

After You Public Company Limited and its subsidiaries
Review report and interim financial information
For the three-month and nine-month periods ended
30 September 2020

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of After You Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of After You Public Company Limited and its subsidiaries as at 30 September 2020, the related consolidated statements of comprehensive income for the three-month and nine-month periods then ended, and the related consolidated statements of changes in shareholders' equity and cash flows for the nine-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of After You Public Company Limited for the same period (collectively "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard No. 34 *Interim Financial Reporting*.

Emphasis of Matter

I draw attention to Note 1.5 to the interim consolidated financial statements. Due to the impact of the coronavirus disease 2019 (COVID-19) pandemic, in preparing the interim financial information for the three-month and nine-month periods ended 30 September 2020, the Group has adopted the Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the Coronavirus Disease 2019 (COVID-19) Pandemic issued by the Federation of Accounting Professions.

The coronavirus disease 2019 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries in terms of supply chains, consumer spending, limited or suspended production, operational delays, and more. This situation significantly affects the Group's business activities in terms of dessert cafe operations. The Group temporarily closed the dine-in areas of some branches from 22 March 2020 to 16 May 2020, in accordance with coronavirus disease 2019 prevention and control measures of government agencies. Moreover, the Group has temporarily stopped all provision of service at some branches where sales are mainly from foreign tourists. This is significantly impacting the Group's financial position, operating results, and cash flows at present, and is expected to do so in the future. However, the impact cannot be reasonably estimated at this stage. The Group's management has continuously monitored the ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and will record the impact when it is possible to do so.

My conclusion is not modified in respect of this matter.

Sumalee Reewarabandith

Certified Public Accountant (Thailand) No. 3970

EY Office Limited

Bangkok: 10 November 2020

After You Public Company Limited and its subsidiaries

Statement of financial position

As at 30 September 2020

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	30 September 2020	31 December 2019	30 September 2020	31 December 2019
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		228,487	83,934	215,377	70,111
Current investments	2	-	406,255	-	406,255
Trade and other receivables	3, 4	5,474	12,364	8,965	19,110
Inventories		33,402	38,495	31,190	38,907
Other current financial assets	5	206	-	206	-
Other current assets	6	9,702	8,399	8,369	8,278
Total current assets		277,271	549,447	264,107	542,661
Non-current assets					
Restricted bank deposits		200	200	200	200
Investments in subsidiaries	7	-	-	2,999	1,999
Property, plant and equipment	8	632,327	597,468	627,689	596,523
Right-of-use assets	9	318,307	-	315,394	-
Intangible assets		13,012	13,827	13,012	13,827
Advances for acquisition of assets		193	338	153	338
Rental deposits		29,459	33,876	28,755	33,599
Deferred tax assets		8,103	5,071	8,089	5,071
Other non-current assets		19	-	19	-
Total non-current assets		1,001,620	650,780	996,310	651,557
Total assets		1,278,891	1,200,227	1,260,417	1,194,218

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

After You Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 September 2020

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	30 September 2020	31 December 2019	30 September 2020	31 December 2019
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	3, 10	55,395	72,653	55,850	74,214
Current portion of lease liabilities	11	82,837	-	82,075	-
Income tax payable		6,163	29,380	6,024	29,053
Other current liabilities	12	18,992	22,793	15,721	21,026
Total current liabilities		163,387	124,826	159,670	124,293
Non-current liabilities					
Lease liabilities	11	239,379	-	237,183	-
Provision for decommissioning		13,245	12,239	13,245	12,239
Provision for long-term employee benefits		14,914	13,109	14,914	13,109
Other non-current liabilities	13	13,090	11,461	4,727	5,742
Total non-current liabilities		280,628	36,809	270,069	31,090
Total liabilities		444,015	161,635	429,739	155,383
Shareholders' equity					
Share capital					
Registered					
815,625,000 ordinary shares of Baht 0.10 each		81,563	81,563	81,563	81,563
Issued and paid-up					
815,623,561 ordinary shares of Baht 0.10 each		81,562	81,562	81,562	81,562
Premium on ordinary shares		709,576	709,576	709,576	709,576
Retained earnings					
Appropriated - statutory reserve		8,156	8,156	8,156	8,156
Unappropriated		35,573	239,351	31,384	239,541
Other components of shareholders' equity		9	(53)	-	-
Total shareholders' equity		834,876	1,038,592	830,678	1,038,835
Total liabilities and shareholders' equity		1,278,891	1,200,227	1,260,417	1,194,218

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

Directors

(Unaudited but reviewed)

After You Public Company Limited and its subsidiaries

Statement of comprehensive income

For the three-month period ended 30 September 2020

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
Profit or loss:					
Revenues					
Revenue from contracts with customers	14	198,123	312,395	191,770	311,958
Other income		1,053	1,683	1,396	1,870
Total revenues		199,176	314,078	193,166	313,828
Expenses					
Cost of sales		73,573	109,837	72,349	111,181
Selling and distribution expenses		55,654	84,114	53,713	84,114
Administrative expenses		34,786	40,970	34,315	40,755
Total expenses		164,013	234,921	160,377	236,050
Profit from operating activities		35,163	79,157	32,789	77,778
Finance income		259	679	258	677
Finance cost		(2,052)	(56)	(2,022)	(56)
Profit before income tax expenses		33,370	79,780	31,025	78,399
Income tax expenses	16	(5,601)	(15,197)	(5,309)	(14,926)
Profit for the period		27,769	64,583	25,716	63,473
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent period</i>					
Exchange differences on translation of financial statements in foreign currency		33	(8)	-	-
Total comprehensive income for the period		27,802	64,575	25,716	63,473
Earnings per share					
17					
Basic earnings per share (Unit: Baht)					
Profit attributable to equity holders of the Company		0.03	0.08	0.03	0.08

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

(Unaudited but reviewed)

After You Public Company Limited and its subsidiaries

Statement of comprehensive income

For the nine-month period ended 30 September 2020

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
Profit or loss:					
Revenues					
Revenue from contracts with customers	14	561,248	911,149	548,163	910,712
Other income		2,952	4,686	4,992	4,977
Total revenues		564,200	915,835	553,155	915,689
Expenses					
Cost of sales		220,880	319,216	219,045	322,934
Selling and distribution expenses		183,519	244,277	180,231	244,277
Administrative expenses		108,729	123,090	107,818	122,540
Total expenses		513,128	686,583	507,094	689,751
Profit from operating activities		51,072	229,252	46,061	225,938
Finance income		957	2,841	929	2,830
Finance cost		(8,119)	(167)	(8,061)	(167)
Profit before income tax expenses		43,910	231,926	38,929	228,601
Income tax expenses	16	(5,916)	(44,500)	(5,314)	(43,909)
Profit for the period		37,994	187,426	33,615	184,692
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent period</i>					
Exchange differences on translation of financial statements in foreign currency		62	(8)	-	-
Total comprehensive income for the period		38,056	187,418	33,615	184,692
Earnings per share					
Basic earnings per share	17				
(Unit: Baht)					
Profit attributable to equity holders of the Company		0.05	0.23	0.04	0.23

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

(Unaudited but reviewed)

After You Public Company Limited and its subsidiaries**Cash flow statement****For the nine-month period ended 30 September 2020**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from operating activities				
Profit before tax	43,910	231,926	38,929	228,601
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	99,092	51,613	98,583	51,596
Allowance for diminution in value of inventories (reversal)	571	(192)	567	(192)
Write-off obsolete inventories	413	2,411	411	2,411
Unrealised gain on changes in value of investments in debt instruments	-	(1,619)	-	(1,619)
Gain on sales of investments in debt instruments	(305)	(916)	(305)	(916)
Loss on sales of equipment	469	1,055	483	1,055
Write-off equipment	3,069	54	3,069	54
Write-off computer software	30	-	30	-
Difference from reduction in lease payments	1,576	-	1,576	-
Provision for long-term employee benefits	2,637	2,903	2,637	2,903
Interest income	(957)	(2,841)	(929)	(2,830)
Interest expense	8,119	167	8,061	167
Profit from operating activities before changes in operating assets and liabilities	158,624	284,561	153,112	281,230
Operating assets (increase) decrease				
Trade and other receivables	6,890	6,619	6,646	6,508
Inventories	4,109	(11,692)	6,739	(10,507)
Other current assets	(825)	2,206	(112)	2,304
Rental deposits	537	(412)	962	(134)
Other non-current assets	(19)	-	(19)	-
Operating liabilities increase (decrease)				
Trade and other payables	(17,833)	5,546	(18,892)	14,983
Other current liabilities	(3,801)	1,075	(5,305)	1,160
Other non-current liabilities	2,640	9,670	(4)	920
Cash flows from operating activities	150,322	297,573	143,127	296,464
Interest received	183	2,077	157	2,066
Interest paid	(7,689)	-	(7,631)	-
Cash paid for long-term employee benefits	(832)	(725)	(832)	(725)
Cash paid for income tax	(31,370)	(46,708)	(30,067)	(45,766)
Net cash flows from operating activities	110,614	252,217	104,754	252,039

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

(Unaudited but reviewed)

After You Public Company Limited and its subsidiaries**Cash flow statement (continued)****For the nine-month period ended 30 September 2020**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from investing activities				
Cash paid for investment in a subsidiary	-	-	(1,000)	-
Acquisition of investments in debt instruments	-	(520,195)	-	(520,195)
Proceeds from sales of investments in debt instruments	406,354	570,663	406,354	570,663
Decrease in restricted bank deposits	-	3,281	-	3,281
Acquisition of land, buildings and equipment	(79,252)	(136,569)	(75,570)	(136,513)
Acquisition of computer software	(1,267)	(1,283)	(1,267)	(1,283)
Advances paid for acquisition of assets	(16,185)	(1,937)	(15,904)	(1,937)
Proceeds from sales of equipment	33	168	33	168
Cash paid for right-of-use assets	(206)	-	(177)	-
Dividend received	-	-	3,499	3,799
Net cash flows from (used in) investing activities	309,477	(85,872)	315,968	(82,017)
Cash flows from financing activities				
Decrease in lease liabilities	(39,089)	(159)	(38,945)	(159)
Dividends paid	(236,511)	(154,943)	(236,511)	(154,941)
Net cash flows used in financing activities	(275,600)	(155,102)	(275,456)	(155,100)
Increase (decrease) in translation adjustment	62	(8)	-	-
Net increase in cash and cash equivalents	144,553	11,235	145,266	14,922
Cash and cash equivalents at beginning of period	83,934	62,545	70,111	55,969
Cash and cash equivalents at end of period	228,487	73,780	215,377	70,891
	-	-	-	-

Supplemental cash flows information

Non-cash items

Transfer advances for acquisition of assets to building

and equipment accounts	16,330	14,266	16,089	14,266
------------------------	--------	--------	--------	--------

Transfer advances for acquisition of assets to

computer software account	-	32	-	32
---------------------------	---	----	---	----

Transfer computer software account to other current

assets account	-	3,494	-	3,494
----------------	---	-------	---	-------

Increase in right-of-use assets due to new lease agreements

30,735	-	27,633	-
--------	---	--------	---

Increase in lease liabilities due to new lease agreements

30,130	-	27,028	-
--------	---	--------	---

Increase (decrease) in payables for construction

and purchase of equipment	558	(10,907)	511	(10,907)
---------------------------	-----	----------	-----	----------

Increase in dividend payable

17	24	17	26
----	----	----	----

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

(Unaudited but reviewed)

After You Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the nine-month period ended 30 September 2020

(Unit: Thousand Baht)

	Consolidated financial statements					Total
	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Other components of equity	
			Appropriated - statutory reserve	Unappropriated	Exchange differences	
					on translation of financial statements in foreign currency	
Balance as at 1 January 2019	81,562	709,576	8,156	157,806	-	957,100
Profit for the period	-	-	-	187,426	-	187,426
Other comprehensive income for the period	-	-	-	-	(8)	(8)
Total comprehensive income for the period	-	-	-	187,426	(8)	187,418
Dividend paid (Note 15)	-	-	-	(154,967)	-	(154,967)
Balance as at 30 September 2019	81,562	709,576	8,156	190,265	(8)	989,551
Balance as at 1 January 2020	81,562	709,576	8,156	239,351	(53)	1,038,592
Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards (Note 2)	-	-	-	(5,244)	-	(5,244)
Balance as at 1 January 2020 - as restated	81,562	709,576	8,156	234,107	(53)	1,033,348
Profit for the period	-	-	-	37,994	-	37,994
Othe comprehensive income for the period	-	-	-	-	62	62
Total comprehensive income for the period	-	-	-	37,994	62	38,056
Dividend paid (Note 15)	-	-	-	(236,528)	-	(236,528)
Balance as at 30 September 2020	81,562	709,576	8,156	35,573	9	834,876
	-	-	-	-	-	-

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

(Unaudited but reviewed)

After You Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the nine-month period ended 30 September 2020

(Unit: Thousand Baht)

	Separate financial statements				
	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings Appropriated - statutory reserve	Unappropriated	Total
Balance as at 1 January 2019	81,562	709,576	8,156	157,603	956,897
Profit for the period	-	-	-	184,692	184,692
Total comprehensive income for the period	-	-	-	184,692	184,692
Dividend paid (Note 15)	-	-	-	(154,967)	(154,967)
Balance as at 30 September 2019	81,562	709,576	8,156	187,328	986,622
Balance as at 1 January 2020	81,562	709,576	8,156	239,541	1,038,835
Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards (Note 2)	-	-	-	(5,244)	(5,244)
Balance as at 1 January 2020 - as restated	81,562	709,576	8,156	234,297	1,033,591
Profit for the period	-	-	-	33,615	33,615
Total comprehensive income for the period	-	-	-	33,615	33,615
Dividend paid (Note 15)	-	-	-	(236,528)	(236,528)
Balance as at 30 September 2020	81,562	709,576	8,156	31,384	830,678
	-	-	-	-	-

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

After You Public Company Limited and its subsidiaries

Notes to interim consolidated financial statements

For the three-month and nine-month periods ended 30 September 2020

1. General information

1.1 Corporate information

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

As at 30 September 2020, the Company has 41 branches (31 December 2019: 38 branches) in Bangkok, Samutprakan, Pathumthani, Nonthaburi, Nakorn Ratchasima, Chiang Mai, Udon Thani, Chonburi, Phuket and Songkla.

1.2 Coronavirus disease 2019 pandemic

The coronavirus disease 2019 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries in terms of supply chains, consumer spending, limited or suspended production, operational delays, and more. This situation significantly affects the Group’s business activities in terms of dessert cafe operations. The Group temporarily closed the dine-in areas of some branches from 22 March 2020 to 16 May 2020, in accordance with coronavirus disease 2019 prevention and control measures of government agencies. Moreover, the Group has temporarily stopped all provision of service at some branches where sales are mainly from foreign tourists. This is significantly impacting the Group’s financial position, operating results, and cash flows at present, and is expected to do so in the future. However, the impact cannot be reasonably estimated at this stage. The Group’s management has continuously monitored the ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and will record the impact when it is possible to do so.

1.3 Basis of preparation of interim financial statements

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

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

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

1.4 Basis of consolidation

The interim consolidated financial statements include the financial statements of After You Public Company Limited and its subsidiaries (hereinafter called "the Group") and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2019 with no change in shareholding structure of subsidiaries during the current period except for the acquisition of investment in AU Kitchen Company Limited (subsidiary), as described in Note 7 to the financial statements.

1.5 New financial reporting standards

a) Financial reporting standards that became effective in the current period

During the period, the Group has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The new standards involve changes to key principles, which are summarised below.

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations as follows.

Financial Reporting Standards

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting Standard

TAS 32 Financial Instruments: Presentation

Financial Reporting Standard Interpretations

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the entities' business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments.

These standards do not have any significant impact on the Group's financial statements.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases.

The Group adopted this financial reporting standard using the modified retrospective method of initial adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 2 to the financial statements.

Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the Coronavirus Disease 2019 (COVID-19) Pandemic

The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the Coronavirus Disease 2019 (COVID-19) Pandemic. Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On 22 April 2020, the Accounting Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between 1 January 2020 and 31 December 2020.

The Group has elected to apply the following temporary relief measures for accounting alternatives.

- Not to account for any reduction in lease payments by lessors resulting from the coronavirus disease 2019 situation as a lease modification, with the lease liabilities that come due in each period reduced in proportion to the reduction and depreciation of right-of-use assets and interest on lease liabilities recognised in each period reversed in proportion to the reduction, with any differences then recognised in profit or loss.
- Not to consider the coronavirus disease 2019 situation as an indication that an asset may be impaired in accordance with TAS 36, Impairment of Assets.

b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2021

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Group is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

1.6. Significant accounting policies

The interim financial statements are prepared by using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2019 except for the changes in accounting policies related to financial instruments and leases.

1.6.1 Financial instruments

Classification and measurement

Financial assets that are debt instruments are measured at fair value through profit or loss, fair value through other comprehensive income, or amortised cost. Classification is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial liabilities are classified and measured at amortised cost.

Impairment of financial assets

The Group recognises an allowance for expected credit losses on its financial assets measured at amortised cost, without requiring a credit-impaired event to have occurred prior to the recognition. The Group accounts for changes in expected credit losses in stages, with differing methods of determining allowance for credit losses and the effective interest rate applied at each stage. An exception from this approach is that for trade receivables that do not contain a significant financing component, the Group applies a simplified approach to determine the lifetime expected credit losses.

1.6.2 Leases

Right-of-use assets

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

Unless the Group is reasonably certain that it will obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of the lease payments to be made over the lease term, discounted by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or reassessment.

Short-term leases and Leases of low-value assets

Payments under leases that, have a lease term of 12 months or less at the commencement date, or are leases of low-value assets, are recognised as expenses on a straight-line basis over the lease term.

2. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards

As described in Note 1.5 to the financial statements, during the current period, the Group has adopted financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards is recognised as an adjustment to retained earnings as at 1 January 2020. Therefore, the comparative information was not restated.

The impacts on the beginning balance of retained earnings of 2020 from changes in accounting policies due to the adoption of these standards are presented as follows.

(Unit: Thousand Baht)

	Consolidated financial statements			
		The impacts of		
	31 December	Financial		1 January
	2019	reporting		2020
		standards		
		related to		
		financial		
		instruments	TFRS 16	
Statement of financial position				
Assets				
Current assets				
Current investments	406,255	(406,255)	-	-
Other current financial assets	-	406,255	-	406,255
Non-current assets				
Property, plant and equipment	597,468	-	(3,855)	593,613
Right-of-use assets	-	4,501	347,907	352,408
Rental deposits	33,876	(4,654)	-	29,222
Deferred tax assets	5,071	-	1,273	6,344
Liabilities and shareholders' equity				
Current liabilities				
Current portion of lease liabilities	-	-	76,583	76,583
Non-current liabilities				
Lease liabilities	-	-	274,873	274,873
Provision for decommissioning	12,239	-	(29)	12,210
Other non-current liabilities	11,461	-	(1,011)	10,450
Shareholders' equity				
Retained earnings - unappropriated	239,351	(153)	(5,091)	234,107

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements			
		The impacts of		
	31 December	Financial		1 January
	2019	reporting		2020
		standards		
		related to		
		financial		
		instruments	TFRS 16	
Statement of financial position				
Assets				
Current assets				
Current investments	406,255	(406,255)	-	-
Other current financial assets	-	406,255	-	406,255
Non-current assets				
Property, plant and equipment	596,523	-	(3,855)	592,668
Right-of-use assets	-	4,501	347,907	352,408
Rental deposits	33,599	(4,654)	-	28,945
Deferred tax assets	5,071	-	1,273	6,344
Liabilities and shareholders' equity				
Current liabilities				
Current portion of lease liabilities	-	-	76,583	76,583
Non-current liabilities				
Lease liabilities	-	-	274,873	274,873
Provision for decommissioning	12,239	-	(29)	12,210
Other non-current liabilities	5,742	-	(1,011)	4,731
Shareholders' equity				
Retained earnings - unappropriated	239,541	(153)	(5,091)	234,297

2.1 Financial instruments

The classifications, measurement basis and carrying values of financial assets in accordance with TFRS 9 as at 1 January 2020, and with the carrying amounts under the former basis, are as follows.

(Unit: Thousand Baht)

Consolidated financial statements				
	Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9		
		Fair value through profit or loss	Amortised cost	Total
Financial assets as at 1 January 2020				
Cash and cash equivalents	83,934	-	83,934	83,934
Other current financial assets	406,255	406,049	206	406,255
Trade and other receivables	12,364	-	12,364	12,364
Restricted bank deposits	200	-	200	200
Rental deposits	33,876	-	29,222	29,222
Total financial assets	536,629	406,049	125,926	531,975

(Unit: Thousand Baht)

Separate financial statements				
	Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9		
		Fair value		
		through profit or loss	Amortised cost	Total
Financial assets as at 1 January 2020				
Cash and cash equivalents	70,111	-	70,111	70,111
Other current financial assets	406,255	406,049	206	406,255
Trade and other receivables	19,110	-	19,110	19,110
Restricted bank deposits	200	-	200	200
Rental deposits	33,599	-	28,945	28,945
Total financial assets	529,275	406,049	118,572	524,621

As at 1 January 2020, the Group has not designated any financial liabilities at fair value through profit or loss.

2.2 Leases

Upon initial application of TFRS 16 the Group recognised lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at 1 January 2020. For leases previously classified as finance leases, the Group recognised the carrying amount of the right-of-use assets and lease liabilities based on the carrying amounts of the lease assets and lease liabilities immediately before the date of initial application of TFRS 16.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Operating lease commitments as at 31 December 2019	120,853	120,041
Less: Short-term leases and leases of low-value assets	(1,592)	(780)
Add: Option to extend lease term	269,297	269,297
Less: Contracts reassessed as service agreements	(127)	(127)
Less: Deferred interest expense	(36,975)	(36,975)
Increase in lease liabilities due to TFRS 16 adoption	351,456	351,456
Liabilities under finance lease agreements as at 31 December 2019	-	-
Lease liabilities as at 1 January 2020	351,456	351,456
Comprise of:		
Current lease liabilities	76,583	76,583
Non-current lease liabilities	274,873	274,873
	351,456	351,456

The adjustments of right-of-use assets due to TFRS 16 adoption as at 1 January 2020 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Buildings and building improvement	344,833	344,833
Kitchenware and appliances	7,575	7,575
Total right-of-use assets	352,408	352,408

3. Related party transactions

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

					(Unit: Thousand Baht)
	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	For the three-month periods ended 30 September				
	2020	2019	2020	2019	
Transactions with subsidiaries					
(Eliminated from the consolidated financial statements)					
Purchase of raw materials	-	-	7,972	13,174	Cost plus margin
Sales of goods	-	-	612	-	Cost plus margin
Sales of equipment	-	-	7	-	Cost plus margin
Management fee income	-	-	506	183	Rate stipulated in agreement
Franchise fee income	-	-	46	-	Rate stipulated in agreement
Other income	-	-	63	4	Cost plus margin
Transactions with related persons					
Rental expense	-	393	-	195	Rate stipulated in agreement

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	For the nine-month periods ended 30 September				
	2020	2019	2020	2019	
Transactions with subsidiaries					
(Eliminated from the consolidated financial statements)					
Purchase of raw materials	-	-	17,810	33,773	Cost plus margin
Sales of goods	-	-	1,310	-	Cost plus margin
Sales of equipment	-	-	25	-	Cost plus margin
Management fee income	-	-	2,056	287	Rate stipulated in agreement
Franchise fee income	-	-	138	-	Rate stipulated in agreement
Other income	-	-	222	4	Cost plus margin
Transactions with related persons					
Rental expense	656	1,181	325	585	Rate stipulated in agreement
Purchase of land and buildings	14,991	-	14,991	-	Market price

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

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2020	2019	2020	2019
Trade and other receivables (Note 4)				
<u>Trade receivables - related parties</u>				
Trade receivables - a subsidiary	-	-	655	21
Total trade receivables - related parties	-	-	655	21
<u>Other receivables - related parties</u>				
Advances to subsidiaries	-	-	3,086	2,945
Other receivables - subsidiaries	-	-	1,947	5,136
Total other receivables - related parties	-	-	5,033	8,081
Total	-	-	5,688	8,102

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
Trade and other payables (Note 10)				
<u>Trade payables - related parties</u>				
Trade payables - subsidiaries	-	-	3,110	4,636
Total trade payables - related parties	-	-	3,110	4,636
<u>Other payables - related parties</u>				
Advances from subsidiaries	-	-	1,391	-
Total other payables - related parties	-	-	1,391	-
Total	-	-	4,501	4,636

Directors and management's benefits

During the three-month and nine-month periods ended 30 September 2020 and 2019, the Group had employee benefit expenses payable to its directors and management as follows.

(Unit: Thousand Baht)

	Consolidated/Separate	
	financial statements	
	For the three-month periods ended 30 September	
	2020	2019
Short-term employee benefits	2,564	3,998
Post-employment benefits	116	115
Other long-term benefits	10	12
Total	2,690	4,125

(Unaudited but reviewed)

(Unit: Thousand Baht)

Consolidated/Separate
financial statements

	For the nine-month periods ended 30 September	
	2020	2019
Short-term employee benefits	7,323	11,898
Post-employment benefits	323	570
Other long-term benefits	29	36
Total	7,675	12,504

4. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	-	-	319	11
Past due				
Up to 3 months	-	-	336	10
Total trade receivables - related parties	-	-	655	21
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	1,871	7,407	1,324	7,407
Past due				
Up to 3 months	1,269	2,669	1,161	2,669
3 - 6 months	72	200	72	200
Over 6 months	110	166	110	166
Total trade receivables - unrelated parties	3,322	10,442	2,667	10,442
<u>Other receivables</u>				
Advances to subsidiaries	-	-	3,086	2,945
Other receivables - subsidiaries	-	-	1,947	5,136
Other receivables - unrelated parties	2,152	1,922	610	566
Total other receivables	2,152	1,922	5,643	8,647
Total	5,474	12,364	8,965	19,110

5. Other current financial assets

As at 30 September 2020, other current financial assets represents 12-month fixed deposits at bank.

6. Other current assets

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
Prepaid expenses	3,116	4,611	2,764	4,593
Short-term refundable deposits	1,422	-	1,387	-
Undue input tax	2,044	1,120	1,952	1,032
Prepaid corporate income tax	459	-	-	-
Others	2,661	2,668	2,266	2,653
Total	9,702	8,399	8,369	8,278

7. Investments in subsidiaries

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

Company's name	Paid-up capital		Shareholding percentage		Cost	
	30 September	31 December	30 September	31 December	30 September	31 December
	2020	2019	2020	2019	2020	2019
	(Thousand Baht)	(Thousand Baht)	(%)	(%)	(Thousand Baht)	(Thousand Baht)
Aurum and Aurum Company Limited	1,000	1,000	100	100	1,000	1,000
M & M 2007 Company Limited	1,000	1,000	100	100	1,000	1,000
AU Kitchen Company Limited	1,000	-	100	-	1,000	-
After You Hong Kong Limited	USD 1	USD 1	100	100	Baht 32.50	Baht 32.50

On 11 May 2020, the Board of Director's Meeting of the Company approved the establishment of AU Kitchen Company Limited. This company was registered in Thailand on 22 May 2020 with a registered capital of Baht 1.0 million. The Company holds 100% interest in this company.

During the nine-month periods ended 30 September 2020 and 2019, the Company had no dividend income from its subsidiaries.

8. Property, plant and equipment

Movements of the property, plant and equipment account during the nine-month period ended 30 September 2020 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2020	597,468	596,523
Adjustment due to the adoption of new financial reporting standards	(3,855)	(3,855)
Net book value as at 1 January 2020 - as restated	593,613	592,668
Acquisitions during the period - at cost	79,810	76,081
Transfer from advances for acquisition of assets	16,330	16,089
Disposal/written-off during the period - net book value at disposal/written-off date	(3,571)	(3,585)
Depreciation for the period	(53,855)	(53,564)
Net book value as at 30 September 2020	632,327	627,689

9. Right-of-use assets

Movements of right-of-use assets account during the nine-month period ended 30 September 2020 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2020	-	-
Adjustment due to the adoption of new financial reporting standards	352,408	352,408
Net book value as at 1 January 2020 - as restated	352,408	352,408
Increase during the period - at cost	30,941	27,810
Depreciation for the period	(43,185)	(42,967)
Adjustment due to the election to apply the Temporary Relief Measures for Accounting Alternatives	(21,857)	(21,857)
Net book value as at 30 September 2020	318,307	315,394

10. Trade and other payables

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	30 September	31 December	30 September	31 December
	2020	2019	2020	2019
Trade payables - related parties	-	-	3,110	4,636
Trade payables - unrelated parties	19,796	26,597	17,586	24,020
Other payables - related parties	-	-	1,391	-
Other payables - unrelated parties	25,481	12,968	24,072	12,885
Other payables for construction and purchase of equipment	4,253	3,695	4,189	3,678
Dividend payable	82	65	82	65
Accrued expenses	5,783	29,328	5,420	28,930
Total	55,395	72,653	55,850	74,214

11. Lease liabilities

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	30 September	31 December	30 September	31 December
	2020	2019	2020	2019
Lease liabilities	351,891	-	348,541	-
Less: Deferred interest expense	(29,675)	-	(29,283)	-
Total	322,216	-	319,258	-
Less: Portion due within one year	(82,837)	-	(82,075)	-
Portion due more than one year	239,379	-	237,183	-

The Group has entered into the lease of building spaces agreements for use in their operations. The terms of the agreements are generally between 2 to 6 years.

During the nine-month period ended 30 September 2020, the Group received a reduction in lease payments by lessors. The Group has elected to apply the Federation of Accounting Professions' Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the Coronavirus Disease 2019 (COVID-19) Pandemic in which not to account for any reduction in lease payments by lessors resulting from the coronavirus disease 2019 situation as a lease modification as aforementioned in Note 1.5 to the financial statements. The Group has adjusted the lease liabilities that come due in each period in proportion to the reduction and reversed depreciation of right-of-use assets and interest on lease liabilities recognised in each period in proportion to the reduction. The differences of Baht 1.6 million were recognised in profit or loss.

12. Other current liabilities

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
Unearned revenue - customer				
loyalty program	2,318	5,646	2,318	5,646
Unearned revenue - cash voucher	5,070	3,369	5,070	3,369
Unearned revenue - sales of goods	4,283	5,473	4,283	5,473
Current portion of unearned revenue				
- franchise agreement	3,161	1,809	184	184
Withholding income tax payable	455	781	432	761
Value added tax payable	2,578	3,874	2,440	3,760
Social security fund payable	469	1,381	455	1,375
Others	658	460	539	458
Total	18,992	22,793	15,721	21,026

13. Other non-current liabilities

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
Unearned revenue - franchise				
agreement portion recognisable				
more than one year	7,553	6,364	509	647
Accrued guarantee deposits	5,405	4,017	4,144	4,017
Others	132	1,080	74	1,078
Total	13,090	11,461	4,727	5,742

14. Revenues from contracts with customers

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the three-month periods ended 30 September			
	2020	2019	2020	2019
Type of business				
Dessert cafe	184,187	293,981	179,454	293,981
Sales of goods and raw materials	3,973	6,196	3,921	6,196
Catering and events	9,214	11,781	8,349	11,781
Franchising	749	437	46	-
Total	198,123	312,395	191,770	311,958
Timing of revenue recognition				
Revenue recognised at a point in time	197,374	311,958	191,724	311,958
Revenue recognised overtime	749	437	46	-
Total	198,123	312,395	191,770	311,958

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the nine-month periods ended 30 September			
	2020	2019	2020	2019
Type of business				
Dessert cafe	519,127	852,320	508,121	852,320
Sales of goods and raw materials	11,614	35,960	12,260	35,960
Catering and events	28,807	22,432	27,644	22,432
Franchising	1,700	437	138	-
Total	561,248	911,149	548,163	910,712
Timing of revenue recognition				
Revenue recognised at a point in time	559,548	910,712	548,025	910,712
Revenue recognised overtime	1,700	437	138	-
Total	561,248	911,149	548,163	910,712

15. Dividends paid

Dividends	Approved by	Dividend per share (Baht)	Total dividends (Thousand Baht)
Dividend for 2018	Annual General Meeting of Shareholders on 29 April 2019	0.19	<u>154,967</u>
Interim dividend for 2019	Board of Directors Meeting on 26 March 2020	0.29	<u>236,528</u>

16. Income tax

Income tax expenses for the three-month and nine-month periods ended 30 September 2020 and 2019 are made up as follows.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the three-month periods ended 30 June			
	2020	2019	2020	2019
Current income tax				
Interim corporate income tax charge	6,321	15,572	6,023	15,301
Deferred tax				
Relating to origination and reversal of temporary differences	(720)	(375)	(714)	(375)
Income tax expenses reported in profit or loss	<u>5,601</u>	<u>15,197</u>	<u>5,309</u>	<u>14,926</u>

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the nine-month periods ended 30 June			
	2020	2019	2020	2019
Current income tax				
Interim corporate income tax charge	7,675	44,736	7,059	44,145
Deferred tax				
Relating to origination and reversal of temporary differences	(1,759)	(236)	(1,745)	(236)
Income tax expenses reported in profit or loss	<u>5,916</u>	<u>44,500</u>	<u>5,314</u>	<u>43,909</u>

17. Earnings per share

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

18. Segment information

The Group is principally engaged in an operating segment which is food and beverage operations and operates mainly in the geographical area of 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.

19. Commitments and contingent liabilities**19.1 Capital commitments**

As at 30 September 2020, the Group had capital commitments of Baht 6.5 million (31 December 2019: Baht 11.3 million) relating to construction of factory expansion, acquisition of equipment and improvement of new branch outlets (the Company only: Baht 5.5 million (31 December 2019: Baht 11.3 million)).

19.2 Lease and service agreement commitments

The Group entered into several operating lease and service agreements relating to the leases of building spaces. As at 30 September 2020, the term of the agreements is generally 1 year (31 December 2019: between 1 to 3 years).

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

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
Payable	30 September 2020	31 December 2019	30 September 2020	31 December 2019
In up to 1 year	1.2	72.4	0.3	71.6
In over 1 year and up to 3 years	-	48.4	-	48.4

19.3 Commitment under purchase of raw material agreements

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

19.4 Guarantees

As at 30 September 2020, there were outstanding bank guarantees issued by banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business. These included letters of guarantee amounting to Baht 7.5 million (31 December 2019: Baht 4.7 million) to guarantee payments due to creditors.

20. Fair value hierarchy

The Group had the following assets those were measured at fair value as level 2 (The fair values were measured or disclosed using other observable inputs for such assets, whether directly or indirectly).

	(Unit: Thousand Baht)	
	Consolidated/Separate	
	financial statements	
	30 September	31 December
	2020	2019
Assets measured at fair value		
Investments in debt instruments - open-ended fund	-	406,049

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

21. Approval of financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 10 November 2020.