperature, depending on the type of raw materials, in order to maintain the quality of raw materials as always fresh. Under the First In First Out (FIFO) system, the raw materials will be circulated regularly and the rate of lost from expired goods will be reduced.

3) Preparation and Production

The central kitchen is the center of raw materials processing and arrange them as cooked foods (Food which has been prepared and packed in a container, ready to be cooked for a certain menu such as Shibuya honey toast or Kakigori, which prepared and cooked over 80 percent in advance) and instant foods (Ready-to-eat foods which packed in ready-to-use containers, such as cakes, cookies and plastic wrappers) The production department will use the sales forecasts of each manager to plan production and estimate the use of raw materials. And pick up raw materials from the warehouse. In production planning, production will be assigned a stock inventory (Safety Stock) to prevent the shortages. After processing and production finished, warehouse department will distribute raw materials and goods to various branches, to cook or sell in the café or stores.

The production process of the production department is divided into production lines according to the type of product, such as cakes, bread, ice, cookies, drinks, preparation, ingredients and packaging, starting by mixing the ingredients in proportion, according to the formula invented by product development department. The factory will further research on the production side, such as adjusting the ingredients, the method of production, calculate the appropriate storage life and delivery method. The employees are required to follow the procedures used to prepare and cook the desserts, to get the same quality and standard products. After production, the quality control department will check the quality of the product in terms of production process and quality control before stocking or distributing to the branches.

The Company focuses on production efficiency, and as a result, has set a policy to avoid the waste from the production of more than 1% of all raw materials imported into the production system. In 2016, the Company was able to effectively control the waste of production, thus less than 1%.

The Company is committed to the development of its operations. To be highly effective, some advanced technology will be procured to support the production process and the standard of quality control during production, in order to obtain products quality in accordance with the standards set. The Company implementation of the central kitchen plant has been certified in various international standards such as ISO 9001 : 2000 standard quality management system, GMP (Good Manufacturing Practice), HACCP (Hazard Analysis and Critical Control Point) certificate in food production, and Halal accreditation from the Office of the Central Islamic Committee of Thailand by certifying that the process has been carried out correctly according to Islamic principles. Additionally, the Company expects to obtain the GMP and HACCP certification by mid-2017.

4) Storing of raw materials and goods

Warehouse will store raw materials and goods in the room at the appropriate temperature to maintain the quality of the products to be fresh. Each item has a label that specifies the date of manufacture and expiry dates clearly. The Company uses FIFO management system to keep raw materials flowing regularly and reduce damage from expired goods.

5) Inventory Control

Warehouse and purchasing department or departments who request the order jointly check raw materials or goods ordered and recorded. When the production needs, the quantity will be calculated according to the formula ingredients and prepare the relevant documents, along with picking raw materials from the warehouse to use. After production is completed, each item is packed into a box or bag or container and put in the warehouse, along with the relevant documentation. Then the logistic department will arrange the documentation before picking items from the warehouse and distribute to the branches.

For the waste control, the Company requires that the head of each part of the production is inspected, and that all wastes must be recorded in the waste report before it is disposed in the waste bins. The policy of waste production does not allow the waste to exceed 1%, and in 2016, the Company effectively controls its production, having the waste less than 1%.

In addition, in order to effectively control the inventories, the Company also requires the warehouse, the production and the accounting department to perform stock count at the end of each month.

6) Distribution of raw materials and goods.

The Company distributes raw materials and products to various branches everyday, through the Company's cold storage and van, including transportation services from standard carriers. This enables the Company to control the quality of raw materials and goods well, and assure for the cleanliness, freshness, and hygienic, and also efficiently distribute within the time limit according to the delivery plan of the Company, which emphasizes on the cost management. Additionally, the Company also uses GPS tracking systems for efficient transportation management.

Dessert café

Each of the branches of After You Dessert café and Maygori is responsible for the supply of raw materials and products from the central kitchen and from the manufacturers or suppliers of raw materials, storing system at the branches, preparation and cooking, customer service and cash collection, by the procedures as follows.

1) Procurement of raw materials and goods

Each branch of the dessert café will make 3 days sales forecasts according to the sales statistics of each period, to ensure that the amount of raw materials and goods ordered is the right amount, and consistent with the behavior of customers who access the site at each period of time, enabling the inventory management to be effective. The central kitchen will process and deliver the products to each branch. For the short-lived raw materials which easily deteriorated and do not go through the production process at the factory, such as milk and fruits, the branch managers will directly orders from manufacturers and suppliers. Nevertheless, any purchases of raw materials or products of branch managers will be subject to the Company's authorization to operate. For payment of raw materials and goods ordered by the branch manager, the process will be responsible by the head office through the verification from the accounting department and procurement department before being submitted to the directors for approval.

2) Storage of raw materials at the branches

Branch staff will be responsible for any goods received from the central kitchen, or from manufacturers and suppliers of raw materials that must be checked for accuracy and completion. Raw materials from manufacturers and suppliers will be subject to a thorough quality inspection, before recording the amount of raw materials in the sales system of the branch. Then the raw materials will be stored in the freezer, refrigerator or storage room temperature, depending on the type of raw materials, in order to maintain the quality and freshness of the products, by the FIFO management system to circulate the raw materials effectively and reduce the rate of lost from expired goods.

3) Preparation and cooking desserts

When customers order and pay for the desserts and beverages at the cashier counter, their orders will be sent directly to the kitchen via online system, and monitored by the checker and quality controller before serving to the customers. The preparation process is divided into two main lines: desserts and beverages. All employees will follow the kitchen operation procedures to prepare and cook desserts and beverages as specified by the Company, and to verify the authenticity of the items, including the aesthetics and standardization of each menu prior to serving, in order to obtain the same quality and standard of goods, the district manager and the quality control (QC) manager will randomly check the work procedures of all branches on a regular basis.

4) Customer Service

The staff and employees at each branch, from waiters, kitchen hands, cashier, steward or maids, are around 20 - 30 people per branch, depending on the size of the branch. All staff must undergo training at the head office, and coaching on site, including tested for the skill and knowledge, prior to being a regular employee of the Company, in order to ensure that they have an understanding of the product, how it works, and the culture of the organization. In the aspect of customer service, the Company uses the course syllabus, instructional

process and scoring, to control their standard of works.

In addition, Quality Control Department will randomly check the quality of goods and service level of employees, including the overall cleanliness of facilities in each branch on a monthly basis, to ensure the quality of food and service is in accordance with the standards set by the Company. Moreover, the Company attaches great importance to the use of information from the customer feedback form to improve the service of the Company, regularly and continuously.

5) Cash Collection

Each branch will accept only cash or gift card (gift voucher) from customers. Branch managers count the cash and reconcile sales at the end of the day before submitting the data to the head office. Branch manager together with assistant manager or senior staff bring the cash from the sales to deposit into the bank account. There will be random check for the cash counting and handling procedures twice a month, once by the quality control manager and another from the district manager to ensure that every branch follows the steps that the Company set forth strictly.

6) Inventory Control

The Company implements the waste control system, by requiring branch staff to record waste amount in the waste report before dumping it in the bin and there will be a check for the waste in the bin by the manager team 2 - 3 times a day. To effectively control the inventories, the Company requires every store to count 35 large items at the end of the day, and count all inventory at the end of the month. Furthermore, the operations and accounting team will randomly count the inventory at the end of each month.

The Company has set a policy to avoid wastes from the production of dessert in excess of 1%, and in 2016, the Company can effectively control the production, having the waste less than 1%.

Procurement of branch locations

Choosing the location and size of a branch is essential to the success of the dessert business, as it has a direct impact on earnings, market share, marketing plans, and the expenses incurred by the management and investment. The Company, therefore, weighs much importance of the location of the dessert café and set a strict procedure for any new branch opening as follows:

- 1) The Company has a research team to study and explore potential areas, either screened by the team or offered by shopping center and community mall operator. The main factors that the Company takes into account for the decision to open the branch are detailed as follows
 - (1) The location of the branch is in a very busy area both on weekdays and holidays, having high population density and high economic growth potential. The location is clearly visible, unblocked by anything, easy to access, resulting in a clear view of the storefront, as well as
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being a popular place for people when they plan to have a meal. It must also have the convenient transportation or means of traveling for the target customers to easily reach, either by private car or public transport, including sufficient parking area to facilitate the customer.

- (2) The size of the rental area and layout of the shop fit the operation plan of the dessert café. In each branch, the Company prefers the medium-sized space of approximately 75 - 150 square meters, with an average seating of about 15 - 30 tables in order to streamline and effectively manage the business operation. Besides, the Company takes into account the appropriateness of the rental rates, contract terms, including utilities, all of which affect the investment payback period as well as the business outcomes of each branch.
 - (3) The availability of shopping centers and department stores, such as good supermarkets, sufficient usable space and adequate parking lot, full of high class restaurants in the shopping mall, operating by the effective and experienced management team.
 - (4) Population in the area observed by the number of shelters or residences, educational institution, office building, the various type of community, all of which are taken into account for the business opportunities, growth of sales, and the acquisition of market share in the dessert business.
- 2) The Company's team will collect the data from the studies and surveys to analyze and convene, in order to assess the possibility of branch opening in such a location. Both the layout and size of the area of the branch, including the marketing plan will be taken into account, for the assessment of the accessibility for targeted customers, in parallel with the feasibility of investing according to the Company policy, respectively prior to proceeding to the approval process.

The Company has set the policy on investment framework, return on investment, and the payback period, as follows:

Investment Framework: The Company will use initial investment of approximately Baht 4.50 million to Baht 7.50 million. The investment will depend on the size of the cost structure, i.e. construction, design and decoration, infrastructure systems (electricity, water, telephone and collection), and equipment.

Return on investment: Return on investment of a branch must not be less than the required rate which depends on the working capital such as the cost of raw materials, packaging fee, employee wages, rent, space, electricity, selling and administrative expenses, etc.

Payback Period: Not to exceed 1 - 2 years depending on the location, size, area and purchasing power of the consumer in the area, including relevant factors and elements.

- 3) The Company coordinates with the owner regarding the space rental, the offer or the respond to offers of locations, space and rental fee to the owner of the area
 - 4) The Company designs and defines the service model of the new branch, either by the Company's team or external experts, before selecting the contractor whose performance is acceptable in accordance with the selection process of the Company. Furthermore, the Company is responsible for the documentation and paperwork in the process of construction permits to relevant authorities.
 - 5) After obtaining the permission of the relevant agencies, the Company's team will monitor and control all stages of construction, to prevent the mistakes, and also to control the budget. Additionally, the Company will monitor closely to ensure that construction period is in line with the initial plan and that the qualities of new branch comply with the standards set by the Company.
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RISK FACTORS

Risk factors in the business operation and the hedging approach can be summarized as follows:

Business Risk

Risk of raw material procurement and rising prices

The main raw materials for the desserts and beverages are flour, egg, butter, milk, sugar, fruit, strawberry, banana, etc., which can be volatile in price and quantity, depending on the demand and supply according to the current quantity of output entering the market, which relates to weather conditions each year. As a result, the cost of supply may be high. However, it may not be possible to immediately change the price of desserts and beverages according to the price of raw materials that may increase in any given time or unable to store the raw materials sufficiently, the Company will then lose the opportunity to generate sales. In addition, due to the increasing demand for sweets and desserts from both domestic and foreign markets, as a result, many types of raw materials have continuously increased prices which directly affect the cost of the Company.

However, the Company has collected information on sales of desserts and beverages from each branch which can be used to analyze and predict the amount of sales of desserts and beverages. It can also estimate and evaluate the quantity of raw materials to be used and can be ordered appropriately. For certain types of raw materials that are highly volatile or in high demand, the Company will enter into contracts to determine the quantity or prices that suppliers will have to sell to the Company. The sales contract is based on the principle of fairness for all parties and focuses on building good relationships with the sellers. In addition, the Company is also creating new products to take advantage of the good price and quality to compensate the cost. The procurement department also always recruits potential suppliers and manufacturers of raw materials.

Risk of high competition in the industry and the counterfeiting

At present, consumers in Thailand are more popular eating out and eat dessert after main course, or even eat as a snack. The competition is therefore high, and there is also the issue of counterfeiting and the emerging of new entrepreneurs in the dessert and foods industry. There are also dessert and beverage cafés from foreign countries, such as Korea and Japan, which run by both Thai and foreigners in the industry which may affect the market share, growth and performance of the Company.

For solving this problem, the Company is focused on maintaining outstanding product standards and services, including the launching of new products. Moreover, the Company provides the excellent quality and unique service to customers in order to continuously and consistently maximize the level of customer's satisfaction. The taste of each menu is very unique that no other entrepreneur can imitate, thus competitive edge against other entrepreneurs in this industry.

Risk in recruiting personnel in each department

Recruiting and resigning problems are a major problem in the restaurant industry and directly affect the cost of operation. Due to the Company's business and service which are dessert and beverage distribution, the personnel, is therefore, an important mechanism to drive the operation. It is also crucial to plan for new employee recruitment and ongoing training to support the opening of new branches, and replace the employees who may resign in the field of service.

However, the Company cares for all levels of employees, and therefore uses the interpersonal system to get to know every employee, through a simple and effective training system. Continuous training includes career path and opportunities for talented employees to grow steadily. They can also be promoted to the level of branch manager or district manager in the future. Furthermore, the Company provides fair and appropriate allowances, compensation, and welfare. The Company continuously concerns about the appropriate welfare and problems solving approach. In the future, the Company will initiate the project in collaboration with the vocational training institutions, offering the students with practical or on-the-jobs training at the Company's branches. This is another channel for recruiting qualified employee who ready to work with the Company.

Risk of cash storage and management at branches

The Company only accepts payment at the storefront of each branch in cash or gift voucher of the Company. Therefore if the Company has higher sales per day, the increased cash in the care of employees will make higher risk of lost and can not reconcile cash sales on that day.

However, the Company is aware of such risk and has taken measures to control the cash generated from the distribution of confectionery in each branch to reduce such risk by (1) setting minimum value for the cashier employees to be operated, and appoint the branch manager or team manager to monitor the balance and store the stock immediately. (2) Have the branch manager or manager team count. (3) require the branch manager to accompany the assistant manager or senior staff, to lead the cash from daily sales to bank accounts; and (4) Randomize cash counting and cash handling procedures twice a month, once by quality control manager and once from the district manager to ensure that every branch has followed the steps that the Company set forth strictly.

Risk of the increase in rental fee, and the inability to find space, renew the lease, or to open new branches in department stores and community malls

All branches of the Company for desserts and beverages cafés located in the department store and community mall, to which the Company leases space, with a lease term of approximately 3 - 9 years, and the lease will be renewed after the contract expires. Nowadays the competition in this industry; food, desserts and beverages, is quite high. There is new outlet with dessert and beverage styles similar to the Company's products opening continuously. There is competition between entrepreneurs to get a location that is outstanding in the department

stores, and therefore many department stores and community malls have bargaining power with entrepreneurs. This may cause department stores and community malls to hesitate to renew the lease with the Company, if there are other operators willing to pay a higher rent, or maybe rent up when the contract is renewed. So the Company is at risk of unable to find a rental area to open a new branch at the right rental rate. In other words, if there is any rent increase in the same area or the Company is required to pay a high rent for opening a new branch, thus affect the Company's performance significantly in terms of cost of rental premises.

However, the Company is a business partner of various leading department stores and community malls and maintains a good relationship with the landlord for a long time, including good rental history and performance, thus never had any dispute with the landlord. Therefore the past leases have been renewed throughout the terms at a reasonable price. Furthermore, since the Company is also a leading dessert and beverage service operator, being popular for any consumer products which attract consumers in department stores and community malls, therefore it is believed that this kind of risk is reduced.

The risk of centralization of the Company's branches

In 2016, 98 percent of the Company's revenue comes from the sales of desserts and beverages through its 20 branches, all of which are located in Bangkok and its vicinity. Therefore, any unexpected event such as political conflict, riot, or a disaster like flood strikes, it can cause damage to shopping malls or communal malls or closures, which in effect will cause the lost to the branch of the Company or shut down as well. If that is the case and its branches can not operate for a long period of time, the combination of raw materials or products can be expected to expire and deteriorate and they will affect the financial status and performance of the Company, significantly

However, the Company plans to expand its branches into potential provinces where there is high purchasing power which will reduce the risk of branch centralization of the Company. The Company is expected to open its first branch in other province within 2017.

Risk of changing in consumer behavior

Considering the statistic from the past to the present, consumers have changed their eating habits and desserts all the time. They may have originally eaten only Thai desserts, but recently this trend has been changed to eat bakery or ice cream, or a combination of bakery and ice cream, etc. Presumably, for the Company, there can be a risk that in the future, consumers may as well change the behavior of consumption of sweets and desserts. According to economic conditions, social change and popularity which include consumer health concerns, people may reduce or avoid eating sweets. If there is a change in consumer behavior in such a large number, it may affect the sales performance of the Company, significantly.

However, the Company has focused on the needs and satisfaction of customers, emphasizing on research and development of our products, to always be innovative in order to be able to respond to changes in consumer behavior accordingly.

Management Risk

Risk of major shareholders exceed 50 percent

As of 6 January 2017, Ms. Gulapat Kanokwatanawan's group ("Kanokwatanawan Group") and Mr. Maetup T.Suwan's group ("T. Suwan Group") hold 39.20% and 31.50% of the total shares sold by the Company, respectively, and both groups have relative relationship. Therefore, they are likely to vote in the same direction. If the proportion of shares is combined, it will become a largest group of shareholders or holding more than 50%, thus controller of the Company which can have influence on the decisions that needed to be resolved at nearly every shareholder meeting. Except the vote for laws or regulations which requires three-fourths of the shareholders in the meeting. Therefore, other shareholders of the Company is at risk of not being able to collect the votes to check and balance the matters proposed by the major shareholders to the meeting for further consideration.

However, the Board of Directors consists of 7 directors, of which 3 are independent directors, some are also the chairman of the audit committee and the chairman of the board. They can check for counterbalance decision and approve before presenting the topic to the shareholders meeting. In addition, in the case of there is transaction relevant to the directors, then major shareholders, the key authority, and related parties who may have conflict of interest, all of them will not have the right to vote for approval of the transaction. Additionally, in the case of shares offering that affect the shareholders, all minor shareholders will have the right to vote and the objection requires only 10% of the shareholders attending the meeting. With all that being stated, all the approval of the transaction is subject to the rules and regulations of the Office of the Securities and Exchange Commission ("SEC") and the Stock Exchange of Thailand. ("SET").

Risk from management that relies on executives or major shareholders

Since Mr. Maetup T. Suwan ("Mr. Maetup") and Ms. Gulapat Kanokwatanawan ("Ms. Gulapat") are the two co-founders of the Company, as well as being the major shareholders, executives, and directors, they are the key person for the Company management, who establish good reputation and recognition among consumers. They have also built up the financial strength and encouraged good performance of the Company all these years. Specifically, Mr. Maetup is in charge of the Company's management as a whole, i.e. the branch operation and expansion, while Ms. Gulapat is mainly responsible for the product development, including dessert recipes and menus released by the Company, and supervise marketing and advertising of the Company products. If the Company loses such key executives, the management, operation, and overall performance of the Company may be significantly affected.

However, the management structure of the Company is decentralized, and the scope of responsibilities is diversified into various lines. The executives and supervisors in various departments of the Company all have the knowledge, ability, experience in the related field, including the long time work experiences with the Company. In addition, the Company has set a good management structure which consists of the plans to expand the

Company's branches, business operations, and the annual budget management. Therefore, the supportive management structure for the decentralization of operations and the preparation of the above-mentioned plans will help reduce the risk of reliance on the two major shareholders/ executives as such.

SHAREHOLDING STRUCTURE AND MANAGEMENT

List of 10 major shareholders by the book closing date as at 6 January 2017 are as follows:

	Shareholders	Number of shares	%
1	<u>Ms. Gulapat Kanokwatanawan's group</u> ^{/1}		
	Ms. Gulapat Kanokwatanawan	253,750,000	35.00
	Mr. Pruit Kanokwatanawan ^{/2}	14,787,500	2.04
	Mr. Mill Kanokwatanawan ^{/2}	12,687,500	1.75
	Mr. Wiwat Kanokwatanawan ^{/3}	3,000,000	0.41
	Total of Ms. Gulapat Kanokwatanawan's group	284,225,000	39.20
2	<u>Mr. Maetup T.Suwan's group</u> ^{/1}		
	Mr. Maetup T.Suwan	213,150,000	29.40
	Ms. Kanittha-Viriya T.Suwan ^{/4}	15,225,000	2.10
	Total of Mr. Maetup T.Suwan's group	228,375,000	31.50
3	The Hongkong and Shanghai Banking Corporation Limited, Fund Services Department	25,500,000	3.52
4	Mr. Thiraphong Chansiri	6,500,000	0.90
5	Bualuang Long-Term Equity Fund	5,655,100	0.78
6	AIA Company Limited - APEX	5,000,000	0.69
7	Mr. Rittirong Boonmechot	4,751,900	0.65
8	AIA Company Limited - Tiger	4,700,000	0.65
9	SCB Dividend Stock 70/30 Long Term Equity Fund	4,376,200	0.60
10	Mrs. Sinee Areecharoenlert	3,820,000	0.53
11	Others	152,096,800	20.98
	Total	725,000,000	100.0

Remark: ^{/1} Ms. Gulapat Kanokwatanawan's group is a relative with Mr. Maetup T.Suwan's group

^{/2} Mr. Pruit Kanokwatanawan and Mr. Mill Kanokwatanawan are younger brothers of Ms. Gulapat Kanokwatanawan

^{/3} Mr. Wiwat Kanokwatanawan is father of Ms. Gulapat Kanokwatanawan

^{/4} Ms. Kanittha-Viriya T.Suwan is older sister of Mr. Maetup T.Suwan

Dividend Policy

Dividend policy of the Company

The Company has a policy to pay dividends to shareholders at the rate of not less than 50% of net income from the separate financial statements after deduction of corporate income tax and reserves. All types are subject to the laws and regulations of the Company. However, the dividend payment may be subject to change depending on the necessity and other suitability as the Board of Directors deems appropriate. On the other hand, the annual dividend payment must be approved by the shareholders' meeting, except for interim dividend payment where the Board of Directors may authorize the interim dividend to be paid from time to time if there is sufficient profit to do so, and the interim dividend payment will be reported to the next shareholders' meeting.

Dividend payment policy of subsidiaries

The dividend payment of the subsidiary will be subject to approval authority of the Board of Directors and shareholders' meeting of each subsidiary, while the liquidity, cash flow and financial position, the investment plans of each subsidiary must be taken into account, including other factors. In order to practice good corporate governance and transparency, when a subsidiary has a dividend payment, the board of directors of each subsidiary will report to the Board/ Audit Committee in the next meeting. Currently, Aurum Aurum Co., Ltd., one of the subsidiaries of the Company, has a policy to pay dividends to shareholders at the rate of not less than 50% of net income from the separate financial statements after deduction of corporate income tax and other reserves as defined in the laws and regulations of the Company.

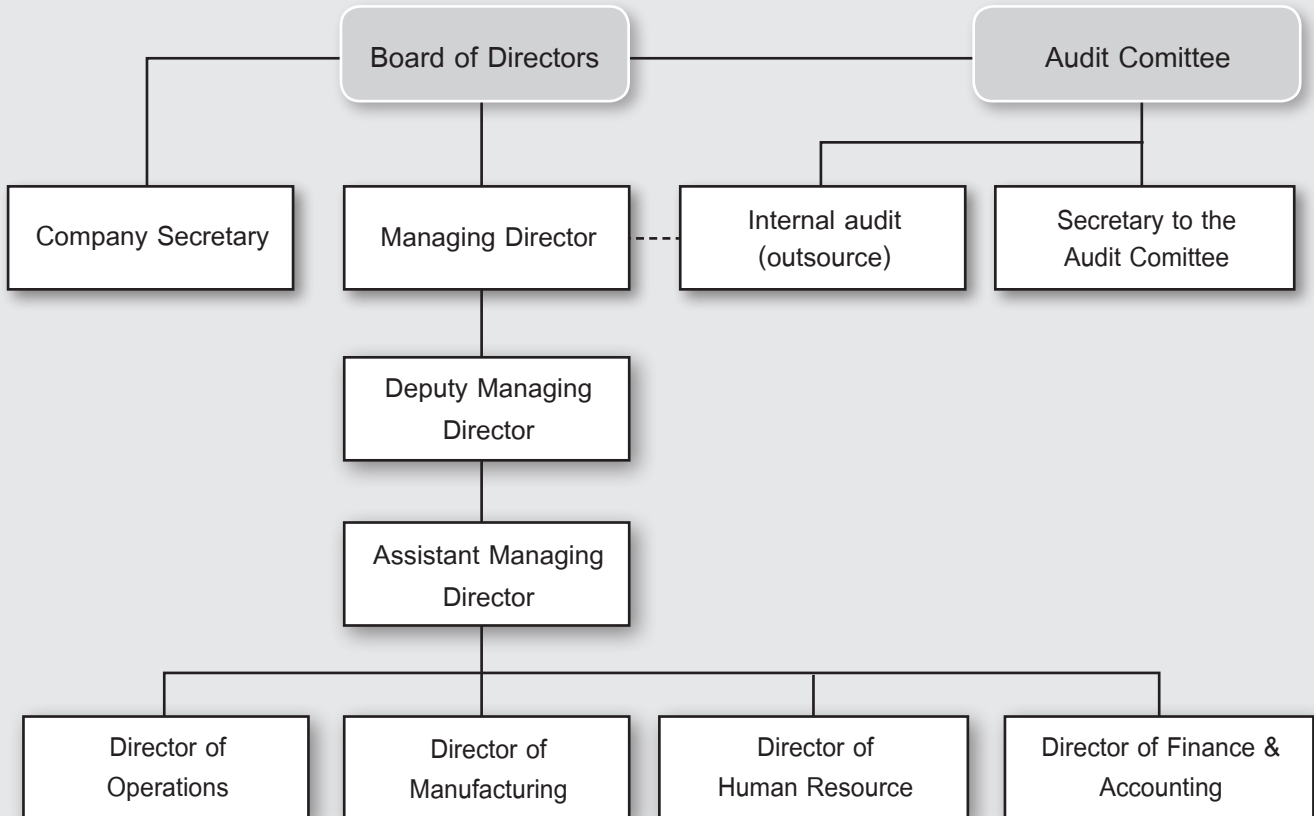
On 8 March 2017, the Board of Directors approved the dividend payment, for the profit from 1 January 2016 to 31 December 2016 which must be approved by the Shareholders' Meeting on 27 April 2017 in the amount of up to Baht 92.9 million, representing a percentage of 93.75 of the Company's net profit. Since the Company had a net interim dividend totaling Baht 78.4 million on 27 December 2016, the dividend will be paid with the remaining amount of up to Baht 14.5 million for the paid-up shares of the Company of 725,000,000 Shares, representing a dividend of Baht 0.02 per share, on 25 May 2017. The dividend will be paid by the cash and stock with the following details:

(a) The Company will pay the stock dividends by issuing up to 90,625,000 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 share for 1 stock dividend, in the total amount of not exceeding THB 9,062,500, or equivalent to the cash dividends at the rate of THB 0.0125 per share. Any fractional shares therefrom received cash at the rate of THB 0.0125 per share in lieu of the stock dividends; and

(b) The Company will pay cash dividends at the rate of THB 0.0075 per share or its total amount of not exceeding THB 5,437,500

Organization chart

The Company had the structure as at 31 December 2016 as follows:



List of executives as at 31 December 2016 is as follows:

1.	Mr. Maetup	T.Suwan	Managing Director
2.	Ms. Gulapat	Kanokwatanawan	Deputy Managing Director
3.	Mr. Mill	Kanokwatanawan	Assistant Managing Director
4.	Mr. Songpon	Tasnasathienkij	Director of Operations
5.	Ms. Uraiwan	Samanwong	Director of Manufacturing
6.	Mrs. Ponsirin	Thongtan ¹	Director of Human Resource
7.	Ms. Chamaiporn	Tungkittisuwan	Director of Finance & Accounting

Remark: ¹ Mrs. Ponsirin Tongtan has resigned from the Company's management since 1 January 2017.

Management Structure

As at 31 December 2016, the Company had 2 committees; The Board of Directors and Audit Committee

The Board of Directors

The Board of Directors of the Company as at 31 December 2016 consists of 7 members as follows:

Name-Surname	Position	Meeting attendance (times)	
		Number of meetings	Number of attendance
1. Mr. Premon Pinskul	Chairman of the Board, Independent Director and Audit Committee Member	10	10
2. Mr. Wiwat Kanokwatanawan	Vice Chairman of the Board	10	10
3. Mr. Phiched Bhimayothin	Independent Director and Chairman of Audit Committee	10	10
4. Dr. Thamnoon Ananthothai	Independent Director and Audit Committee Member	10	10
5. Mr. Maetup T.Suwan	Director	10	10
6. Ms. Gulapat Kanokwatanawan	Director	10	10
7. Mr. Mill Kanokwatanawan	Director	10	10

Ms. Chantanee Tantasuralerk, company secretary, was appointed as the secretary of the Board of Directors.

Authorized directors to sign on behalf of the Company according to the Company registration

The authorized directors of the Company are Mr. Wiwat Kanokwatanawan, Mr. Maetup T. Suwan, Ms. Gulapat Kanokwatanawan, and Mr. Mill Kanokwatanawan. Two of these four directors jointly sign with the Company's seal affixed.

Scope of Authority, Duties, and Responsibilities of the Board of Directors

At the 2016 Annual General Meeting of Shareholders on 23 March 2016, the scope of authority, duties and responsibilities of the Board of Directors were determined as follows:

- (1) Performing duties and oversee the Company's operation to comply with the law, objectives, regulations, resolutions of the Board of Directors, and also responsible for resolutions of the shareholders' meeting, with prudence, accountability, and honesty to protect the benefits of the Company.
- (2) Identify the vision, strategy, direction of business, policy, goals, business plan, budget, management structure, and the level of approval for the Company and subsidiaries as proposed by the management. Oversee the management and performance of the executives, subcommittees of the Company or any

person entrusted with such duties in order to comply with the policies set out efficiently and effectively to maximize the value for the Company and shareholders.

- (3) Monitor and evaluate performance of management and/or subcommittees of the Company, continuously and consistently, to achieve the goal of strategy, plan and budget.
 - (4) Facilitate the Company and subsidiaries with suitable and efficient accounting system, reliable financial report and audit, including internal control and audit system, adequately and appropriately.
 - (5) To consider and approve the selection and appointment of the auditors and the appropriate remuneration proposed by the Audit Committee before submitting them to the shareholders for approval.
 - (6) Set the framework and policy for determining the salary rate, the raise, bonus, compensation, and reward pension, including the appropriate compensation system for executives.
 - (7) To consider the audit committee's report.
 - (8) To consider the acquisition or disposition of assets (if the size of the transaction does not need to be determined by the shareholders meeting), and any operation in accordance with applicable laws, notifications and regulations.
 - (9) To consider and approve the linked transaction (If the size of the transaction is not required by the shareholders' meeting) between the Company and its subsidiaries in accordance with the relevant laws, notifications and regulations.
 - (10) To consider the approval of interim dividend payment to the shareholders of the Company.
 - (11) Review processes and policies for risk management and performance monitoring.
 - (12) Ensure that there is no conflict of interest between the Company's stakeholders and subsidiaries. In case any director has an interest in any transactions with the Company or there is an increase or decrease of shareholdings of the Company or subsidiaries, the director is obliged to inform the Company without delay.
 - (13) Review the Company policy on Corporate Governance and Corporate Social Responsibility, including anti-corruption issue. The Company's Anti-Corruption and Corporate Governance Report and Corporate Social Responsibility Report and Annual Corruption Prevention Report shall be prepared and approved by the assigned committees.
 - (14) Appoint the subcommittees to assist and support the work operation of the Board of Directors, as appropriate.
 - (15) Appoint the company secretary and/or the secretary to the Board of Directors who assists the Board in performing various tasks, such as business operation of the Company and compliance with relevant laws and regulations.
 - (16) Hiring a consultant or independent party who provide comments or suggestions as needed.
-

- (17) Prepare Annual Report and responsible for the arrangement and disclosure of financial statements to reflect the Company's financial position and results of operations of the previous year to propose to the shareholders meeting.
- (18) To hold the annual general meeting of shareholders within 4 months from the end of the fiscal year.
- (19) Consider and approve any transaction by taking into consideration the interests of all shareholders and stakeholders of the Company, appropriately
- (20) To determine the succession plan of the Company's top executives.
- (21) To review and amend the Charter of the Board of Directors in accordance with the situation.
- (22) Assign one or several directors or other persons to act on behalf of the Board of Directors.

The delegation of authority and responsibility of the Board of Directors is not subject to the delegation or authorization to any person of the Board of Directors to approve the transaction that he or she may have a conflict of interest (as defined in the relevant rules), or may have an interest, benefit, or there may be other conflicts of interest with the Company or subsidiaries in any way, excluding for the approval of policy which meet the criteria that the shareholders meeting or the Board of Directors set out.

Audit Committee

The Audit Committee of the Company as at 31 December 2016 consists of 3 members as follows:

Name-Surname	Position	Meeting attendance (times)	
		Number of meetings	Number of attendance
1. Mr. Phiched Bhimayothin	Independent Director and Chairman of Audit Committee	4	4
2. Mr. Premon Pinskul	Independent Director and Audit Committee Member	4	4
3. Dr. Thamnoon Ananthothai	Independent Director and Audit Committee Member	4	4

Ms. Chantanee Tantasuralerk, company secretary, was appointed as the secretary of the audit committee.

Mr. Premon Pinskul and Dr. Thamnoon Ananthothai are the Audit Committee members who have the knowledge and experience to review the reliability of the Company's financial statements.

Scope of Authority and Responsibilities of the Audit Committee

At the 2016 Annual General Meeting of Shareholders on 23 March 2016, the scope of authority, duties and responsibilities of the Audit Committee were determined as follows:

-
- (1) Review for the accuracy of financial report and adequate disclosure of information of the Company.
 - (2) Review that internal control and audit system are appropriately and effectively in place, and ensure independence of the internal audit unit as well as approve the appointment, transfer, dismissal of the chief of the internal audit unit or any other agency responsible for internal audit.
 - (3) Review the Company's annual audit plan and evaluate the audit results with the Company's internal auditors.
 - (4) Review the business operation of the Company to comply with the Securities and Exchange Act Regulations and Notifications of Stock Exchange of Thailand, including any relevant laws that apply to the business operation of the Company.
 - (5) Consider, screen, and nominate an independent person to serve as the Company's auditor, including the remuneration for such position. Also, attend the meeting with the auditors without the presence of executives at least once a year.
 - (6) Consider linked transaction or any transaction that may lead to conflict of interest to be in accordance with the Securities and Exchange Act, including the regulations and the Notification of the Stock Exchange of Thailand and relevant laws which apply to the business operation of the Company, to ensure that the transaction is reasonable and of utmost benefit to the Company.
 - (7) Prepare the report of the Audit Committee, to be disclosed in the Company's Annual Report. The report must be signed by the Chairman of the Audit Committee and contain at least the following information:
 - (a) An opinion on the accuracy, completeness and reliability of the Company's financial report.
 - (b) An opinion on the adequacy of the Company's internal control system.
 - (c) Opinions on compliance with the Securities and Exchange Act Regulations and Notifications of SET and other relevant laws and regulations applicable to the business operation of the Company.
 - (d) Opinion on the appropriateness of the auditor
 - (e) Opinions on transactions that may lead to conflicts of interest or linked transactions.
 - (f) Number of Audit Committee Meetings and the attendance of each member of the Audit Committee.
 - (g) The overall opinion or observations that the Audit Committee has received from the performance of its duties under the Charter.
 - (h) Any other items that the shareholders of the Company and investors are entitled for acknowledgment under the scope of authority, duties and responsibilities assigned by the Board of Directors.
 - (8) Review and propose to the Board of Directors to revise the scope of authority and responsibilities of the Audit Committee in accordance with the situation.
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- (9) Monitor the relevant persons under the scope of authority of the Audit Committee and entitle to hire or bring specialists to assist in the audit.
- (10) If there is any concern about the following items or transactions which may have a significant impact on the Company's financial status and performance, the Audit Committee shall report to the Board of Directors for rectification within the time that the Audit Committee deems appropriate.
 - (a) Transaction with Conflict of Interest
 - (b) Fraud or abnormalities or defects in the internal control system.
 - (c) Violations of the Securities and Exchange Act Regulations and Notifications of the Stock Exchange of Thailand or other applicable laws and regulations applicable to the business operation of the Company.

If the board of directors or the management fails to do so within the above time frame, one of the Audit Committee members may report that the above transactions or actions have been made to the Securities and Exchange Commission or the Stock Exchange of Thailand.

- (11) Advise management on the appointment, termination, performance, budget and rate of the internal audit department or any other agency responsible for internal audit.
 - (12) Prepare a report on the performance of the Audit Committee to the Board of Directors at least once a year.
 - (13) Review and comment on corporate governance and corporate social responsibility, and anti-corruption practices of the Company.
 - (14) Review the process regarding corporate governance, corporate social responsibility, and anti-corruption practices of the Company.
 - (15) Evaluate the Corporate Governance and Corporate Social Responsibility Report, and anti-corruption practices of the Company, annually.
 - (16) Consider, evaluate and review the risk profile that the Company is experiencing or anticipating to occur and affect the Company, including identification of acceptable level of Risk Appetite, as well as internal and external risk management policies, to comply with the strategy and direction of the business, in at least these 4 aspects of risk:
 - (a) Financial Risk
 - (b) Operational Risk
 - (c) Strategic Risk
 - (d) Compliance Risk
 - (17) Define the strategy, structure and resources used to manage the risk of the organization in accordance with the risk management policy as well as the business strategy and direction of the Company.
 - (18) To perform any other act as assigned or appointed by the Board of Directors with the approval of the Audit Committee.
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Remuneration for directors and executives

The Company has clearly and transparently set the remuneration for directors in consistent with the role and responsibility to supervise the work of the Company, and through the appropriate consideration, by taking into account the utmost benefit to the Company. Remuneration for directors and executives are as follows:

Monetary remuneration

1) Directors' remuneration

The Company sets out the remuneration rate for directors on a yearly basis and approved by the shareholders meeting. In this matter, the 2016 Annual General Meeting of Shareholders which held on 23 March 2016 has approved the directors' remuneration for the year 2016 (Baht/Quarter) as following details:

Position (Baht/Quarter)	Chairman	Director
Non-executive Directors	10,000	10,000
Executive Directors	-None-	-None-
Audit Committee	35,000	25,000

Table of 2016 Directors' remuneration

Name-Surname	Position	Amount (Baht)
1. Mr. Premon Pinskul	Chairman of the Board, Independent Director and Audit Committee Member	140,000
2. Mr. Wiwat Kanokwatanawan	Vice Chairman of the Board	40,000
3. Mr. Phiched Bhimayothin ¹	Independent Director and Chairman of Audit Committee	120,000
4. Dr. Thamnoon Ananthothai	Independent Director and Audit Committee Member	100,000
5. Mr. Maetup T.Suwan	Director	-None-
6. Ms. Gulapat Kanokwatanawan	Director	-None-
7. Mr. Mill Kanokwatanawan ²	Director	20,000
Total (Baht)		420,000

Remark:¹ The Audit Committee's meeting No. 1/2016 held on 12 May 2016 has resolved to appoint Mr. Phiched Bhimayothin as the Chairman of the Audit Committee in place of Mr. Premon Pinskul.

² Mr. Mill Kanokwatanawan acted as Assistant Managing Director since August 2016, the remuneration for the directors is therefore received only 2 quarters

2) Executives' remuneration

In 2016, the Company has paid salaries, bonuses, contributions to the provident fund, retirement or post-exit, and other long-term benefits and compensation, to 7 executives, totaling Baht 13.46 million. For the year 2015, the Company paid remuneration to 6 executives totaling Baht 10.26 million.

Other compensation

In addition to paying remuneration to directors and executives in the form of monetary remuneration above, the Extraordinary General Meeting of Shareholders No. 1/2016 of the Company which held on 6 October 2016 approved the allocation of new ordinary shares to directors, executive and/ or employees of the Company and/or subsidiaries in exchange for the work of such directors, executives and employees and for being a part of the Company. The allocation was made at the same time with the Initial Public Offering (IPO) and shown below.

- (1) Allocate 1,500,000 newly issued ordinary shares to the directors, at the same price with the price offered to public. The directors who subscribed the said newly issued ordinary shares were forbidden to sell any of their shares within up to 24 months from the first date on which the Company's newly issued ordinary shares were first traded on the MAI on 23 December 2016.

Name-Surname	Position	Number of shares allocated (shares)	Proportion to total shares (%)	Offering price (Baht/share)
1. Mr. Premon Pinskiul	Chairman of the Board, Independent Director and Audit Committee Member	500,000	0.07	IPO price
2. Mr. Phiched Bhimayothin	Independent Director and Chairman of Audit Committee	500,000	0.07	IPO price
3. Dr. Thamnoon Ananthothai	Independent Director and Audit Committee Member	500,000	0.07	IPO price
Total		1,500,000	0.21	

- (2) Allocate 2,000,000 newly issued ordinary shares to the Company's executives and employees. The value allocated to the executives was Baht 6.1 million and the details of the allocation were as follows:

Name-Surname	Position	Number of shares allocated (shares)	Proportion to total shares (%)	Offering price (Baht/share)
1 Mr. Songpon Tasnasathienkij	Director of Operations	437,500	0.06	0.10
2 Ms. Uraiwan Samanwong	Director of Manufacturing	437,500	0.06	0.10
3 Ms. Chamaiporn Tungkittisuwan	Director of Finance & Accounting	437,500	0.06	0.10
4 Mrs. Pomsirin Thongtan	Director of Human Resource	125,000	0.02	50% of IPO price
Total-Executives		1,437,500	0.20	

The Company's executives who subscribed the newly issued ordinary shares under the said scheme were prohibited to sell the subscribed shares in a period of not more than 12 months from the first date on which the Company's newly issued ordinary shares were first traded on the MAI on 23 December 2016. Nevertheless, after 6 months from the first date on which the Company's newly issued ordinary shares were first traded on the MAI, the Company's executives will be able to sell the subscribed shares in a number of not exceeding 50 percent of such total shares and after 12 months, the Company's executives will be able to sell the remaining of the total shares.

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Personal

Total number of employees

Total numbers of employees in each department as at 31 December 2016 and 2015 were as follows:

Department	Number of employees (person)			
	2016		2015	
	Full-time	Part-time	Full-time	Part-time
1 Operations	432	89	391	34
2 Production	100	-	104	-
3 Warehouse	31	-	30	-
4 Human Resource	18	-	14	-
5 Finance & Accounting	10	-	8	-
6 Purchasing	8	-	6	-
7 Marketing (Graphic)	4	-	3	-
8 Management support	8	-	2	-
9 Maintenance	12	-	5	-
10 Information technology	3	-	-	-
Total	626	89	563	34

Significant change in number of employees over the past 3 years

As at 31 December 2016 and 2015, the Company had 715 and 597 employees, respectively. Significant change was in department of operations which was in line with the growth of the business with 15 branches at the end of 2015 to 20 branches at the end of 2016.

Major labor disputes over the last 3 years

-None-

Employee Remuneration

The Company and its subsidiaries paid compensation to employees in various ways, the amount of which in 2016 and 2015 were as follows:

Remuneration (Million Baht)	2016	2015
Salaries	118.26	78.60
Bonuses	11.00	6.51
Other compensation ^{/1}	18.95	13.68
Total	148.21	98.79

Remark: ^{/1} Other compensation included duty allowance, travelling allowance, provident fund, social security and other benefits but excluded share based payment (ESOP)

The Company's personnel development policy

The Company has a regular training and development plan. The objective is to increase the knowledge, skills and expertise as well as the performance of employees at all levels. Therefore, the Company has set up internal and external training plans for personnel development to be effective.

1. Provide training for new employees every month.
2. Organize the curriculum, every quarter, to strengthen the workforce and good attitude to work.
3. Provide internal training and workshops for employees and executives in various aspects.
4. Provide employees with safety training, hygiene and work environment.
5. Provide examinations and performance measures, to encourage and support branch employees to grow in their career path.
6. Organize internal activities to inspire works.
7. Organize activities to strengthen the unity of employees in the organization, and create engagement with the organization.

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CORPORATE GOVERNANCE

Corporate Governance Policy

The Board of Directors operates with compliance to the laws, objectives, Articles of Association and resolutions of the shareholders' meeting of the Company. The Company has also adhered to and complied with the Principles of Good Corporate Governance of Listed Companies in accordance with the guidelines set by the Stock Exchange of Thailand to guide the Company's operations and subsidiaries to achieve operational efficiency as well as to give transparency to investors, which in effect will elicit trust in any company's business from outsiders. The Company's good Corporate Governance Policy covers 5 categories as follows:

Section 1: Rights of Shareholders

The Company recognizes and values the basic rights of its shareholders, both as securities investors and owners of the Company, such as the rights to purchase, sell, and transfer their securities. Also, the right to receive a share of profits from the Company, the rights to receive sufficient information, the rights of shareholders meeting, including the right to comment and make important decisions about the Company, such as the allocation of dividends, appointment or removal of director, appointment of auditors, approval of major or significant transactions of business operation of the Company, including amendments to the Memorandum and Articles of Association of the Company.

Specifically, the Company has a mission to promote and facilitate the exercise of the rights of shareholders as follows:

- (1) The Company will send the invitation letter together with supporting information for each agenda, to the shareholders prior to the meeting date not less than 7 days or any other period as required by the relevant laws or regulations. In addition, the information will be posted on the Company's website before the shareholders' meeting.
 - (2) If the shareholders cannot attend the meeting on their own, the Company will allow the shareholders to appoint an independent director or other person to attend the meeting by using a proxy form as the Company delivers along with the notice of meeting.
 - (3) In the shareholders' meeting, the Company will use the premise which is convenient for travelling and transportation, and also provides the map showing the location of the shareholders' meeting or attached in the invitation letter. The Company will select the appropriate date and spare sufficient time allocated to the meeting in order to comply with the policy to facilitate the shareholders of the Company.
 - (4) Before the shareholders' meeting, the Company will allow shareholders to send their comments, suggestions or questions in advance of the meeting in accordance with the Company's rules or regulations.
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- (5) At the shareholders' meeting, the Company will give all shareholders equal rights to express their opinions. Any suggestions or questions in the relevant agendas freely before voting for the resolution on any agenda, and there will be directors and management of the Company involved in the shareholders meeting to answer questions.
 - (6) The Company will encourage the use of ballots on every agenda, for transparency and verification of vote counting.
 - (7) After completion of the shareholders' meeting, the Company will prepare the minutes accurately and completely. There will also be important issues, questions, comments and suggestions recorded in the minutes. In addition, the Company will apply the voting results for each agenda item. Include the minutes posted on the Company's website for shareholders to consider. The minutes of such meeting shall also be sent to the Stock Exchange of Thailand within 14 days from the date of the meeting. This is in accordance with the requirements of the Securities Exchange Commission and the Stock Exchange of Thailand.
 - (8) The Company will facilitate the shareholders to receive dividends and pay dividends by way of transferring money to the bank account to ensure the shareholders receive dividends on time and prevent the problem of paycheck, damaged, lost or delayed.
 - (9) The Company gives shareholders the opportunity to receive the current information of the Company through the Company's website on a regular basis.

Section 2: Equitable Treatment of Shareholders

The Company treats all shareholders equitably, whether it is major or minor shareholders, executive or non-executive shareholders, Thai or foreign shareholders. The details of practices are as follows:

- (1) The Company will schedule the shareholders' meeting, including agenda related to the Stock Exchange of Thailand prior to publish the schedule of meetings via the Company's website. The invitations in Thai and English languages will be published and distributed on the Company's website as well.
 - (2) The Company will facilitate minor shareholders to nominate directors or propose additional agendas prior to the shareholders' meeting. The Company will set clear rules in advance on how to provide minority shareholders, to nominate a director, and the criteria to determine whether the Company agenda will be added as proposed by minority shareholders.
 - (3) In conducting each shareholder meeting, the Company will provide equal opportunity for all shareholders. Before the conference, the chairman of the meeting will explain the procedure for voting and counting the vote on each agenda item. It also gives the opportunity for all shareholders and proxies to express their opinions, suggestions, and questions in each agenda item in a timely and adequate manner. The Chairman will proceed with the meeting according to the agenda, without allowing the management to add
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unnecessary agendas that fails to give notice to the shareholders in advance, particularly the important agenda where the shareholders may need time to study further information before making a decision.

- (4) For the election of directors, the Company will encourage the election for one individual each time.
- (5) The Company has required the directors to report any interest in any agenda at least prior to the consideration of the related agenda item in the Board of Directors' meeting and to record such interest in the minutes of the Board of Directors meeting. Also, directors who have a significant interest or unable to freely express their views on the agenda are prohibited from participating in the meeting.
- (6) The Company has set guidelines for keeping and preventing the use of inside information of the Company by prohibiting persons or entities who know the inside information to disclose such information to other agencies or outsiders. In case any person discloses such information or uses it for the benefit of himself or others, or conduct transactions that may cause conflict of interest shall be deemed faulty and subjected to disciplinary action. In addition, all directors and executives who are required to report their legal holdings are required to submit such reports to the Company Secretary on a regular basis to the Company Secretary and also disclose the information in the Annual Report of the Company.

Section 3: Role of Stakeholders

The Company attaches importance to the rights of all stakeholders, whether the internal stakeholders such as the shareholders and employees of the Company or external stakeholders such as business partners or customers. The Company recognizes that support and comments from all stakeholders will be beneficial for the Company's business and development. Therefore, the Company will comply with the laws and regulations, and the relevant requirements for the rights of such stakeholders are also taken into account, along with the rights of all stakeholders set forth in these guidelines:

Shareholders : The Company will operate its business with transparency and efficiency, by striving to build good performance and stable growth, and also to maximise shareholder benefits in the long run, including transparent and reliable disclosures of information to shareholders.

Employees : The Company will treat all employees equally, fairly and with reasonable compensation. The Company will support for employees' knowledge, abilities and potential, such as training, seminars and training, etc., and provide an opportunity to all employees, along with the motivation for highly skilled employees to stay with the Company. To develop the organization further, the Company also sets out guidelines for anti-corruption, encouraging all employees in compliance with relevant laws and regulations, such as strictly prohibiting internal information.

- Business partners** : The Company has a process for selecting partners by providing partners with equal information. In addition, the Company has developed appropriate and fair contract forms for all parties and provide a tracking system to ensure that the terms of the contract are fully complied with. The Company also prevent fraud and misconduct at every stage of the procurement process. The Company will purchase goods and raw materials from business partners based on trading conditions and strictly follow the contract with every business partners.
- Customers** : The Company is responsible for the customer by maintaining the quality and standards of products and services, including the response to customer needs as complete and comprehensive as possible. To focus on long-term customer satisfaction, the Company also takes into account the hygiene and health of customers in consuming the Company's products and to provide accurate and complete information about each of the products to customers. The Company also provides channels for its clients to report inappropriate products or services, and use that information in order to prevent and solve problems related to products and services of the Company. Customers can report problems through various channels easily and promptly, either by the phone or the Company's online channels such as Facebook and Instagram.
- Creditors** : The Company will comply with the terms and conditions of the agreement with creditors as well as repay principal, interest, and security of collateral under the relevant contracts.
- Competitors** : The Company thrives in a good competitive environment, Code of Conduct and also support and promote fair competition policy.
- Society and public sector** : The Company cares and pays attention to social security, environment, and quality of life of people involved in the Company's operations, and encourage employees of the Company to be consciously responsible for the environment and society as well. In addition, the Company strives to participate in activities that create and maintain the quality of environment and society.

Stakeholders can also ask for details and complaint for legal clues or offenses such as the inaccuracy of financial reports, inadequate internal control system, or the unethical business operation of the Company, through independent directors or the Audit Committee of the Company. The information and complaints to the Company shall be kept confidential and the independent directors or the audit committee will conduct the investigation and find solutions (if any) and will report to the Board of Directors. Finally, the Company will disclose the processes and outcomes of any issue on the Company's website or Annual Report.

Section 4: Disclosure and Transparency

- (1) The Board of Directors attaches importance to the disclosure of accurate, complete, adequate, transparent and timely information, for financial and general information, as well as any other information that may affect the operation or affect the price of the Company's securities or will affect the decision making process of investors and stakeholders. The Company will disclose such information in accordance with the regulations of the Office of the Securities and Exchange Commission, The Capital Market Supervisory Board, and the Stock Exchange of Thailand.
 - (2) The Company appoints an Investor Relations Officer, Ms. Chantanee Tantasuralerk, to communicate with investors or shareholders. The Company will arrange a meeting to analyze the results of operation regularly and review the Company's information, financial information, and general information for the shareholders, securities analysts, Credit Rating Agency, including relevant government agencies through various channels, ie, reporting to the Securities and Exchange Commission and Stock Exchange of Thailand. In addition, the Company also makes regular disclosures in both Thai and English, for shareholders to receive regular news through the Company's website. The information on the Company's website is always updated, includes vision, mission statement, financial statements, press releases, Annual Report, structure and management, as well as shareholding structure and major shareholders, invitation letter, company registration documents, Charter, etc.
 - (3) The Company attaches importance to the financial statements and the financial information appearing in the Annual Report. The Audit Committee will review the quality of financial reports and internal controls, including adequate disclosure of material information in the notes to the financial statements and report to the Board of Directors. The Board of Directors' responsibility for the financial statements is presented alongside the auditor's report in the Annual Report. The Board also encourages the Management Discussion and Analysis for the quarterly disclosure of financial statements.
 - (4) The Company will disclose information about each director, roles and duties of the Board of Directors and its subcommittees. Number of meetings and attendance in the past year and commentary from acting, along with the continuing professional training and development are also present in the Annual Report and the Company's annual registration statement, including disclosure of compensation policy, the nature and details of the remuneration of directors and top executives in the Company and its subsidiaries (if applicable), too.
 - (5) The Company will disclose the auditor's fees and other service fees provided by the auditor.
 - (6) The Company will provide a report on corporate governance policy, business ethics, risk management policy, CSR and environment policy, which have been approved in summary. The Company will disclose the auditor's fees and other service fees provided by the auditor, including the results of such policy implementation, as well as the failure to comply with such policy, with reason. The report will be present through various channels such as Annual Reports, the Company's website, etc.
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Section 5: Responsibilities of the Board of Directors

1. Structure of Board of Directors and Committees

The Board of Directors consists of personnel who are knowledgeable, capable and experienced in working beneficially with the Company. They are key players in policy formulation and corporate overview, and also play an important role in overseeing, monitoring and evaluating the Company's performance according to the plan.

As at 31 Deember 2016, the Board of Directors consisted of 7 members:

- (1) Executive Directors; Mr. Maetup T. Suwan, Ms. Gulapat Kanokwatanawan and Mr. Mill Kanokwatanawan.
- (2) One non-executive director, namely, Mr. Wiwat Kanokwatanawan
- (3) Independent directors, in accordance with the rules as specified by the SEC; Mr. Pichet Bhimayothin, Mr. Premon Pinsakul and Dr. Thamnoon Ananthothai

Independent Directors are not less than one-third of the total number of directors of the Company, which will result in proper balance of consideration and vote on matters. The Board of Directors has a term of office of not more than 3 years in accordance with the relevant law. An independent director shall hold a term of office for not more than 9 years, unless the Board of Directors deems that the person deserves to be an independent director of the Company. In addition, the Company's directors and management can be director or executive of affiliated companies or other companies. However, it must meet the requirements of the Securities and Exchange Commission, The Capital Market Supervisory Board, Stock Exchange of Thailand, and related agencies, the detail of which shall be submitted to the Board of Directors for acknowledgment.

In addition, the Board of Directors has appointed an Audit Committee to assist in the governance of the Company. The Audit Committee consists of 3 members to assist the Board of Directors in overseeing and monitoring the administration, internal control, and compliance with relevant laws, including the preparation of financial reports, to make the operation and disclosure of the Company transparent and reliable.

The Board of Directors has appointed Miss Chantanee Tantasuralerk as the Company secretary, to perform the functions related to the Board of Directors' meetings and shareholder meetings, and also supports the work of the Board by providing advice on legal and regulatory requirements which related to the duties of the board, including coordination to comply with resolutions of the Board of Directors.

2. Roles and Responsibilities of the Board of Directors

The Board of Directors is responsible to the shareholders regarding the business operation of the Company, and also has the duty to set policies and directions for the Company's operations, include management to meet goals and guidelines, for long-term benefit to the shareholders under the framework of the law and the Code of

Business Conduct, whereas, consideration is given to the interests of all stakeholders, as detailed in the Charter of the Board of Directors:

(1) Corporate Governance Policy

The Company has established the corporate governance policy of the Company. Written The Company's corporate governance guidelines are intended to guide directors, executives and employees in the implementation of such policies. The Company provides a review. The policy is annually.

(2) Code of Business Conduct

The Company is committed to conduct its business with transparency, morality, and accountability to its stakeholders. The Company has set a written code of conduct for the Board of Directors, executives and employees to strictly observe the following practices:

- (a) Code of Ethics for Shareholders Responsibility
- (b) Code of Ethics on Customer Relationships
- (c) Code of Ethics on Relations with Business Partners, Competitor, and Creditor
- (d) Code of Ethics for Employee Responsibility
- (e) Code of Ethics for Social and Environmental Responsibility

The Company has announced and notified all employees to strictly adhere to and abide by them.

(3) Conflict of interest

The Company has a policy to carefully eliminate conflicts of interest, with honesty, reason, and independence, under a good ethical framework. For the benefit of the Company, it is important that the personnel involved or related to the transaction disclose information about their interests to the Company and not participate in the consideration process, or without authority to approve such items.

The Company has a policy to conduct linked transactions and transactions with conflict of interest in accordance with the law, as well as the regulations of the Securities and Exchange Commission, the Capital Market Supervisory Board, and Stock Exchange of Thailand. This information will also be included in the Annual Report and Annual Registration Statement (Form 56-1)

(4) Internal control

The Company has established a control system for internal control both at the management level and the operation level, by employing an internal auditor, to assess the adequacy of the internal control system and report the results to the Audit Committee in accordance with the audit plan. The Company promotes the disclosed opinion of the Board of Directors or the Audit Committee on the adequacy of the internal control system in the Company's Annual Report.

(5) Risk Management

The Board of Directors establishes corporate risk management policies that cover the entire organization. It also regulates the risk management system and processes to minimize the impact on the Company's business operation. The management is responsible for compliance with the policy and regularly reports to the Board of Directors., including review of the risk management system or process.

(6) Report of the Board of Directors

The Audit Committee is responsible for reviewing financial reports, whereas the accounting department and the auditor work collaboratively to submit the financial report to the Board of Directors quarterly. The Board of Directors is responsible for the consolidated financial statements of the Company and its subsidiaries, including the financial information appearing in the Annual Report.

3. Board Meetings and Self Assessment

The Company arranges meetings of the Board of Directors at least quarterly and special meetings are added as needed. The agenda is clearly defined in advance. The Company has sent a notice of the meeting together with the agenda and supporting documents to all directors at least 7 days in advance of the meeting date, in order for the Board to have sufficient time to study the information before attending the meeting, unless there is an urgent need case. The minutes of the meeting and the collection of certified documents for reference and verification can be documented. At every meeting, the Company arranges for the management and related parties to attend the meeting to provide accurate and timely information and details.

At the Board of Directors' meeting, the Company holds the majority vote. One member has one vote. Directors who have conflict of interest in any agenda will not attend the meeting and will not exercise their right to vote on that agenda. In the case of equal votes, the chairman of the meeting shall have one more vote as the deciding vote.

In addition, the Board encourages the performance evaluation at least once a year to improve and correct the operations. The topic of the meeting will be clearly defined before the evaluation is implemented, in order to gather comments and present to the meeting, including the rules, procedures and evaluation results as an overview in the Annual Report.

4. Compensation

Directors' remuneration is quarterly paid, the rate of which is on average compared to the same industry, by taking into account the adequacy of the duties and responsibilities of the Board of Directors. The executives, on the other hand, will receive the annual salary and bonus. The annual remuneration of the Board of Directors and the executives together shall not be abnormally high compared to the average remuneration of directors and management in the same industry, and taking into account the maximum benefit of the shareholders. There is no Nomination and Remuneration Committee in determining the directors' remuneration. The Board of Directors and the Management shall jointly determine the form and criteria for remuneration which will be proposed to the shareholders for approval.

5. Development of Directors and Executives

In the corporate governance system of the Company, the Board of Directors has a policy to promote and facilitate the training and education of related personnel, such as directors, audit committee, management executives, and company secretary. Continuous training and education can be done either within the Company or use the services of external institutions.

In the event of a change of director or a new director, management team will provide useful documentation and information on how to perform the duties of the new director, including the introduction of the nature of business and the business conduct of the Company for the acknowledgment of new director.

The Board of Directors will arrange the rotation of assigned tasks by the management and employees, based on the suitability of work and time. The managing director will set the time frame and consider the performance as a development and succession plan of the Company in order to develop the efficacy of executives and employees to be more knowledgeable and able to work on their behalf.

CORPORATE SOCIAL RESPONSIBILITIES (CSR)

The Company is aware of the corporate social responsibilities as a part of the business operation, and therefore implements it with the ethic and moral concerns for every stakeholder, economic and social sector, as well as environment. We believe that social responsibilities shall encourage both the growth of our company in parallel with the prosperity of our society at large.

With awareness on corporate social responsibilities, the board of directors has therefore issued the Company's policy which is designed in accordance with the CSR practices, resulting in the 8 modules as follows;

1) Good Governance

The Company is committed to operating its business with honesty, fairness, ethics, and commitment to fair competition in accordance with the Code of Conduct on trade, law and competition rules. It also denies any behavior that obstructs fair competition, such as the pursuit of confidentiality of competitors or the receipt of and the absence of any interest. In addition, the Company respects the intellectual property rights of others. The Company has a policy to comply with the laws or regulations on intellectual property rights, such as the use of computer programs, and also initiates a campaign to promote and cultivate a subconscious mind for its personnel at all levels for social responsibility.

2) Anti-Corruption

The Company operates its business on the basis of transparency, ethics, adherence to the principles of corporate governance, and comply with the laws relating to the prevention and fight against corruption and bribery in government officials or the private sector. The Company has set up a corporate structure to share responsibilities, work process, and the chain of command in each unit to be transparent, in order to balance the power and to tighten the appropriate cross-examination.

In addition, since the Company gives the importance to anti-corruption, the Company has applied to join the Anti-Corruption Network on 16 May 2016 to jointly announce its intention to become a Collective Action Coalition of Thai private sector in anti-corruption. The project is co-organized by 8 leading organizations: the Thai Institute of Directors Association, the Thai Chamber of Commerce, the International Chamber of Commerce, Thai Listed Companies Association, Thai Bankers' Association, The Thai Capital Market Federation, The Federation of Thai Industries, and lastly the Tourism Federation of Thailand.

The Company also sets guidelines for directors, executives and employees, including all subsidiaries as follows:

1. Directors, executives and employees, including all relevant parties of the Company are prohibited to commit or accept corruption in any form, either directly or indirectly, and the Company regularly reviews the compliance with this anti-corruption corruption policy.
2. Directors, executives and employees of the Company are obliged to report to the Company, whenever they are aware of corruption-related actions involving the Company activity, by

informing the supervisor or responsible person and provide cooperation in the investigation of facts.

3. The Company will ensure fairness and protect complainants who report corruption, including persons who cooperate in reporting and in the investigation of corruption.
4. The Board of Directors and management must act as role models in the fight against corruption and is responsible for promoting and supporting anti-corruption policies, by mean of communication to all employees and stakeholders. Also, review the appropriateness of policies and measures to suit changing business conditions, regulations, and legal requirements.
5. Persons who commit corruption shall be subjected to disciplinary action in accordance with the regulations prescribed by the Company and may be subject to legal penalties, if the action is illegal.
6. The Company provides training and dissemination of knowledge to directors, executives and employees of the Company to have an understanding of the implementation of the anti-corruption corruption policy and promote moral, honesty, responsibility and obligations.
7. The Company encourages the business partners or any personnel who perform duties related to the Company, to report a violation of the Company's Anti-Corruption Policy.
8. The Company has a fair policy on recruiting the personnel, jobs promoting, training, performance evaluation, and the remuneration of employees of the Company, which sufficient to prevent corporate corruption and also creates collateral for employees at all level of the Company.
9. For the clarification in dealing with the high risk of corruption in the following matters, the directors, executives and employees of the Company must be cautious on;
 - 9.1 Giving or receiving gifts, and entertainment activity within the Company must be transparent and legal, and is traditionally appropriate.
 - 9.2 Giving or receiving the donation or money must be transparent and legal, and ensure the act of such giving or receiving shall not be deemed bribery.
 - 9.3 The conduct of business, dealing, negotiating, bidding and other actions with the government or private sector must be transparent. In addition, directors, executives, and employees of the Company must not give or accept bribes at all stages of the operation.

3) **Respect for human rights**

The Company has a policy of supporting and respecting the protection of human rights. By treating those involved, whether employees, community or society, with respect for the values of humanity, taking into account equality and freedom, neither violate basic rights nor discriminate on the basis of race, nationality, religion,

language, skin color, sex, age, physical condition or social status. The Company also takes care of the business operation or transaction, not to be involved in human rights abuses such as child labor. In addition, the Company promotes the observance of human rights compliance, by providing participation in the forum and channels of complaint for those who have been damaged by the violation of the rights caused by the business of the Company, and willing to take appropriate remedies for the victim. Furthermore, in order to effectively respect human rights, the Company has built up the human rights knowledge and awareness of its personnel, to always abide by human rights principles.

4) Fair Labor Practices

The Company recognizes the importance of human resources development and treats employees fairly. This is a factor that will increase the Company's value and enhance the Company's competitiveness and sustainable growth in the future, by set forth the policy and practice as follows:

1. Respect the rights of employees according to human rights principles and comply with labor laws
2. Provide employment process with fairly conditions, and providing compensation by considering under the fair evaluation system.
3. Promote personnel development, by providing training, seminars, and sending personnel to attend seminars or any training related to the development of knowledge, capability, good attitude, ethics, and teamwork of personnel.
4. Provide welfare for employees as required by law, such as social security and other legal requirements such as health and accident insurance, including various types of grants to employees, such as scholarships to children, funeral expenses, etc.
5. Provide annual health check-ups to all levels of the Company, taking into account the risk factors based on age, gender, and working environment of each employee.
6. Make sure employees are safe, and work in good hygienic workplace, by providing preventive measures and empowering employees to have a sense of security, include training management and also encourage employees to have good hygiene, and always keep the workplace in safe conditions.
7. Allow employees to express their opinions or complaints about unfair practices or wrongful acts in the Company, including the protection of employees who report such matters.

5) Customer Responsibility

The Company is committed to developing its products and services, including its affiliates for the utmost satisfaction and benefit of the customer, and also adhering to the customer responsibly. The practices of honesty and care for customers, as a family member of the Company, are as follows.

1. The Company regards the quality and standard of products and services by focusing on the use of quality raw materials and standard of production, to provide customers with quality and hygienic products. In addition, the Company appreciates the importance of providing insights into the products, by any employee of the Company, and believe it to be accurate and useful product information.
2. The Company has a project to develop new products continuously, to meet the needs of customers, to provide customers with a variety of quality products and services, and to meet the demand for consumption.
3. The Company adheres to fair market. The policy is to provide customers with information about the Company's products and services that are accurate, not distort, obscure or over-advertised, and to provide customers with accurate and sufficient information in order to make a decision.
4. The Company takes into account customer safety. We strive to provide our customers with quality and safe products and services in accordance with international standards and safety regulations and as required by law, including designing, creating, and developing process of products and services, in order to ensure confidence in the quality, standards and safety of our products and services.
5. The Company provides a customer relationship system to communicate with customers, including efficiently complaints channel about the quality of goods and services, through our website and social media, in order to quickly respond to the needs of our customers.
6. The Company will keep confidential customer information and will not use such information in the wrong way.
7. The Company provides activities to strengthen customer relationships, promoting sustainable relationship between customers and the Company

6) Environmental Protection

The Company attaches great importance to corporate social responsibility for environmental protection by conducting and controlling the production of goods and services. The Company also operates under the concept of environmental awareness and protection, by focusing on the care and development of the production process. In addition, the Company also focuses on reducing waste from the production process, based on the principle of minimum use or use as necessary, with the purpose of optimizing the sharing of resources, to maintain and avoid environmental damage, beginning with an Eco-friendly product designs, where material is not wasteful and can be recycled several times, and searching for any environment preserving system, to use either as a practices or an operation equipment.

7) Community/ Social Development

The Company is aware of the community and social responsibility, thus strengthen the community and give back to society. The purpose is to create knowledge and o empower people, therefore, the Company has a policy to support and develop society, focusing on donation and educational support, cooperating with the community around the area where the Company's branches operate, including responding to events that affect the community, society, and environment due to the Company's operations. In addition, the Company also encourages employees awareness and responsibility for the environment and society, and in 2016, the Company has successfully organized the following social activities:

- In January 2016, the Company joined forces with the Yuvabadhana Foundation to organize the "Brother and Sister's Fun" activity. The Company's revenue from sales of Figgy Pudding, Choc Mud Brownie and Panooki, distributed between 8 and 31 January 2016, has been donated to Food4Good Project.
- In February 2016, the Company organized dinner and donated food and equipment to Pak Kret Remand Home for Boys. (Baan Bhumivet), Nonthaburi
- In July 2013, the Company held the "Sense of Happiness" event. The Company invited blind people from the Alumni Association of the Blind School to join in activities and eat deserts at After You, Siam Square One branch
- In October, 2016, the Company organized "After You for Dogs" activities, collecting donations along with food and supplies such as dog and cat food, canned food, mosquito repellents, donated to the Home4Animals at Pak Kret District, Nonthaburi
- In November 2016, the Company organized activities to help the victims of the cold. The Company is a facilitator to donate sweaters and blankets from staff and customers, which in turn, to be donated to people in the poverty areas in Chiang Mai, Chiang Rai and Phetchabun.
- In December 2016, the Company brought revenue after deduction, of the royal tea beverage sales at the Good Market at The EmQuartier, during 10 – 12 December 2016, and donated to the Chaipattana Foundation.



Part of income from selling the Company's products is donated to Food4Good



Feeding and donating supplies for children. at Bann Bhumivet



Having conversation and desserts of the Company with the visually impaired people from the Blind School Alumni Association



Donate fund, animal feed, and supplies to the Home4Animals Foundation



Facilitate the donation of sweaters and blankets to the cold victims.



Income after deducting expenses from selling products donated to Chaipattana Foundation.

8) Promote and use innovation derived from operations that concern for environment, society, and stakeholders

The Company encourages innovation at the organizational level of the work process and at the level of cooperation between organizations. Innovation means initiation for creating things in a new way, and could also mean a change in thinking or production to add value to the business. The goal of innovation is creating the positive change or to change something for the better. As such, to produce more products in order to maximize social benefits, the Company operates by the following guidelines:

- (1) Explore the various processes of the Company's business that is currently operating, to find out whether there is any risk or negative impact on society or the environment, and how to find solutions to mitigate such impacts, in order to create an opportunity for advancing to the discovery of business innovation.

- (2) Reveal innovations that benefit the society and environment, in order to encourage business sectors and other field of operators to follow the practices.
- (3) Analyze solutions to problems as well as innovate regularly and continuously. This creates opportunities for new products and for the growth of the Company, and also meets the needs of consumers.

Innovation sharing is a kind of social responsibility, by communicating and disseminating to stakeholders, both directly and indirectly, through a variety of communication channels, to ensure that the Company's information reaches the group of stakeholders of the Company thoroughly.

INTERNAL CONTROL AND RISK MANAGEMENT

The Company attaches great importance to the internal control system, internal audit, and risk management, because the good internal control system reduces business and operational risk to an acceptable level, and it helps to discover the shortcomings at the right time. It also helps to make the Company's financial reports accurate and reliable, and helps the Company achieve its defined goals efficiently. The Company has adopted the framework of the internal control guidelines of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) to apply into the business operation as follows:

(1) Control Environment

The Company has a business policy which respects for honesty and ethics and express it through joining with the Collective Action Coalition in the private sector in the Thai anti-corruption campaign, including clearly defined business goals in both short and long term. In addition, the Company has set up a corporate structure and regulations that help to ensure the management of the Company is strict and to prevent the misappropriation use of the Company's assets.

(2) Risk Assessment

The Company assesses the risk factors in conducting business both from external and internal factors. This includes risks that may cause fraud or improper actions. In addition, the Company has set clear objectives for its operations, reporting both financial and non-financial information, including compliance with applicable laws and set acceptable risk tolerance levels appropriately.

(3) Control Activities

The Company has a written internal control measures which cover the various processes, to reduce the potential risk to an acceptable level. This includes preventive controls, segregation, access control of the Company's assets, and appropriately setting the monetary and authority limitation of each executive.

(4) Information & Communication

The Company shall report any important information to the board, sufficiently for decision-making. There are channels and processes for communicating internal information between executives and employees, such as email, bulletin board, or even informing in person, depending on the suitability of each subject or situation.

(5) Monitoring Activities

The Company has hired DIA Audit Company Limited to monitor compliance with the internal control system. It also reviews and evaluates the effectiveness and effectiveness of the internal control system and the Company's information systems. The results of monitoring and evaluating are reported to the Audit Committee on a quarterly basis.

Board of Directors has assigned the Audit Committee to consider the adequacy of the Company's internal control and internal audit systems, including review and control of compliance with all applicable laws, regulations and policies associated. The Audit Committee is initially established for the benefit of good management in accordance with good governance principles, including an assessment of the adequacy of the Company's internal control system.

In 2016, the Audit Committee held 4 meetings, one of which is the meeting with the Company's auditor without the attendance or presence of executives.

At the Board of Directors' Meeting No. 1/2016 held on 28 March 2016, where the Audit Committee attended, Board of Directors has evaluated the Company's internal control system, by interviewing the management team and reviewing the Audit Committee's report on the adequacy of the internal control system developed by the management, then concluded that, from the assessment of the Company's internal control system in 5 areas, i.e. internal control, risk assessment, operational control, information and communication systems, and lastly the tracking system, the Board of Directors stated that: The Company's internal control system is adequate and appropriate to the size of the Company and the current situation of the Company. The Company adequately manages the operation of the system and also has an internal control system that monitors the operation of subsidiaries to protect the assets of the Company and its subsidiaries from improper or unauthorized use by directors or management, include transactions with any person who may have conflicts or inter-relations, sufficiently.

RELATED PARTY TRANSACTIONS

Description of stakeholders who had inter-relationship, as at 31 December 2016:

Relevant parties and business types	Relationship as of 31 December 2016
1. Ms. Gulapat Kanokwatanawan ("Ms. Gulapat")	<ul style="list-style-type: none"> Directors, executives and major shareholders of the Company
2. Mr. Maetup T. Suwan ("Mr. Maetup")	<ul style="list-style-type: none"> Directors, executives and major shareholders of the Company
3. MayMing Ordinary Partnership ("MayMing") Operate building lease business	<ul style="list-style-type: none"> Major Shareholders, Ms. Gulapat, held 35 percent of the Company and owned 55 percent of MayMing, whereas Mr. Maetup held 29.40% of the Company and 45% of MayMing
4. Prima Publishing Company Limited ("Prima") Operate printings and publishing	<ul style="list-style-type: none"> Major Shareholder, Mr. Maetup, held 29.40% in the Company and 50% in Prima Mr. Maetup, an executive and major shareholder of the Company, was the director of the Company and Prima
5. Mr. Wiwat Kanokwatanawan ("Mr. Wiwat")	<ul style="list-style-type: none"> Director of the Company Father of Ms. Gulapat, a director, an executive and major shareholder of the Company
6. Mr. Paiboon Kanokwatanawan ("Mr. Paiboon")	<ul style="list-style-type: none"> Brother of Mr. Wiwat, a director of the Company
7. Mr. Pruitk Kanokwatanawan ("Mr. Pruitk")	<ul style="list-style-type: none"> Brother of Ms. Gulapat, a director, an executive and major shareholder of the Company
8. M&M 2007 Company Limited ("M&M 2007") (Formerly known as After You 2007) Currently inactive and there will be no conflict of interests with the Company in the future, whatsoever	<ul style="list-style-type: none"> Major Shareholders, Ms. Gulapat and Mr. Maetup held 35% and 29.40% respectively in the Company and held 54% and 54% respectively in M & M 2007 Common directors, Ms. Gulapat and Mr. Maetup, were directors, executives, and major shareholders of the Company as well as director of M & M 2007
9. Pakfood Public Company Limited ("Pakfood")	<ul style="list-style-type: none"> Common director, Mr. Wiwat Kanokwatanawan, a director of the Company and a director in Pakfood

Detail of related party transactions in 2016 and 2015, which can be continue onward in the future

Relevant Party	Description	Value (Million Baht)		Reason and Necessity
		2016	2015	
1. MayMing Ordinary Partnership	<p><u>Rent commercial buildings</u></p> <p>The Company leased two commercial buildings with a height of 5 floors, a roof deck with an area of 240 square meters per building. Located at 338, 338/1 Soi Pattanakarn 30, Pattanakarn Road, Suanluang, Bangkok, to serve as the Company's office. The rental rate was 65,000 baht per month, or approximately 135 baht per square meter. The lease term was 3 years and could be renewed in accordance with terms and conditions as specified in the agreement. The Company commenced lease of such office from 1 January 2014.</p> <p>- Rental fee</p>	0.78	0.78	<p>The Company leased two commercial buildings from the MayMing Ordinary Partnership to use as its office. The rental rate was approximately Baht 135 per square meter. It was comparable to the rental rates nearby which ranged from 125.00 - 156.25 baht per square meter per month. The settlement terms were in line with the normal commercial terms as with outsiders.</p> <p><u>Comments from the Audit Committee</u></p> <p>Such transaction is reasonable. It is beneficial for the business of the Company. The location of the rental area is ideal for liaison with clients. The rental rate compared to the market price is the same and the terms of payment are in line with commercial rental business in general. This operation will therefore continue onto the future.</p>
2. Mr. Paiboon Kanokwatanawan	<p><u>Rent commercial buildings</u></p> <p>The Company rented two commercial buildings, one four-story high-rise building with an area of 288 square meters per building, located at 324, 326 Soi Pattanakarn 30, Pattanakarn Road, Suanluang, Bangkok, Thailand, used as the office and distribution center of the Company. The rental price was 66,250 baht per month or approximately</p>			<p>The Company rented two commercial buildings from Mr. Paiboon Kanokwatanawan to use as a production building, office, and distribution centers at a monthly rental rate of 115 baht per square meter. It was comparable to the rental rates nearby which ranged from 125.00 - 156.25 baht per square meter per month. The settlement terms were subject to normal</p>

Relevant Party	Description	Value (Million Baht)		Reason and Necessity
		2016	2015	
	<p>115 baht per square meter. The contract could be renewed under the conditions and details specified in the agreement. The rental started 15 August 2014 and was renewed indefinitely. In case the Company, would like to terminate the terms, written notice must be given at least 90 days prior to termination.</p> <p>- Rental fee</p>	0.80	0.80	<p>commercial terms as well as outsiders.</p> <p><u>Comments from the Audit Committee</u></p> <p>Such transaction is reasonable. It is beneficial for the business of the Company. The location of the rental area is close to one of the Company's office buildings. This makes it convenient to conduct business. The rental rate between the market price and the terms of payment are in line with commercial rental business in general. This operation will therefore continue onward in the future.</p>
3. Prima Publishing Company Limited	<p><u>Consigned book selling</u></p> <p>The Company introduced the May Maker and Sweeter Tokyo, dessert recipe books, to be one of the Company's products, in the type of consignment. May Made and Sweeter Tokyo book were written by Ms. Gulapat Kanokwatanawan, printed and distributed by Prima. These books were copyrighted by Ms. Gulapat who started writing since 2006 before establishing After You. May Made Books was a collection of dessert recipes. It was not a secret formula of the Company. The book Sweeter Tokyo was a guidebook for desserts in Tokyo, Japan which presented a recipe collected and derived from a Tokyo trips and not the secret formula of the</p>			<p>Since there were souvenir and gift baskets available in the Company's dessert café, the Company sold books in the form of consignment. Discounts and terms of payment which the Company and Prima were mutually agreed, could be comparable to the discounts and conditions Prima offered to third parties.</p> <p><u>Comments from the Audit Committee</u></p> <p>Such transaction is reasonable. The product is sold in accordance with the Company's store. And it is a business supporting item of the Company. Discounts on book and trade terms are based on book sales. In general, such transactions are necessary and reasonable, and will therefore continue onwards.</p>

Relevant Party	Description	Value (Million Baht)		Reason and Necessity
		2016	2015	
	<p>Company.</p> <p>For accounting record of consignment sale, the Company recognized income and payable on the date of sale.</p> <ul style="list-style-type: none"> - Commission from consignment - Trade account payable 	<p>0.04</p> <p>0.04</p>	<p>0.04</p> <p>0.05</p>	
4. Pakfood Public Limited	<p><u>Service fees</u></p> <p>The Company paid for some raw materials to make it ready for production.</p> <ul style="list-style-type: none"> - Service charges - Trade account payable <p><u>Purchase price of raw materials</u></p> <p>The Company purchased some raw materials to use as a component in its product.</p>	<p>0.12</p> <p>-</p>	<p>-</p> <p>-</p>	<p>In mid-May 2016, the Company launched new menus and received higher customer feedback than expected. The production capacity at that time was not sufficient enough to meet the needs of customers, yet the Company managed and planned a long-term production to meet the needs of customers without increasing the number of labor. Therefore, the Company temporarily hired Pakfood to prepare some raw materials for the production process. The price charged by PackFoods was the lowest among the vendors. Moreover, the service could be provided immediately. When the Company adjusted production plan in late June, this operation thus terminated. The Company expects to offer such services in the future, though, taking into account the costs and benefits of the Company.</p> <p>In July 2016, the Company started purchasing some raw materials from Pakfood to be used as a</p>

Relevant Party	Description	Value (Million Baht)		Reason and Necessity
		2016	2015	
	<ul style="list-style-type: none"> - Purchase of raw materials - Trade account payable 	0.36 -	- -	<p>component in its product because the offered price of raw materials was lower than other suppliers with the same quality.</p> <p><u>Comments from the Audit Committee</u></p> <p>Such transaction is reasonable since this service is to help the Company produce and provide new menu items adequately. Price and payment terms are also comparable to outsiders. Such transactions are necessary and reasonable, and will therefore continue onwards.</p>
5. Mr.Pruit Kanokwatanawan	<p><u>Rent a building</u></p> <p>The Company's subsidiary rented a building with a space of about 450 square meters to produce products sold to the Company. The rent was 10,000 baht per month, or about 22 baht per square meter, payable by 31 December 2017. The contract was valid for 2 years starting 1 January 2016 and could be renewed under the terms and conditions specified in the agreement. If the subsidiary wished to terminate the lease, it must give a written notice in advance 1 month prior to termination.</p> <ul style="list-style-type: none"> - Rental fee 	0.12	-	<p>The Company's subsidiary rented a building from Mr.Pruit to use as a building for production at the rate of about 22 Baht per square meter. The rental rate was lower than the market price. Therefore, the transaction was necessary and reasonable.</p> <p><u>Comments from the Audit Committee</u></p> <p>Such transaction is reasonable. It is beneficial to the business of the Company's subsidiaries. The rate of rental is moderate and not higher than the market price. This operation will therefore continue onwards.</p>

Detail of related party transactions in 2016 and 2015, which will not continue onward in the future

Relevant Party	Description	Value (Million Baht)		Reason and Necessity
		2016	2015	
1. Mr. Wiwat Kanokwatanawan	<p><u>Loan</u></p> <p>The Company (Borrower) borrowed money from Mr. Wiwat Kanokwatanawan (Lender) on 31 October 2013, amounting to Baht 14 million, bearing interest at 4.5% per annum, repayable at Baht 285,000 per month and must be repaid within 60 months from November 2013 onwards. The lender was entitled to demand that the borrower pay all or part of the loan, as the lender saw fit. However, as at 30 September 2015, the Company repaid all its debts and interest thereon. It is not likely to have this kind of business transaction again in the future.</p> <p>- Other receivables</p>	-	0.64	<p>The Company borrowed from Mr. Wiwat to purchase land for factory construction since the loan that the Company received from a commercial bank was lower than the purchase price of the land. Therefore the transaction was necessary and reasonable.</p> <p>The Company recorded loan and interest expense using effective rate method and adjusted the interest expense when the Company early repaid loan, leading to negative amount of interest expense in 2015. Also, the Company repaid the loan using outstanding balance per accounting record which was higher than the actual amount stated in the loan agreement. This caused Mr. Wiwat to have outstanding balance as the other receivables of the Company as at 31 December 2015 and 31 March 2016 amounting Baht 0.64 million.</p> <p><u>Comments from the Audit Committee</u></p> <p>The loan was to purchase land for factory construction and had lower interest rate than that of the commercial bank. Payment term was also normal compared to other loan. This transaction was therefore necessary and reasonable and benefit to the operation of the Company. However, the Company repaid the entire</p>

Relevant Party	Description	Value (Million Baht)		Reason and Necessity
		2016	2015	
2. Mr. Maetup T. Suwan	<p><u>Advances from directors</u></p> <p>Mr. Maetup T. Suwan paid in advance and in some cases, withdrew money from the Company in advance for use as working capital of the Company, such as payment for goods or services of the Company. Repayment was made in accordance with the terms and conditions of the Company.</p> <p>- Advances from directors</p>	-	0.28	<p>loan to Mr. Wiwat and after repayment of outstanding balance recorded as other receivables, there would not be such transaction in the future.</p> <p>Nevertheless, the Audit Committee has the comment that the Company should reduce reliance on relevant person by managing the liquidity or use other financial activities.</p> <p>Such transaction was for convenience in business operation and beneficial to the Company. Thus, it was necessary and reasonable. However, the Company has reduced such transaction and it would not be continue in the future.</p> <p><u>Comments from the Audit Committee</u></p> <p>The transaction is reasonable and benefited to the Company's operation. Therefore, it is necessary and reasonable.</p>
3. M&M Company Limited (Formerly known as After You 2007)	<p><u>Advances</u></p> <p>The Company had advanced payments to M&M 2007 on office and administrative expenses. M&M 2007 would repay the money to the Company according to the conditions and procedures of M&M 2007.</p> <p>- Other receivables</p>	-	0.01	<p>Such transaction was not occurred regularly and not common to the business operation of the Company. Size and value of the transaction were insignificant. It was just for convenience in the operation of M&M 2007. The Company expects no onward transaction.</p> <p><u>Comments from the Audit Committee</u></p> <p>Such transaction is not occurred regularly and not</p>

Relevant Party	Description	Value (Million Baht)		Reason and Necessity
		2016	2015	
				common to the business operation of the Company. It is for convenience in the operation of M&M 2007 and should not occur in the future.
4. Prima Publishing Company Limited	<p><u>Purchase raw materials</u></p> <p>The Company has purchased some raw materials for the production through the intermediary or Prima. The selling price and terms of payment are equal to cost plus margin for operation. However, from September 2015, the Company started purchasing the raw materials through the Company's subsidiary instead.</p> <p>- Purchase raw materials</p>	-	16.24	<p>The purchase was for the benefit of the Company and purchase price was calculated by using cost plus margin. Payment term was normal with other commercial terms. Nevertheless, Such transaction would not occur in the future because the Company stopped purchasing raw material from Prima since September 2015 and purchased through its subsidiary instead.</p> <p><u>Comments from the Audit Committee</u></p> <p>Such purchase is for the benefit of the Company and pricing policy and payment term are normal. However, the Company stopped purchasing raw material from Prima since September 2015. Thus, this transaction will not occur onwards.</p>

Measures or procedures for approving related party transactions

According to the resolution of the Board of Directors of the Company No. 3/2016 held on 28 March 2016, the measures and procedures for the approval of related party transactions between the Company, subsidiaries, and any party with potential conflict of interest with the Company in the future, such as major shareholders, directors, executives, controlling persons, the Company must comply with the Securities and Exchange Act, regulations, notifications and orders of the Capital Market Supervisory Board. The stakeholders will not be able to participate in the approval process.

Regarding to the law that requires related party transactions to be approved by the Board of Directors, the Company will arrange for the Audit Committee to attend the meeting to consider and comment on the necessity and reasons of entering into the transaction. The transaction which entails to trade agreement with the general commercial terms and conditions as well as trade agreement that is not subject to general commercial terms, both of the transactions shall be proceeded by the following principles:

Transaction of commercial agreement with the general commercial terms and conditions

The Board of Directors approves as the principle that management can approve related party transactions which are commercial terms with general commercial terms between the Company and subsidiaries with directors, executives or related persons. If the item has a trade agreement in the same way that a layperson will do in the same situation with the bargaining power of the trade, without influence from the status of a director, executive or related person. (As the case may be)

The Company will prepare a summary report of such transaction for reporting to the Audit Committee and the board meeting every quarter.

Transaction of commercial agreement other than the general commercial terms and conditions

Transaction of commercial agreement other than the general commercial terms and conditions shall be considered and commented upon by the Audit Committee before being presented to the Board of Directors or shareholders meeting (As the case may be) for further consideration and approval to comply with the Securities and Exchange Act including the regulations, announcements and orders of the Capital Market Supervisory Board and the Stock Exchange of Thailand, including compliance with the disclosure requirements of connected transactions.

In the event that the Audit Committee is unqualified to consider the related transactions, the Company may appoint independent experts or the Company's auditors to comment on such connected transactions for the Audit Committee so that Board of Directors or shareholders (as the case may be) shall use information for the

decision-making to ensure that the transaction is necessary and reasonable. The Company will disclose the related transactions in the Annual Registration Statement and notes to financial statements audited by the Company's auditor

Policy for future related party transactions

Related party transactions that may occur in the future require Board of Directors to comply with the Securities and Exchange Act Including the regulations, announcements and orders of the Capital Market Supervisory Board and the Stock Exchange of Thailand, including compliance with the disclosure requirements of the connected transaction of the Company or subsidiaries in accordance with accounting standards prescribed by the Federation of Accounting Professions under the Royal Patronage.

Tendency of related party transactions

The Company expects that general merchandise or regular business support items of the Company such as consignment, the rental of office space and facilities for the production of the Company's products, services, etc. will continue. The Company, in turn, will continue to provide the price and terms of payment in accordance with normal terms and conditions.

In addition, the Company Group may consider revising the prices and conditions associated with using the facility to ensure the price and terms of payment are reasonable and comply with relevant rules and regulations.

The transaction for purchasing of raw materials, loan borrowing, and advance payment, will not happen in the future.

MANAGEMENT DISCUSSION AND ANALYSIS

Analysis of operations and financial position

After You Public Company Limited (“The Company”) operates as dessert and bakery confectionery, which consists of two types of business:

- 1) Dessert café, which operates under the brand name “After You” and “Maygori”
- 2) Off-site caterings and Original Equipment Manufacturing (OEM) which operates as services such as caterings in the weddings, and promotional events, and also a service to make products under the Company's trademarks to customers such as airlines and restaurants.

Overview of Performance and Financial Status in 2016

In 2016, the Company opened 3 After You branches in July, September and November respectively. As at 31 December 2016, the Company had 18 branches of After You and 2 branches of Maygori (As at 31 December 2015, there were 15 branches of After You).

During the year 2016, the Company developed and invented new products or menus continuously, many of which are popular and well praised by the customers and greatly increased sales to the Company. Examples of such menus are mango sticky rice Kakigori, Thai milk tea Kakigori, Shibuya honey toast, and Royal Thai Milk Tea with Grass Jelly, etc.

From the above factors as a result, the Company's total sales revenue for the year 2016 was Baht 606.38 million, an increase of 46.37% from Baht 414.27 million in 2015. The net profit for the year 2016 increased 71.75% to Baht 98.77 million from Baht 57.51 million in 2015, the net profit margin is 16.23 percent in 2016, compared to 13.86 percent in 2015.

Performance Analysis

Revenue

Product line / Business type	2016		2015		% Change
	Million Baht	%	Million Baht	%	
<u>Sale revenue</u>					
1. Sale from dessert cafe	597.83	98.26	406.53	97.99	47.06
2. Catering and OEM sale	8.55	1.41	7.74	1.87	10.47
Total sale revenue	606.38	99.67	414.27	99.86	46.37
<u>Other revenues</u>	2.01	0.33	0.58	0.14	246.55
Total revenues	608.39	100.0	414.86	100.0	46.65

Number of the Company's branches

	Unit	2016	2015
Number of new open branches	No. of branches	5	5 ^{/1}
Number of branches at end of period	No. of branches	20	15
Average sales per original branch	Million Baht	37.47	34.77
Same-Store Sales Growth: SSSG	%	7.70	9.15
Sales Revenue Growth	%	46.37	33.14

Remark ^{/1} The above branches do not include the closure of the crumb ice cream shop at Central Embassy in 2015 due to the operating results was lower than estimated (Branch opened in 2014), thus excluded from the SSSG calculation.

The Company's revenue consists of sales revenue and other income. Almost of all revenue comes from the sale of confectionery and off-site jobs and contract manufacturing under the Company's trademark.

Sales revenue of the Company Significantly increased from Baht 414.27 million in 2015 to Baht 606.38 million in 2016, representing 46.37% growth from the previous year. This is due to the growth of 7.70% in the sales of existing stores, which is due to the popularity of the new menu. This improves the customer base as well. And the sale of a significant number of branches increased five more.

The Company's other income was 2.01 million Baht in 2016, increased from 0.58 million Baht in the previous year. The main income came from the delayed compensation for construction damage compensation.

Cost of sales and gross profit

Cost of sales of the Company consists of raw materials, packaging, instant products, materials and equipment, salary and wages of production staff, factory depreciation, kitchen utensils, and other expenses for manufacturing infrastructures. Over 80% of total cost of sales is raw materials. Cost of sales has increased from Baht 156.18 million in FY2015 to Baht 217.78 million in 2016 as a proportion of sales revenues increased.

Unit : Million Baht	2016	2015
Sales revenue	606.38	414.27
Cost of sales	217.78	156.18
Gross profit margin	388.60	258.09
Gross profit margin ratio (%)	64.08	62.30

For the year 2016, gross profit margin of the Company was Baht 388.60 million or 64.08% of the sales as compared to the previous year's gross profit margin of 62.30%, due to the improved cost management especially in the management of raw materials used in production which accounted for significant proportion of the Company's cost of sales.

Cost of sales

Selling expenses mainly include staff expenses, rental fee for After You and Maygori branches, rental equipment, utilities bills, and other selling expenses such as advertising and promotion, including the depreciation of assets in the branches.

For the year 2016, the Company had selling expenses of Baht 178.53 million, an increase of Baht 56.37 million from the year 2015, which was Baht 122.16 million or an increase of 46.15%. This has led to the need to hire more branch staff and rental locations. However, the ratio of selling expenses to total revenue was at 29.34% of total revenue, better than the previous year at 29.45%. The decrease in core expenses was attributable to the total cost of premises and equipment. This is because the Company had more bargaining power in negotiating new area lease and renewal of old branch contract. The average rental rate per square meter was lower than the rate in the past.

Administrative expenses

Administrative expenses include personnel expenses in the head office, maintenance fee, consulting fees, professional fees, depreciation and amortization, loss of termination of pre-term lease, and other administrative expenses such as rental of office buildings, factories and warehouses, utility bills, office expenses and miscellaneous expenditure on taxation.

For the year 2016, the Company had administrative expenses of Baht 84.17 million, compared to Baht 58.32 million in the year 2015, leading to an increase of Baht 25.85 million or 44.33% from previous year, due to the growing of personnel size in parallel with the growing branches and overall business, and as a consequence, the employee expense was increased by Baht 14.48 million. In addition, the Company recorded the difference between the selling price and the fair value that the management and/ or employees of the Company exercised their rights under the share offering scheme to the executives and employees of the Company (ESOP) by 7.80 million Baht as an extra cost of 2016. As such, the ratio of administrative expenses to total income, excluding the ESOP expenses, would be 12.61% which is better than 2015 where the percentage is at 13.09 % (excluding losses from the early termination of the ice cream parlor in the amount of Baht 4.08 million in 2015).

Financial expenses

Financial expenses for the year 2016 and 2015 were Baht 6.80 million and Baht 5.69 million, representing 1.12 percent and 1.37 percent of total revenues respectively. The increase in financial expenses was mainly due to the increase in long-term loans from banks which was borrowed to buy land and build a factory building, including buying of equipment with interest rate of MLR-1 per annum and also from the increase in the personal loan with interest rate of 4.0% per annum.

Income tax expense

Income tax expenses for the year 2016 and 2015 were Baht 22.34 million and Baht 15 million, respectively. The ratio of income tax to the profit before corporate income tax was 18.45% and 20.69% respectively. Decrease in ratio of 2016 from 2015 was due to the utilization of property investment benefits under Royal Decree No. 604.

Net Profit and Net Profit Margin

The Company has launched a new menu since mid-2015 and has been well received of popularity by consumers. In addition, the opening of new branches of after-sales and after-sales branches in 2016 up to 5 branches, including the out comes of more effective management of administration cost and cost of sales. As a result, the Group's net profit grew significantly from Baht 57.51 million in the year 2015 to Baht 98.77 million in the year 2016, representing a net profit margin of 13.86% and 16.23%, respectively.

Financial Analysis**Asset**

As at 31 December 2016 and 31 December 2015, the Company had total assets of Baht 981.93 million and Baht 363.79 million respectively. The Company's main assets consisted of cash and cash equivalents and property, plant and equipment. The increase in assets mainly came from increased cash and cash equivalents due to cash received from IPO and investment in land, buildings and equipment, furnishings and accessories to open new stores, assets from the construction of new office, distribution center and the training center, which was just constructed in June 2016.

Cash and cash equivalents

As at 31 December 2016 and 31 December 2015, cash and cash equivalents were amounted to Baht 628.40 million, Baht 82.27 million respectively. Cash and cash equivalents of the Company increased by Baht 546.13 million mainly due to proceeds from the sale of ordinary shares from IPO. The Company received total proceeds of Baht 736.82 million (before deducting the cost of securities offering). Operating proceeds were increased by Baht 136.47 million. The long-term loans from the bank were Baht 33 million, less the dividend payment of Baht 160.21 million. The repayment of long-term loans from the public with the total interest amounted to Baht 105.24 million. The payment for the construction and purchase of the assets was Baht 85 million.

Trade and other receivables

The Company's business mainly operates at the branches and 98% - 99% of revenue is cash received from customers. This is typical of the confectionery or dessert and beverage business. Only 1% - 2% of the sales

received off site and from Original Equipment Manufacturing where some customers are offered credits depends on the trade agreement. All of these results in a lower proportion of trade receivables compared to the Company's sales. The outstanding balances of trade accounts receivable as at 31 December 2016 and 31 December 2015 were Baht 4.01 million and Baht 0.59 million respectively, representing an average collection period of 1-2 days. Moreover, as at 31 December 2016 and date 31 December, 2015 The Company had other receivables of Baht 3.25 million and Baht 1 million respectively. The main items were receivables from loans and advances to employees, and decoration insurance money.

Inventory

The Company's inventories consist of instant dessert and beverages, including cakes, cookies, tea and other products at the branches as well as the inter-products and raw materials such as milk, butter, fruit and supplies.

Inventory	31 December 2016		31 December 2015	
	Million Baht	%	Million Baht	%
Finished goods	5.14	23.82	3.69	25.03
Work in process	0.29	1.34	0.15	1.02
Raw materials	11.78	54.59	7.82	53.05
Supplies	4.49	20.81	3.08	20.90
Total	21.70	100.56	14.74	100.00
Deduct cost to net realizable value	(0.12)	(0.56)	-	-
Inventory - net	21.58	100.00	14.74	100.00
Average selling period (days)	7.29		6.35	

As at 31 December 2016 and 31 December 2015, the Company had net inventories of Baht 21.58 million and Baht 14.74 million respectively. Average selling period was 6 – 8 days, with the raw materials as a major inventory exceeding 50% of all inventories. This is in line with the normal business practice of the Company, which needs to reserve raw materials for use in production and service in the store constantly and the timing of the sale of goods suitable for the business conditions, raw materials and goods that must be fresh and new. Inventories increased by Baht 6.84 million or 46.40% mainly due to the increase in number of branches, and therefore the need to reserve raw materials for use in production and sales increased, including the increase in provision for products at the branches.

In case that the Company expects to stop producing some products and still have raw materials or any inventory, the usage of leftovers will be determined by the Company, in order to keep the value of the inventories represented by realizable value.

Other current assets

Other current assets as at 31 December 2016 were Baht 7.74 million, an increase of Baht 3.67 million from 31 December 2015, with other current assets of Baht 4.07 million. Main increase was due to increase in input tax receivable from services and construction costs and the tax invoice which the Company has not received, and also due to the insurance premiums derived from the loans from commercial banks. The Company has paid off the entire loan to the lender, but still in the process of contact with the life insurance company to reclaim the premium paid.

Guaranteed bank deposit

Secured deposits at banks as of 31 December 2016 were fixed deposits held by the Company, which taken as collateral for debt repayment under the credit line for fuel oil, transportation of the Company.

Property, plant and equipment

As at 31 December 2016 and 31 December 2015, the Company had land properties, buildings, and equipments amounting to Baht 282.99 million and Baht 235.84 million, representing 28.82% and 64.83% of total assets respectively. The increase was mainly due to the increase in furnishing and equipment for 5 branches which opened during the year 2016 and the recognition of construction work of the new office which took place in June 2016.

Rental Guarantee

As at 31 December 2016 and 31 December 2015, the Company had rental guarantees in the amount of Baht 22.07 million and Baht 19.23 million, respectively, representing 2.25% and 5.29% of total assets. The increase in rent insurance came from the number of open branches because the service area or space of all branches of the Company which rented in the shopping center and community mall are mostly subject to terms and conditions that a rental guarantee is required to insure potential damage. In this regards, the rate of rent guarantee is 3 – 8 months of rental fee.

Other non-current assets

Other non-current assets as at 31 December 2016 and 31 December 2015 were Baht 0.70 million and Baht 3.07 million, respectively, decreasing by Baht 2.37 million or 77.23 percent, mainly due to the decrease in prepaid rental portion which exceeded 1 year and reclassification of life insurance premium for directors related to the Company's loan borrowing from commercial banks as the total current asset, as mentioned in the topic of other current assets.

Liability

As at 31 December 2016 and 31 December 2015, the majority of the Company's liabilities were trade accounts payable and other payables, liabilities under finance leases, long-term loans from the public, long-term loans from banks, income tax payable, and accrued dividends. The total liabilities amounted to 173.10 million Baht and 246.83 million Baht respectively. The decrease in total liabilities mainly came from the repayment of long-term loans from the public with the total interest.

Accounts payable and other payables

As at 31 December 2016 and 31 December 2015, the Company had trade accounts payable and other payables of Baht 63.79 million and Baht 47.46 million respectively, leading to an increase of Baht 16.33 million or 34.42%, due to the upward revision of creditors direct expenses in the share offering. The outstanding balance as of 31 December 2016 was Baht 14.52 million. The average repayment period for the purchase of the Company's products was 29-30 days.

Other current liabilities

As of 31 December 2016 and 31 December 2015, the Company had other current liabilities of Baht 16.59 million and Baht 6.31 million respectively, leading to an increase of Baht 10.28 million or 162.91 percent, mainly due to an increase in withholding tax payable especially the tax in relation to the dividend paid in December 2015 which was submitted in January 2016.

Long-term loans from unrelated parties

In August 2015, the Company borrowed money from two parties in the amount of Baht 100 million to repay long-term loans from banks and long-term loans from related parties, use in plant construction and also use as working capital to open a new branches, since loans from financial institutions had higher interest rates. The outstanding balance of long-term loans was Baht 101.41 million as at 31 December 2015. The loan conditionally entitles the lender to subscribe for ordinary shares for the first time (IPO) according to the formula of calculation specified in the loan agreement. During the year 2016, the Company was approved for the IPO offering and therefore paid the full amount of loan and interest, and also lent the right to purchase shares as specified in the agreement.

Long-term loans from banks

As at 31 December 2016 and 31 December 2015, the Company had three outstanding balances of long-term loans from banks totaling Baht 66.31 million and Baht 45.52 million (including current portion). The increase in long-term loans from banks during the year 2016 of Baht 20.79 million was due to the drawdown of the loan amounting to Baht 33 million, less the principal repayment during the year of Baht 12.21 million.

Provision for demolition

As of 31 December 2016 and 31 December 2015, the Company had provision for demolition amounting to Baht 6.77 million and Baht 5.43 million, respectively, due to the obligations under the terms of the lease for demolition and installation and improvement of the rental area to the lessor at the end of the lease term. As a result, the decommissioning liabilities increased with increasing space and number of branches.

Provision for long-term employee benefits

As at 31 December 2016 and 31 December 2015, the Company had the long-term employee benefit reserve of Baht 4.66 million and Baht 2.02 million, respectively, an increase of Baht 2.64 million or 130.61% was according to the estimation of which calculated by the actuary.

Shareholders' Equity

As at 31 December 2016 and 31 December 2015, the Group had shareholders' equity of Baht 808.83 million and Baht 116.97 million respectively. The increase in shareholders' equity was Baht 691.87 million mainly from surplus of the shares which the Company gained on initial public offering (IPO) at Baht 709.58 million, a net profit of which is Baht 98.62 million and a capital increase of Baht 18.50 million, with the deduction from dividend payment in 2016 at Baht 134.83 million

Cash Flow Analysis

Unit : Million Baht	2016	2015
Net cash flow from operating activities	136.47	93.10
Net cash flow used in investing activities	(85.15)	(112.09)
Net cash flow from financing activities	494.81	68.31
Net increase in cash and cash equivalents	546.13	49.32
Cash and cash equivalents at beginning of year	82.27	32.95
Cash and cash equivalents at the end of year	628.40	82.27

Cash flows from operations

In 2016 and 2015, the Company's net cash flow from operations was Baht 136.47 million and Baht 93.10 million respectively. The increase of Baht 43.37 million was from increase in cash received from operation Baht 67.72 million, less cash paid Baht 10.11 million for income tax expense, interest expenses for Baht 5.78 million and other working capital reduction for Baht 8.46 million.

Cash flow used in investing activities

Cash flow used in investing activities for 2016 and 2015 were Baht 85.15 million and Baht 112.09 million respectively. Most of the cash was used for the construction of new factory buildings, buying equipment for production, construction and equipment for branches, and the construction of a new office building. The investment in fixed assets of the Company (including advance payment for asset acquisition) in 2016 and 2015 were Baht 82.56 million and Baht 111.11 million respectively.

Cash flow from financing activities

Net cash flow from financing activities in 2016 was Baht 494.81 million, compared with Baht 68.31 million in 2015, the differs were mainly from cash received from the capital increase of Baht 736.82 million and cash received from long-term bank loans of Baht 33 million subtracted by cash paid for dividends of Baht 160.21 million, repayment of long-term loans from individuals by Baht 100 million and repayment of long-term loans from banks by Baht 12.21 million, whereas in 2015, the cash received from long-term loans from banks was Baht 33 million and cash received from capital increase was Baht 4 million subtracted by cash payment for dividend of Baht 25.38 million and repayment of loans from related persons by Baht 11.22 million.

Liquidity and ability to repay debt*Liquidity*

The Company's liquidity had increased significantly, as shown by its liquidity ratio increased from 1.01 times as at 31 December 2015 to 6.42 times as at 31 December 2016, as well as increasing liquidity ratio from 0.81 times in 2015 to 6.11 times in 2016 because the high amount of cash received from IPO in December 2016.

Considering the Company's cash cycle in 2016 and 2015, the Company had a good cash cycle at (21) days and (22) days, respectively. Cash receipts from sales are recognized, including the rapidity of raw material inventories turnover. The number of turnover days of receivables and inventories is low, whereas, with regards to the current liabilities, the Company is credited by trade payables for the purchase of raw materials.

Ability to repay debt

The debt to equity ratio of the Company as of 31 December 2016 was 0.21 times compared with 2.11 times as at 31 December 2015 mainly due to the sale of new ordinary shares to the public in December 2016, resulting to the increase of shareholders of the Company, whereas the Company's interest coverage ratio in 2016 was 18.81 times, reduced from 34.81 times in 2015, mainly due to higher interest expenses in 2016 in the aspect of long-term borrowings from commercial banks for the factory construction.

The Company's coverage ratio for the year 2016 and 2015 was 0.37 times and 0.52 times, respectively, which was lower than 1 times, because it was the phase of branch expansion to cover all area of the city. There were investments to build new factories and offices to support the growth of the business, and also the dividend payment to the shareholders of the Company. As a result of the inadequate cash flow from operations, the Company made long-term loans from commercial banks and third parties to build such factories without agreement of debt - covenant ratio with any lender in any way.

Nevertheless, due to the received cash from the IPO in December 2016, the Company repaid all long-term loans from unrelated party in December 2016 as well as repaid for long-term loans from commercial banks in January 2017, resulting in the Company's source of funds, which is sufficient to operate and able to pay other obligations, including the more flexibility in business transaction.

REPORT OF THE BOARD OF DIRECTORS' RESPONSIBILITIES FOR FINANCIAL STATEMENTS

The Board of Directors of After You Public Company Limited is responsible for the disclosure and presentation of the consolidated financial statements of the Company and subsidiaries, including information that appears in the Annual Report. The financial statements are prepared in accordance with the financial reporting standards by careful consideration, regarding to the appropriateness of accounting policies and financial forecasts, the practices of which the Company always takes into account.

The Board has established effective internal control systems to ensure that the accounting information is accurate and complete, including the prevention of fraud or unusual transaction which deemed to be significant.

The Board of Directors has an opinion that the Company has a good, adequate, and appropriate internal control system, which leads to the conviction that the Company's financial statements for the year ended 31 December 2016 are reliable and in accordance with financial reporting standards, including the legal practice and the relevant regulations.



Mr. Premon Pinskul

Chairman of the Board



Mr. Maetup T. Suwan

Managing Director

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REPORT OF THE AUDIT COMMITTEE FOR THE YEAR 2016

The Audit Committee of After You Public Company Limited consists of independent directors who meet the requirements and guidelines of the Audit Committee of the Stock Exchange of Thailand, and appointed by the Board of Directors for 3 persons as follows:

- 1) Mr. Pichet Bhimayothin, Chairman of the Audit Committee
- 2) Mr. Premon Pinsakul, Member of the Audit Committee
- 3) Dr. Thamnoon Ananthothai, Member of the Audit Committee

Whereas, Miss Chanthanee Tantasuralerk, the Company Secretary, acts as Secretary to the Audit Committee.

In 2016, the Audit Committee held four meetings, all of which were attended by all members of the Audit Committee. The Audit Committee has performed its duties in accordance with the Charter of the Audit Committee in its entirety. In the year 2016, the Audit Committee held a meeting with the external auditor without the management team, for once, including other meetings held with the executives, auditors, and the internal auditors, as appropriate.

The performance of the Audit Committee is summarized below:

1. Review of Financial Statements: The Audit Committee has reviewed the Company's quarterly and annual financial statements together with management and auditors covering a review of important accounting policies, changes in the past year, potential future impact, and unusual transaction which deemed to be significant, including the auditor's remarks which is in accordance with the auditor's opinion that the financial statements are valid in all aspects according to the standard of accounting principles.
 2. Review of Internal Control System: The Audit Committee has reviewed the internal control system of the Company to assess the adequacy, suitability, and effectiveness of the internal control system, and considering the review of the results of the internal control assessment, in collaboration with the auditor and the internal auditor and found no significant issues that could affect the Company's business.
 3. Review of Internal Audit: The Audit Committee has considered the performance of duties, responsibilities, and the independence of D.I.A Audit Company Limited as the Company's internal auditor, and approved the internal audit program of the year 2016.
 4. Review of Linked Transaction: The Audit Committee has reviewed the linked transaction or transactions that may cause conflict of interest of the Company, to determine whether the transaction is
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reasonable and that the Company disclosed information is in accordance with the regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission.

5. Selection of Auditors and Remuneration: The Audit Committee selects the auditors based on their independence, knowledge, ability, experience, performance, including the appropriateness of audit fee for the Company and affiliates, and presented to the Board of Directors for consideration and approval of the Annual General Meeting of Shareholders for the year 2016, from which the appointment of the auditors of the Company's office is approved as follows:

- (1) Ms. Sumalee Reewarabandith, Certified Public Accountant Registration No. 3970 or
- (2) Ms. Manee Rattanabunnakit, Certified Public Accountant Registration No. 5313 or
- (3) Mrs. Poonnard Paocharoen, Certified Public Accountant Registration No. 5238

6. Review of Legal Compliance: The Audit Committee has reviewed and supervised the Company's operations to comply with the Securities and Exchange Act, regulations of the Stock Exchange of Thailand, and the laws relating to the business of the Company, including compliance with the Company's requirements, and as a result, the Audit Committee is of the opinion that the Company complies with the law without any significant defection.

7. Review the Risk Management: The Audit Committee has reviewed the risk management of the Company to be correlated to the internal control system for overall risk management of the Company, by reviewing the policy, risk factors, risk management approach, including the progress of risk management, the results of which found that risk management is effective and in accordance with the Company's policy and strategy.

8. Reporting on Suspicious Issues: The Audit Committee is responsible for reporting to the Board of Directors in case of any suspicious transactions or actions that may have a significant impact on the Company's financial status and performances, the result of which found that in the past year, there was neither transaction nor operation of the Company that indicated as such.

In summary, in the year 2016, the Audit Committee has performed duties as specified in the Charter of the Audit Committee, using the knowledge and skill to monitor the operations of the Company and its affiliates independently, and demonstrated that Financial statements of the Company and its affiliates are provided accurately, reliably and prepared in accordance with standard of accounting principles, with the adequate disclosure. Furthermore, in the aspect of linked transactions or transactions that may have conflicts of interest, the Company has complied with the requirements of the Stock Exchange of Thailand and the Securities and Exchange Commission, including compliance with all applicable laws, rules and regulations relating to

business operations. In addition, the Company has implemented an adequate risk management, performing good corporate governance, and also having both auditors and internal auditors who are independent and qualified, to ensure the efficiency and effectiveness of auditing and internal control system.



Mr. Pichet Bhimayothin

Chairman of the Audit Committee

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of After You Public Company Limited
(Formerly known as "After You Company Limited")

Opinion

I have audited the accompanying consolidated financial statements of After You Public Company Limited and its subsidiary (the Group), which comprise the consolidated statement of financial position as at 31 December 2016, and the related consolidated statements of 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 After You Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of After You Public Company Limited and its subsidiary and of After You Public Company Limited as at 31 December 2016, 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 as issued by the Federation of Accounting Professions under the Royal Patronage of His Majesty the King as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. 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

The Company operates business of food and beverage outlets in many branches. Its main revenues are generated from cash sales of foods and beverages (represents approximately 99% of total revenue from sales). Thus, revenues from sales are significant to the financial statements. In addition, the Company has launched a customer loyalty program for registered members, under which customers earn points when making purchases of foods and beverages in specified amounts and can redeem these for gifts in accordance with the conditions set by the Company. The fair value of accumulated points determined based on the estimated customer redemption is presented as a deduction against revenues from sales and recognised as revenues when the customers redeem the points for gifts. The estimation of the fair value of such accumulated points requires the exercise of judgement. There is therefore a risk with respect to the amount and timing of revenue recognition.

I have examined the revenue recognition of the Company by

- Assessing and testing the Company's internal controls with respect to the revenue and cash receipt cycles by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls.
 - Observing the operations of the internal controls at selected branches (Live audit).
 - On a sampling basis, examining supporting documents for actual sale and cash receipt transactions occurring during the year and near the end of the accounting period.
 - Performing analytical procedures on disaggregated data to detect possible irregularities in sale transactions throughout the period, particularly for accounting entries made through journal vouchers.
 - Assessing the fair value of accumulated points, estimated based on customer redemption, and testing the calculation.
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Provision for decommissioning

As disclosed in Note 20 to the financial statements, to operate its business the Company rents retail space from lessors. Under the rental agreements, 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. The management therefore records provision for decommissioning in its accounts. The estimation requires significant management judgement as the Company uses key economic assumptions in determining future decommissioning costs, the discount rate and the economic useful lives of the assets. There is a risk with respect to the amount of provision for decommissioning.

I have examined the provision for decommissioning of the Company by

- Assessing the key economic assumptions underlying the decommissioning cost calculation by inquiring of the management and gaining understanding of the rationale for the key assumptions.
- Checking the key economic assumptions used in determining the provision for decommissioning against supporting documents, and evaluating the discount rate and economic useful lives of the assets.
- Testing the calculation of provision for decommissioning.

Other Information

Management is responsible for the other information. The other information comprise 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.
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- 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.

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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.

The engagement partner on the audit resulting in this independent auditor's report is
Miss Sumalee Reewarabandith



Sumalee Reewarabandith
Certified Public Accountant (Thailand) No. 3970

EY Office Limited
Bangkok: 20 February 2017

After You Public Company Limited and its subsidiary
(Formerly known as "After You Company Limited")

Statement of financial position

As at 31 December 2016

		Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
(Unit: Baht)					
Assets					
Current assets					
Cash and cash equivalents	7	628,398,173	82,271,637	625,022,920	81,763,140
Trade and other receivables	6, 8	7,268,327	1,594,492	11,292,512	1,648,585
Inventories	9	21,575,684	14,739,681	22,184,369	15,081,248
Other current assets	10	7,742,044	4,073,616	7,740,368	4,073,079
Total current assets		664,984,228	102,679,426	666,240,169	102,566,052
Non-current assets					
Restricted bank deposit	11	200,000	-	200,000	-
Investment in a subsidiary	12	-	-	999,700	999,700
Property, plant and equipment	13	282,993,912	235,839,152	282,948,262	235,839,152
Intangible assets	14	3,306,128	1,454,406	3,306,128	1,454,406
Advance for acquisition of assets		5,514,000	-	5,514,000	-
Rental deposits		22,065,023	19,228,970	22,065,023	19,228,970
Deferred tax assets	25	2,170,319	1,519,475	2,170,319	1,519,475
Other non-current assets		699,412	3,071,773	699,412	3,071,773
Total non-current assets		316,948,794	261,113,776	317,902,844	262,113,476
Total assets		981,933,022	363,793,202	984,143,013	364,679,528

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

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After You Public Company Limited and its subsidiary
(Formerly known as "After You Company Limited")

Statement of financial position (continued)

As at 31 December 2016

		(Unit: Baht)			
		Consolidated financial statements		Separate financial statements	
	Note	2016	2015	2016	2015
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	6, 15	63,789,842	47,456,286	67,560,460	49,683,317
Current portion of liabilities under finance lease agreements	16	394,418	629,578	394,418	629,578
Current portion of long-term loans from bank	18	12,506,038	13,597,596	12,506,038	13,597,596
Income tax payable		10,275,717	8,750,812	9,536,730	8,549,252
Dividend payable	29	-	25,380,000	-	25,380,000
Other current liabilities	19	16,588,008	6,309,339	16,516,295	6,245,694
Total current liabilities		103,554,023	102,123,611	106,513,941	104,085,437
Non-current liabilities					
Liabilities under finance lease agreements	16	387,652	781,919	387,652	781,919
Long-term loans from unrelated parties	17	-	101,413,699	-	101,413,699
Long-term loans from bank	18	53,806,060	31,927,660	53,806,060	31,927,660
Provision for decommissioning	20	6,770,930	5,434,439	6,770,930	5,434,439
Provision for long-term employee benefits	21	4,662,131	2,021,610	4,662,131	2,021,610
Other non-current liabilities		3,918,501	3,124,024	3,918,201	3,123,725
Total non-current liabilities		69,545,274	144,703,351	69,544,974	144,703,052
Total liabilities		173,099,297	246,826,962	176,058,915	248,788,489

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

After You Public Company Limited and its subsidiary

(Formerly known as "After You Company Limited")

Statement of financial position (continued)

As at 31 December 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Shareholders' equity					
Share capital	22				
Registered					
725,000,000 ordinary shares of Baht 0.10 each (2015: 540,000 ordinary shares of Baht 100 each)		<u>72,500,000</u>	<u>54,000,000</u>	<u>72,500,000</u>	<u>54,000,000</u>
Issued and paid-up					
725,000,000 ordinary shares of Baht 0.10 each (2015: 540,000 ordinary shares of Baht 100 each)		72,500,000	54,000,000	72,500,000	54,000,000
Premium on ordinary shares	22	709,575,820	-	709,575,820	-
Retained earnings					
Appropriated					
Statutory reserve - the Company	23	7,250,000	5,400,000	7,250,000	5,400,000
Statutory reserve - subsidiary	23	100,000	-	-	-
Unappropriated		<u>19,407,905</u>	<u>57,566,240</u>	<u>18,758,278</u>	<u>56,491,039</u>
Total shareholders' equity		<u>808,833,725</u>	<u>116,966,240</u>	<u>808,084,098</u>	<u>115,891,039</u>
Total liabilities and shareholders' equity		<u>981,933,022</u>	<u>363,793,202</u>	<u>984,143,013</u>	<u>364,679,528</u>
		-	-	-	-

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

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**After You Public Company Limited and its subsidiary
(Formerly known as "After You Company Limited")**

Statement of comprehensive income

For the year ended 31 December 2016

		(Unit: Baht)			
		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
Note		2016	2015	2016	2015
Profit or loss:					
Revenues					
	Sales	606,377,892	414,273,599	606,377,892	414,273,599
	Dividend income	-	-	4,000,000	-
	Other income	2,009,658	582,864	2,087,094	589,102
	Total revenues	<u>608,387,550</u>	<u>414,856,463</u>	<u>612,464,986</u>	<u>414,862,701</u>
Expenses					
	Cost of sales	217,781,441	156,184,525	222,644,856	157,587,486
	Selling expenses	178,530,426	122,159,085	178,530,426	122,159,085
	Administrative expenses	84,169,991	58,316,274	83,984,668	58,196,312
	Total expenses	<u>480,481,858</u>	<u>336,659,884</u>	<u>485,159,950</u>	<u>337,942,883</u>
	Profit before finance cost and income tax expenses	127,905,692	78,196,579	127,305,036	76,919,818
	Finance cost	(6,798,117)	(5,687,976)	(6,797,087)	(5,687,976)
	Profit before income tax expenses	121,107,575	72,508,603	120,507,949	71,231,842
	Income tax expenses	25 (22,338,410)	(14,999,452)	(21,413,210)	(14,797,892)
	Profit for the year	<u>98,769,165</u>	<u>57,509,151</u>	<u>99,094,739</u>	<u>56,433,950</u>
Other comprehensive income:					
Other comprehensive income not to be reclassified					
to profit or loss in subsequent periods					
	Actuarial losses, net of income tax	(147,500)	-	(147,500)	-
	Total comprehensive income for the year	<u>98,621,665</u>	<u>57,509,151</u>	<u>98,947,239</u>	<u>56,433,950</u>
Earnings per share					
	Basic earnings per share	26			
	Profit attributable to equity holders of the Company	<u>0.18</u>	<u>0.11</u>	<u>0.18</u>	<u>0.11</u>
(Unit: Share)					
	Weighted average number of ordinary shares	<u>559,576,503</u>	<u>529,917,808</u>	<u>559,576,503</u>	<u>529,917,808</u>

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

After You Public Company Limited and its subsidiary
(Formerly known as "After You Company Limited")

Cash flow statement

For the year ended 31 December 2016

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash flows from operating activities				
Profit before tax	121,107,575	72,508,603	120,507,949	71,231,842
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	27,875,955	17,993,587	27,869,710	17,993,587
Provision for loss on obsolete inventory	119,554	-	119,554	-
Loss on sale of equipment	302,074	3,731	302,074	3,731
Write-off equipment	-	3,018,113	-	3,018,113
Reversal of provision for decommissioning	-	(143,906)	-	(143,906)
Write-off rental deposits	-	1,203,350	-	1,203,350
Provision for long-term employee benefits	2,456,146	727,947	2,456,146	727,947
Expenses in relation to share-based payments	7,681,188	-	7,681,188	-
Dividend income	-	-	(4,000,000)	-
Interest income	(358,761)	(319,501)	(348,696)	(318,240)
Finance costs	7,457,563	3,934,218	7,456,533	3,934,218
Profit from operating activities before changes in operating assets and liabilities	166,641,294	98,926,142	162,044,458	97,650,642
Operating assets (increase) decrease				
Trade and other receivables	(5,673,835)	3,489,954	(5,643,927)	3,435,860
Inventories	(6,955,557)	(4,775,634)	(7,222,675)	(5,117,201)
Other current assets	(3,665,179)	(1,169,508)	(3,664,129)	(1,168,983)
Rental deposits	(2,836,053)	(5,890,702)	(2,836,053)	(5,890,702)
Other non-current assets	2,372,361	(663,993)	2,372,361	(663,993)
Operating liabilities increase				
Trade and other payables	5,450,374	14,172,406	6,993,961	16,399,437
Other current liabilities	10,278,668	3,138,314	10,270,600	3,074,670
Other non-current liabilities	794,476	651,702	794,476	651,402
Cash flows from operating activities	166,406,549	107,878,681	163,109,072	108,371,132
Interest received	358,761	319,501	348,696	318,240
Interest paid	(8,866,525)	(3,088,819)	(8,865,495)	(3,088,819)
Cash paid for decommissioning of assets	-	(265,000)	-	(265,000)
Cash paid for long-term employee benefits	-	(422,657)	-	(422,657)
Cash paid for income tax	(21,430,722)	(11,322,067)	(21,042,860)	(11,322,054)
Net cash flows from operating activities	136,468,063	93,099,639	133,549,413	93,590,842

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

After You Public Company Limited and its subsidiary
(Formerly known as "After You Company Limited")

Cash flow statement (continued)

For the year ended 31 December 2016

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash flows from investing activities				
Increase in restricted bank deposit	(200,000)	-	(200,000)	-
Cash paid for investment in a subsidiary	-	-	-	(999,700)
Acquisition of land, buildings and equipment	(77,050,807)	(111,107,503)	(76,998,913)	(111,107,503)
Acquisition of computer software	(2,436,620)	(983,288)	(2,436,620)	(983,288)
Advance paid for acquisition of assets	(5,514,000)	-	(5,514,000)	-
Proceed from sale of equipment	55,210	51	55,210	51
Net cash flows used in investing activities	(85,146,217)	(112,090,740)	(85,094,323)	(113,090,440)
Cash flows from financing activities				
Decrease in liabilities under finance lease agreements	(690,965)	(535,991)	(690,965)	(535,991)
Cash receipt from long-term loans from unrelated parties	-	100,000,000	-	100,000,000
Cash receipt from long-term loans from bank	33,000,000	32,000,000	33,000,000	32,000,000
Repayment of long-term loan from a related party	-	(11,223,506)	-	(11,223,506)
Repayment of long-term loans from unrelated parties	(100,000,000)	-	(100,000,000)	-
Repayment of long-term loans from banks	(12,213,158)	(30,553,218)	(12,213,158)	(30,553,218)
Proceeds from increase in share capital	736,818,813	4,000,000	736,818,813	4,000,000
Cash paid for direct costs related to the share offering	(1,900,000)	-	(1,900,000)	-
Dividend paid	(160,210,000)	(25,380,000)	(160,210,000)	(25,380,000)
Net cash flows from financing activities	494,804,690	68,307,285	494,804,690	68,307,285
Net increase in cash and cash equivalents	546,126,536	49,316,184	543,259,780	48,807,687
Cash and cash equivalents at beginning of year	82,271,637	32,955,453	81,763,140	32,955,453
Cash and cash equivalents at end of year	628,398,173	82,271,637	625,022,920	81,763,140
	-	-	-	-

Supplemental cash flows information

Non-cash items

Purchases of equipment under finance lease agreements	-	1,153,738	-	1,153,378
Transfer advance for construction to building and equipment accounts	-	6,000,000	-	6,000,000
Increase (decrease) in payables for construction and purchase of equipment	(3,727,265)	10,291,421	(3,727,265)	10,291,421
Increase in payables for direct costs related to the share offering	14,524,181	-	14,524,181	-
Actuarial losses	(184,375)	-	(184,375)	-
Increase in dividend receivable from a subsidiary	-	-	4,000,000	-

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

**After You Public Company Limited and its subsidiary
(Formerly known as "After You Company Limited")**

Statement of changes in shareholders' equity

For the year ended 31 December 2016

	Note	Consolidated financial statements					(Unit: Baht)
		Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Total	
				Appropriated - The Company	Subsidiary		
Balance as at 1 January 2015		50,000,000	-	-	-	56,217,089	106,217,089
Profit for the year		-	-	-	-	57,509,151	57,509,151
Total comprehensive income for the year		-	-	-	-	57,509,151	57,509,151
Proceeds from share subscription	22	4,000,000	-	-	-	-	4,000,000
Dividend paid	29	-	-	-	-	(50,760,000)	(50,760,000)
Transferred unappropriated retained earnings to statutory reserve	23	-	-	5,400,000	-	(5,400,000)	-
Balance as at 31 December 2015		<u>54,000,000</u>	-	<u>5,400,000</u>	-	<u>57,566,240</u>	<u>116,966,240</u>
Balance as at 1 January 2016		54,000,000	-	5,400,000	-	57,566,240	116,966,240
Profit for the year		-	-	-	-	98,769,165	98,769,165
Other comprehensive income for the year		-	-	-	-	(147,500)	(147,500)
Total comprehensive income for the year		-	-	-	-	98,621,665	98,621,665
Proceeds from share subscription	22	18,500,000	709,575,820	-	-	-	728,075,820
Dividend paid	29	-	-	-	-	(134,830,000)	(134,830,000)
Transferred unappropriated retained earnings to statutory reserve	23	-	-	1,850,000	100,000	(1,950,000)	-
Balance as at 31 December 2016		<u>72,500,000</u>	<u>709,575,820</u>	<u>7,250,000</u>	<u>100,000</u>	<u>19,407,905</u>	<u>808,833,725</u>
		-	-	-	-	-	-
		-	-	-	-	-	-

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

**After You Public Company Limited and its subsidiary
(Formerly known as "After You Company Limited")
Statement of changes in shareholders' equity
For the year ended 31 December 2016**

	Note	Separate financial statements				(Unit: Baht)
		Issued and paid-up share capital	Premium on ordinary shares	Retained earnings	Total	
			Appropriated - statutory reserve	Unappropriated		
Balance as at 1 January 2015		50,000,000	-	56,217,089	106,217,089	
Profit for the year		-	-	56,433,950	56,433,950	
Total comprehensive income for the year		-	-	56,433,950	56,433,950	
Proceeds from share subscription	22	4,000,000	-	-	4,000,000	
Dividend paid	29	-	-	(50,760,000)	(50,760,000)	
Transferred unappropriated retained earnings to statutory reserve	23	-	5,400,000	(5,400,000)	-	
Balance as at 31 December 2015		<u>54,000,000</u>	<u>5,400,000</u>	<u>56,491,039</u>	<u>115,891,039</u>	
Balance as at 1 January 2016		54,000,000	5,400,000	56,491,039	115,891,039	
Profit for the year		-	-	99,094,739	99,094,739	
Other comprehensive income for the year		-	-	(147,500)	(147,500)	
Total comprehensive income for the year		-	-	98,947,239	98,947,239	
Proceeds from share subscription	22	18,500,000	709,575,820	-	728,075,820	
Dividend paid	29	-	-	(134,830,000)	(134,830,000)	
Transferred unappropriated retained earnings to statutory reserve	23	-	1,850,000	(1,850,000)	-	
Balance as at 31 December 2016		<u>72,500,000</u>	<u>7,250,000</u>	<u>18,758,278</u>	<u>808,084,098</u>	
		-	-	-	-	
		-	-	-	-	

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

**After You Public Company Limited and its subsidiary
(Formerly known as “After You Company Limited”)**

Notes to financial statements

For the year ended 31 December 2016

1. General 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. 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 2016, the Company has 20 branches (2015: 15 branches) in Bangkok, Nonthaburi and Pathumthani.

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 Public Company Limited and its subsidiary (hereinafter called “the Group”) as the following.

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2016 (%)	2015 (%)
Aurum and Aurum Company Limited	Distribution of bakery products and equipment	Thailand	100	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

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

During the year, the Group has adopted the revised (revised 2015) and new financial reporting standards and accounting treatment guidance issued by the Federation of Accounting Professions which become 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, 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.

(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 financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which is 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 management of the Group believes that the revised financial reporting standards and interpretations and new accounting treatment guidance will not have any significant impact on the financial statements when they are initially applied. However, one standard involves changes to key principles, which are summarised below.

TAS 27 (revised 2016) Separate Financial Statements

This revised standard stipulates an additional option to account for investments in subsidiaries, joint ventures and associates in separate financial statements under the equity method, as described in TAS 28 (revised 2016) Investments in Associates and Joint Ventures. However, the entity is to apply the same accounting treatment for each category of investment. If an entity elects to account for such investments using the equity method in the separate financial statements, it has to adjust the transaction retrospectively.

This standard will not have any significant impact on the Group's financial statements because the management has decided to continue accounting for such investments under the cost method in the separate financial statements.

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.

Dividends

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

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). The costs comprise any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating and decommissioning costs obligation associated with a consequence of having used the assets.

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	5, 10 and 30 years
Utility systems	5 and 10 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 individuals or enterprises that control, or are controlled by, the Group, whether directly or indirectly, or which are under common control with the Group.

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

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Company recognises restructuring-related costs.

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 Equity-settled share-based payment transactions

The Company recognises share-based payment transactions when it receives services provided by employees, based on the fair value of the share options on the grant date. The excess of the fair value at subscription date over the subscription price was recorded as expense in profit or loss, and as premium on ordinary shares in the shareholders' equity.

4.15 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.

4.16 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.

Provision for decommissioning

The Group 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. The Group records a provision for decommissioning whenever it is highly probable that an obligation will arise as a result of a past event and the amount of the obligation can be reliably estimated. In estimating of decommissioning costs, the management exercises judgement in predicting future decommissioning costs, discount rate and economic useful lives of the assets.

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

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		
2016	2015	2016	2015		
Transactions with a subsidiary					
(Eliminated from the consolidated financial statements)					
Purchase of raw materials	-	-	40,929	11,979	Cost plus margin
Service income	-	-	88	8	Rate stipulated in agreement
Dividend income	-	-	4,000	-	As declared
Transactions with related parties					
Purchase of raw materials	363	16,238	363	16,238	Cost plus margin
Service expense	120	-	120	-	Agreed upon basis
Other income	40	37	40	37	Cost plus margin
Transactions with related persons					
Rental expense	1,695	1,575	1,575	1,575	Rate stipulated in agreement

As at 31 December 2016 and 2015, the balances of the accounts between the Company and those related parties are as follows.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Trade and other receivables (Note 8)				
<u>Other receivables - related parties</u>				
Advance to a subsidiary	-	-	24	54
Advance to a related company	-	5	-	5
Other receivable - a subsidiary	-	-	4,000	-
Other receivable - a related person	-	640	-	640
Total	-	645	4,024	699
Trade and other payables (Note 15)				
<u>Trade payables - related parties</u>				
A subsidiary	-	-	6,040	4,281
A related company	43	53	43	53
Total	43	53	6,083	4,334
<u>Other payables - related parties</u>				
Advances from directors	-	283	-	283
Total	-	283	-	283

Directors and management's benefits

During the years ended 31 December 2016 and 2015, the Group had employee benefit expenses payable to its directors and management as below.

	(Unit: Thousand Baht)	
	Consolidated / Separate	
	financial statements	
	2016	2015
Short-term employee benefits	13,453	10,262
Share-based payment benefits	6,056	-
Post-employment benefits	257	39
Other long-term benefits	165	23
Total	19,931	10,324

7. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Cash	3,470	2,726	3,470	2,726
Bank deposits	624,928	79,546	621,553	79,037
Total	628,398	82,272	625,023	81,763

As at 31 December 2016, bank deposits in savings accounts carried interests between 0.10% and 0.87% per annum (2015: between 0.10% and 0.40% per annum).

8. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due				
Up to 3 months	4,014	572	4,014	572
3 - 6 months	-	-	-	-
6 - 12 months	-	17	-	17
Total trade receivables - unrelated parties	4,014	589	4,014	589
<u>Other receivables</u>				
Advances - related parties	-	5	24	59
Other receivable - a subsidiary	-	-	4,000	-
Other receivable - a related person	-	640	-	640
Other receivables	3,254	361	3,254	361
Total other receivables	3,254	1,006	7,278	1,060
Total trade and other receivables	7,268	1,595	11,292	1,649

9. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2016	2015	2016	2015	2016	2015
Finished goods	5,139	3,687	-	-	5,139	3,687
Work in process	286	149	-	-	286	149
Raw materials	11,778	7,819	-	-	11,778	7,819
Supplies	4,493	3,085	(120)	-	4,373	3,085
Total	21,696	14,740	(120)	-	21,576	14,740

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2016	2015	2016	2015	2016	2015
Finished goods	5,139	3,687	-	-	5,139	3,687
Work in process	286	149	-	-	286	149
Raw materials	12,386	8,160	-	-	12,386	8,160
Supplies	4,493	3,085	(120)	-	4,373	3,085
Total	22,304	15,081	(120)	-	22,184	15,081

During the year 2016, the Company reduced cost of inventories by Baht 0.1 million (2015: Nil) (The Company only: Baht 0.1 million and 2015: Nil), to reflect the net realisable value. This was included in cost of sales.

10. Other current assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Prepaid expenses	4,467	2,408	4,467	2,408
Others	3,275	1,666	3,273	1,665
Total	7,742	4,074	7,740	4,073

11. Restricted bank deposit

This represents fixed deposit pledged with a bank as a collateral to secure credit facility.

12. Investment in a subsidiary

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

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage (%)		Cost		Dividend income	
	2016	2015	2016	2015	2016	2015	2016	2015
	Aurum and Aurum Company Limited	1,000	1,000	100	100	1,000	1,000	4,000

13. Property, plant and equipment

	Consolidated financial statements							Total
	Land	Building and building improvement	Utility systems	Kitchenware and appliances	Furniture and office equipment	Motor vehicles	Assets under construction and installation	
Cost								
1 January 2015	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
Additions	2,650	426	911	7,305	7,709	3,299	51,023	73,323
Cost of assets decommissioning	-	-	-	-	1,216	-	-	1,216
Capitalised interest	-	-	-	-	-	-	264	264
Disposals	-	-	-	(568)	(522)	-	-	(1,090)
Transfer in (out)	-	2,318	6,698	1,303	11,120	-	(21,439)	-
31 December 2016	75,599	92,132	26,972	34,072	83,795	10,025	32,397	354,992
Accumulated depreciation								
1 January 2015	-	-	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
Depreciation for the year	-	3,609	3,601	5,676	13,298	1,107	-	27,291
Depreciation on disposals	-	-	-	(406)	(327)	-	-	(733)
31 December 2016	-	3,815	10,129	15,865	39,133	3,056	-	71,998
Net book value								
31 December 2015	72,949	89,182	12,835	15,437	38,110	4,777	2,549	235,839
31 December 2016	75,599	88,317	16,843	18,207	44,662	6,969	32,397	282,994
Depreciation for the years								
2015 (Baht 4.0 million included in manufacturing cost, and the balance in selling and administrative expenses)								17,677
2016 (Baht 8.7 million included in manufacturing cost, and the balance in selling and administrative expenses)								27,291

(Unit: Thousand Baht)

During the year 2016, the Company had financed the construction of office building and distribution center with long-term loans from bank and long-term loans from two unrelated parties. Borrowing costs amounting to Baht 0.3 million were capitalised as cost of assets (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 were capitalised as cost of assets). The weighted average rate of 4.45% (2015: 5.53%) has been used to determine the amount of borrowing costs eligible for capitalisation.

As at 31 December 2016, the Company had equipment with net book value of Baht 1.5 million (2015: Baht 2.4 million) which were acquired under finance lease agreements.

As at 31 December 2016, 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 16.9 million (2015: Baht 8.8 million).

The Company has pledged some of its land and factory building with net book value as at 31 December 2016 of Baht 122.0 million (2015: Baht 162.1 million) as collateral to secure long-term loans from bank.

14. Intangible assets

	(Unit: Thousand Baht)	
	Consolidated/Separate financial statements	
	2016	2015
Computer software - cost	4,646	2,209
Less: Accumulated amortisation	(1,340)	(755)
Net book value	<u>3,306</u>	<u>1,454</u>

	(Unit: Thousand Baht)	
	Consolidated/Separate financial statements	
	2016	2015
Net book value at beginning of year	1,454	788
Additions	2,437	983
Amortisation	(585)	(317)
Net book value at end of year	<u>3,306</u>	<u>1,454</u>

15. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separated	
	financial statements		financial statements	
	2016	2015	2016	2015
Trade payables - related parties	43	53	6,083	4,334
Trade payables - unrelated parties	19,433	15,555	17,366	13,601
Other payables - related parties	-	283	-	283
Other payables - unrelated parties	21,497	8,205	21,497	8,205
Other payables for construction and purchase of equipment	7,313	11,040	7,313	11,040
Accrued expenses	15,504	12,320	15,301	12,220
Total	63,790	47,456	67,560	49,683

16. Liabilities under finance lease agreements

(Unit: Thousand Baht)

	Consolidated/Separate	
	financial statements	
	2016	2015
Liabilities under finance lease agreements	831	1,522
Less: Deferred interest expense	(49)	(110)
Total	782	1,412
Less: Portion due within one year	(394)	(630)
Portion due more than one year	388	782

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 2016		
	Less than 1 year	1 - 4 years	Total
Future minimum lease payments	426	405	831
Deferred interest expense	(32)	(17)	(49)
Present value of future minimum lease payments	394	388	782

	(Unit: Thousand Baht)		
	Consolidated/Separate financial statements		
	As at 31 December 2015		
	Less than 1 year	1 - 3 years	Total
Future minimum lease payments	691	831	1,522
Deferred interest expense	(61)	(49)	(110)
Present value of future minimum lease payments	630	782	1,412

17. Long-term loans from unrelated parties

As at 31 December 2015, the Company had outstanding balance of Thai Baht loans from two unrelated parties totaling Baht 101.4 million. The loans carried interest at a rate of 4.0% per annum and the principal was 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.

During the year 2016, the Company was granted approval to make an initial public offering of new shares as described in Note 22 to financial statements. The Company made a full repayment of loans and interest and provided the lenders the right to subscribe new shares according to the event No. 2 above.

18. Long-term loans from bank

(Unit: Thousand Baht)

Loan	Interest rate (%)	Repayment schedule	Consolidated/Separate financial statements	
			2016	2015
1	MLR and MLR-1	Monthly installments for 84 periods, ending October 2020	11,047	14,067
2	MLR-1	Monthly installments for 90 periods, ending December 2022	47,178	22,000
3	MLR-1	Monthly installments for 84 periods, ending July 2022	8,087	9,458
Total			66,312	45,525
Less: Portion due within one year			(12,506)	(13,597)
Portion due more than one year			53,806	31,928

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

As at 31 December 2016, the Company had fully drawn down the long-term loan facility (2015: The undrawn balance of long-term loan facility of the Company amounted to Baht 33.0 million).

In January 2017, the Company made full repayments of long-term loans and interest ahead of the schedules to the bank for all three facilities. The Company recorded loan prepayment fee in profit or loss of 2017.

19. Other current liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Unearned revenue - Customer loyalty program	1,800	1,000	1,800	1,000
Unearned revenue - Cash voucher	926	455	926	455
Withholding income tax payable	11,182	3,363	11,182	3,363
Value added tax payable	1,781	687	1,711	625
Social security fund payable	840	667	838	666
Others	59	137	59	137
Total	16,588	6,309	16,516	6,246

20. Provision for decommissioning

	(Unit: Thousand Baht)	
	Consolidated/Separate	
	financial statements	
	2016	2015
Balance at beginning of the year	5,434	3,856
Increase during the year	1,216	1,879
Finance cost	121	108
Decrease from actual payment	-	(265)
Reversal of provision	-	(144)
Balance at end of the year	<u>6,771</u>	<u>5,434</u>

21. Provision for long-term employee benefits

Provision for long-term employee benefits was as follows.

	(Unit: Thousand Baht)		
	Consolidated/Separate financial statements		
	Provision for post-employment benefits	Provision for other long-term employee benefits	Total
Provision for long-term employee benefits			
as at 1 January 2015	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)
Provision for long-term employee benefits			
as at 31 December 2015	233	1,789	2,022
Included in profit or loss:			
Current service cost	109	870	979
Interest cost	7	49	56
Past service costs from benefit changes	-	154	154
Actuarial loss (gain) arising from			
Financial assumptions changes	-	(46)	(46)
Experience adjustments	-	1,313	1,313
Included in other comprehensive income:			
Actuarial loss (gain) arising from			
Financial assumptions changes	(28)	-	(28)
Experience adjustments	212	-	212
Provision for long-term employee benefits			
as at 31 December 2016	<u>533</u>	<u>4,129</u>	<u>4,662</u>

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	
	2016	2015
Cost of goods sold	370	212
Selling and administrative expenses	2,086	516
Total expenses recognised in profit or loss	<u>2,456</u>	<u>728</u>

The Company expects to pay Baht 1.4 million (2015: Baht 0.5 million) of long-term employee benefits during the next year.

As at 31 December 2016, the weighted average duration of the liabilities for long-term employee benefit is 10 years (2015: 13 years).

Significant actuarial assumptions are summarised below.

	(Unit: % per annum)	
	Consolidated / Separate financial statements	
	2016	2015
Discount rate	3.01	3.20
Salary increase rate	4.00 - 10.00	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 2016 and 2015 are summarised below.

	(Unit: Thousand Baht)	
	As at 31 December 2016	
	Consolidated / Separate financial statements	
	Increase 1%	Decrease 1%
Discount rate	(205)	239
Salary increase rate	115	(95)
	Increase 20%	Decrease 20%
Employee turnover rate	(1,094)	1,665

	(Unit: Thousand Baht)	
	As at 31 December 2015	
	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

22. Share capital

- a) In April 2015, the Company received share subscription from the existing shareholders amounting to Baht 4.00 million. The Company registered the increase in its paid-up capital with the Ministry of Commerce on 7 April 2015.
- b) On 28 March 2016, the Company registered the conversion of the Company, the change in the par value of ordinary shares, and the increase in its registered capital with the Ministry of Commerce following the resolutions of the 2016 Annual General Meeting of the Company's shareholders held on 23 March 2016 as detailed below.
- 1) The conversion of the Company to a public limited company and the change of the Company's name to "After You Public Company Limited".
 - 2) The listing of the Company's shares on the Market for Alternative Investment.
 - 3) The change in the par value of the Company's ordinary shares from Baht 100.00 per share (0.54 million ordinary shares of Baht 54.0 million) to Baht 0.10 per share (540.0 million ordinary shares of Baht 54.0 million).
 - 4) The 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 are 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.
- c) 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.
- d) The Company registered the decrease and the increase in its registered share capital with the Ministry of Commerce on 6 October 2016 and 7 October 2016, respectively, following the resolutions of the Extraordinary Meeting of the Company's shareholders held on 6 October 2016 as detailed below.
- 1) Approval of a decrease in the Company's registered share capital from Baht 80.00 million to Baht 56.00 million, through the cancellation of 240.0 million ordinary shares with a par value of Baht 0.10 each.
 - 2) Approval of an increase in the Company's registered share capital from Baht 56.00 million to Baht 72.50 million, through the issuance of 165.0 million new ordinary shares with a par value of Baht 0.10 each. The allocations of the new shares are as follows.
 - Allocation of 1.5 million ordinary shares to be offered to the Company's directors at a price equal to the initial public offering price (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.
 - Allocation of 161.5 million ordinary shares to the initial public offering. This allocation includes the allocation of new shares to the two unrelated parties, as described in Note 17 to financial statements.
-

e) During 14 - 16 December 2016, the Company offered 165.0 million of additional ordinary shares at a price of Baht 4.50 per share to the initial public offering and the Company's directors and prices of Baht 0.10 per share and Baht 2.25 per share to the Company's management and/or employees. The Company received full settlement of the additional share capital on 19 December 2016. The Company recorded the difference between the selling price (Baht 0.10 and Baht 2.25 per share) and the fair value (Baht 4.50 per share) of the 1,911,250 ordinary shares subscribed by the Company's management and/or employees, amounting to Baht 7.68 million, as expense in profit or loss and as premium on ordinary shares in the statement of financial position. Moreover, direct costs attributable to the share offering net of income tax, amounting to Baht 16.42 million, are presented as a deduction from the premium on ordinary shares.

The Company registered the increase in its paid-up capital with the Ministry of Commerce on 20 December 2016.

The Market of Alternative Investment (mai) has approved the listing of the ordinary shares of the Company as securities on the mai, to be traded from 23 December 2016.

23. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5% of its net profit for the year after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered share capital. The statutory reserve is not available for dividend distribution. During the year 2016, the Company set aside Baht 1.85 million (2015: Baht 5.40 million) to the statutory reserve. As at 31 December 2016, the statutory reserve has fully been set aside.

Pursuant to Section 1202 of the Thai Civil and Commercial Code, the subsidiary is required to set aside a statutory reserve at least 5% of its profit each time the subsidiary pays out a dividend, until the reserve reaches 10% of its registered share capital. The statutory reserve is not available for dividend distribution. During the year 2016, the subsidiary set aside Baht 0.10 million (2015: Nil) to the statutory reserve.

24. Expenses by nature

Significant expenses classified by nature are as follows.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Salaries, wages and other employee benefits	169,772	109,051	169,522	108,976
Depreciation	27,291	17,677	27,285	17,677
Amortisation	585	317	585	317
Rental expenses from operating lease agreements	54,141	40,529	54,021	40,529
Raw materials and consumables used	189,199	139,580	195,403	141,747

25. Income tax

Income tax expenses for the years ended 31 December 2016 and 2015 are made up as follows.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Current income tax:				
Current income tax charge	22,952	15,250	22,027	15,049
Deferred tax:				
Relating to origination and reversal of temporary differences	(614)	(251)	(614)	(251)
Income tax expenses reported in the statement of comprehensive income	<u>22,338</u>	<u>14,999</u>	<u>21,413</u>	<u>14,798</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2016 and 2015 are as follows.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Deferred tax on actuarial losses	(37)	-	(37)	-

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Accounting profit before tax	121,108	72,509	120,508	71,232
Applicable tax rate	20%	15% and 20%	20%	20%
Accounting profit before tax multiplied by income tax rate	24,221	14,502	24,101	14,246
Effects of elimination	786	68	-	-
Effects of:				
Non-deductible expenses	240	767	221	762
Additional expense deductions allowed	(2,109)	(210)	(2,109)	(210)
Exempt revenue	(800)	-	(800)	-
Tax rate and tax privileges for small and medium entities	-	(128)	-	-
Income tax expenses reported in the statement of comprehensive income	22,338	14,999	21,413	14,798

The components of deferred tax assets are as follows.

	(Unit: Thousand Baht)	
	Consolidated / Separate	
	financial statements	
	31 December 2016	31 December 2015
Deferred tax assets		
Provision for decommissioning	722	498
Provision for long-term employee benefits	932	404
Loss on write-off assets	-	35
Provision for loss on obsolete inventory	24	-
Adjustment of accrued rental expenses under straight-line method	132	172
Others	360	410
Total	2,170	1,519

26. 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. The Company adjusted the number of ordinary shares for the year ended 31 December 2015, in proportion to the change in the number of ordinary shares as a result of the change in par value from Baht 100 each to Baht 0.10 each, which approved on 23 March 2016 by the Annual General Meeting of the Company's shareholders, as described in Note 22 to financial statements, as if the share split had occurred at the beginning of the earliest period reported.

27. 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 2016 and 2015, the Group has no major customer with revenue of 10% or more of an entity's revenues.

28. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rate of 5% of basic salary. The fund, which is managed by Tisco Master Pooled Fund, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2016 amounting to Baht 0.8 million (2015: Nil) were recognised as expenses.

29. Dividends

Dividend	Approved by	Number of share	Dividend per share	Total dividends
		(Thousand shares)	(Baht)	(Thousand Baht)
Dividend for 2014	Annual General Meeting of the Company's shareholders on 30 April 2015	540	94.00	50,760
Total for 2015				50,760
Dividend for 2015	Annual General Meeting of the Company's shareholders on 23 March 2016	540	104.50	56,430
Interim dividend for 2016	Meeting of the Company's Board of Directors on 7 December 2016	560,000	0.14	78,400
Total for 2016				134,830

30. Commitments and contingent liabilities**30.1 Capital commitments**

As at 31 December 2016, the Group had capital commitments of Baht 46.7 million (2015: Nil), relating to the construction of its new office and distribution center, acquisition of equipment and improvement of new branch outlets.

30.2 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 to 3 years.

As at 31 December 2016 and 2015, future minimum payments required under the above contracts are as follows.

Payable	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	(Unit: Million Baht)			
In up to 1 year	38.4	42.0	38.2	42.0
In over 1 year and up to 3 years	29.1	37.0	29.1	37.0

30.3 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 to 3 years.

30.4 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 Market for Alternative Investment, 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). During the year 2015, the Company recorded financial advisory fee at the rate stipulated in the agreement in profit or loss. During the year 2016, the Company recorded financial advisory fee and underwriting fee at the rates stipulated in the agreement as a deduction from the premium on ordinary shares.

31. Financial instruments

31.1 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.

(Unit: Million Baht)

Consolidated financial statements						
As at 31 December 2016						
Fixed interest rates						
	Within 1 year	More than 1 - 5 years	Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
Financial assets						
Cash and cash equivalents	-	-	624.7	3.7	628.4	0.10 - 0.87
Trade and other receivables	1.2	-	-	6.1	7.3	0.50
Restricted bank deposit	-	-	0.2	-	0.2	1.15
	1.2	-	624.9	9.8	635.9	
Financial liabilities						
Trade and other payables	-	-	-	63.8	63.8	-
Liabilities under finance lease agreements	0.4	0.4	-	-	0.8	5.30 - 5.70
Long-term loans from bank	-	-	66.3	-	66.3	MLR and MLR - 1.00
	0.4	0.4	66.3	63.8	130.9	

(Unit: Million Baht)

Consolidated financial statements						
As at 31 December 2015						
Fixed interest rates						
	Within 1 year	More than 1 - 5 years	Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
Financial assets						
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	
Financial liabilities						
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 loan from unrelated parties	-	101.4	-	-	101.4	4.00
Long-term loans from bank	-	-	45.5	-	45.5	MLR - 1.00
	0.6	102.2	45.5	47.4	195.7	

(Unit: Million Baht)

Separate financial statements						
As at 31 December 2016						
Fixed interest rates						
	More than					
	Within	1 - 5	Floating	Non-interest	Total	Effective
	1 year	years	interest rate	bearing		interest rate
						(% per annum)
Financial assets						
Cash and cash equivalents	-	-	621.3	3.7	625.0	0.10 - 0.87
Trade and other receivables	1.2	-	-	10.1	11.3	0.50
Restricted bank deposit	-	-	0.2	-	0.2	1.15
	<u>1.2</u>	<u>-</u>	<u>621.5</u>	<u>13.8</u>	<u>636.5</u>	
Financial liabilities						
Trade and other payables	-	-	-	67.6	67.6	-
Liabilities under finance lease agreements	0.4	0.4	-	-	0.8	5.30 - 5.70
Long-term loans from bank	-	-	66.3	-	66.3	MLR and MLR - 1.00
	<u>0.4</u>	<u>0.4</u>	<u>66.3</u>	<u>67.6</u>	<u>134.7</u>	

(Unit: Million Baht)

Separate financial statements						
As at 31 December 2015						
Fixed interest rates						
	More than					
	Within	1 - 5	Floating	Non-interest	Total	Effective
	1 year	years	interest rate	bearing		interest rate
						(% per annum)
Financial assets						
Cash and cash equivalents	-	-	79.1	2.7	81.8	0.10 - 0.40
Trade and other receivables	-	-	-	1.6	1.6	-
	<u>-</u>	<u>-</u>	<u>79.1</u>	<u>4.3</u>	<u>83.4</u>	
Financial liabilities						
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 loan from unrelated parties	-	101.4	-	-	101.4	4.00
Long-term loans from bank	-	-	45.5	-	45.5	MLR - 1.00
	<u>0.6</u>	<u>102.2</u>	<u>45.5</u>	<u>49.7</u>	<u>198.0</u>	

31.2 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 statement of financial position.

32. 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 2016, the Group's debt-to-equity ratio was 0.2:1 (2015: 2.1:1) and the Company's was 0.2:1 (2015: 2.2:1).

33. Events after the reporting period

In January 2017, the Company made full repayments of long-term loans and interest ahead of the schedules to the bank for all three facilities. The Company recorded loan prepayment fee in profit or loss of 2017.

34. Reclassification

The Group reclassified certain amounts in the financial statements for the year 2015 to conform to the current year's classification, as follows.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	As reclassified	As previously reported	As reclassified	As previously reported
Sales	414,274	414,385	414,274	414,385
Other income	583	546	589	552
Cost of sales	156,185	156,259	157,587	157,661

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

35. Approval of financial statements

These financial statements were authorised for issue by the Company's authorised directors on 20 February 2017.

after you
Dessert Café





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