

- Information Memorandum -

Mudman Public Company Limited (MM)

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<u>Main Factory Location</u>	Golden Donuts Company Limited (Thailand) and ABP Café Company Limited (Thailand) : Bangpoo Industrial Estate Factory
<u>Listing Date</u>	As at 11 April 2017 (Trading Commencement on 11 April 2017)
<u>Listing Securities</u>	Ordinary shares totaling 1,054,903,750 shares, par value of 1.00 Baht/share, total value of THB 1,054,903,750 <ul style="list-style-type: none">• Existing ordinary shares before Initial Public Offering (IPO) of 843,923,000 Shares• Ordinary shares for IPO of 210,980,750 Shares Ordinary shares for IPO represents 20% total paid-up capital after the offering of capital increase. Ordinary shares are divided as: <ol style="list-style-type: none">1. Ordinary shares of no more than 41,437,135 shares (no more than 20% of total ordinary shares for IPO) to existing shareholder of Sub Sri Thai (“SST”), allocated by proportional rate of shareholding of SST (Pre-emptive Right). The remaining shares from Pre-emptive Right offering, if any, will be allocated and offered to public investors.2. Ordinary shares of no more than 169,543,615 shares (no more than 80% of total ordinary shares for IPO) and remaining ordinary shares from Pre-emptive right portion in 1. will be allocated to public investors.
<u>Capital</u>	As at 11 April 2017 (Trading Commencement) Registered and paid-up capital Ordinary shares: THB 1,054,903,750
<u>Secondary Market</u>	mai
<u>Offering Price</u>	5.25 Baht/Share
<u>Offering Period</u>	29 March 2017 to 31 March 2017 to existing shareholder of Sub Sri Thai (“SST”), allocated by proportional rate of shareholding of SST (Pre-emptive Right) 3 April 2017 to 5 April 2017 to public investors

Objectives and Plans for Utilizing the Capital Increase

	<u>Estimated Use of Proceeds (THB mm)</u>	<u>Estimated Timing</u>
1. Loan repayment to the Siam Commercial Bank Plc. ^{1,2}	991.24	
1.1 Repayment of long-term	716.24	2017
1.2 Repayment of short-term loan for dividend payout	160.00	2017
1.3 Repayment for short-term loan for business expansion ³	115.00	2017
2. Investment in Business Expansion ⁴	76.00	2017-2020
Grand Total	1,067.24⁵	

Note: ^{/1} The Siam Commercial Bank Plc. (SCB) serves as a financial advisor of the Company's IPO and a lender to the Company for the purpose for business operation, business expansion, liquidity support, and dividend payment.

^{/2} Repay loan to financial institutions including long-term loan with interest rate at MLR – 1.5%

^{/3} Details as disclosed in summary of loan agreement B and C in the term sheet as of 17 February 2017 (Please see section summary of material contracts under the topic of loan agreement with financial institution)

^{/4} Please see further details in section future projects

^{/5} The Company received proceeds from IPO totaling THB 1,107.65 mm. After deduction of all fees and expenses related to IPO totaling THB 40.41 mm, the remaining proceeds equal to THB 1,067.24 mm.

Green Shoe Option -None-

Type of Business and Nature of Operation

1. Company Structure and Product Characteristics

MM is operating through its subsidiaries ("Holding Company). The subsidiaries of MM are mainly focusing on 1) Food and Beverage Business and 2) Lifestyle Business

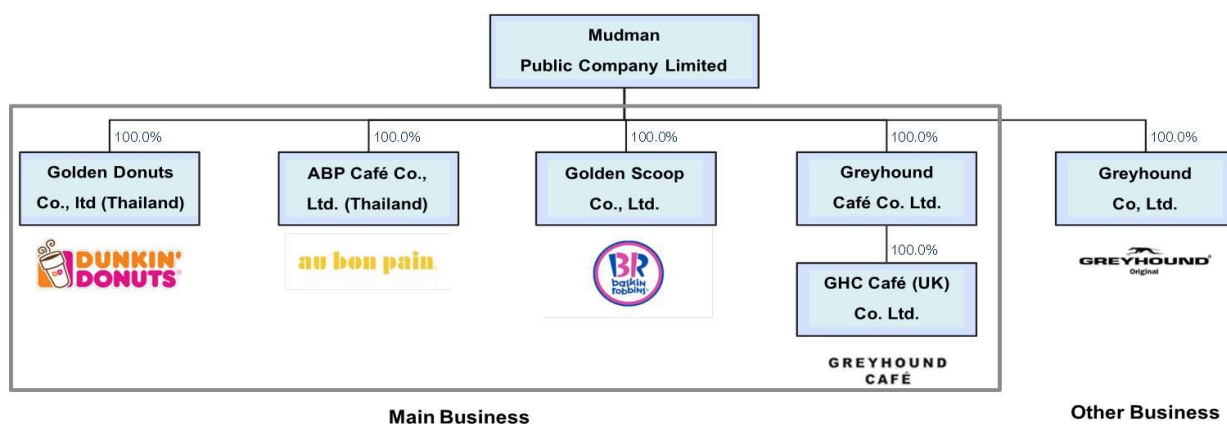
Core business

- 1) Food & Beverage Business under franchise agreement
- 2) Food & Beverage Business under owned brand

Other Business

- 3) Lifestyle Business

Group Structure of MM as of 31 December 2016



Core business

- 1) **Food & Beverage Business under franchise agreement**

1.1 Golden Donuts Company Limited (Thailand)

Golden Donuts Company Limited (Thailand) ("GDT") owns the master franchise license with exclusive right to produce and distribute donuts and beverage, as well as operate the stores under "Dunkin' Donuts" brand in Thailand. As of 31 December 2016, GDT had 307 stores in Thailand, covering Bangkok and other provinces.

1.2 ABP Café Company Limited (Thailand)

ABP Café Company Limited (Thailand) ("ABP") owns the master franchise agreement from ABP Corporation (USA), with exclusive right to produce and distribute bakery, as well as operate stores under under "Au Bon Pain" brand in Thailand. As of 31 December 2016, ABP had 72 stores in Thailand, covering Bangkok and other provinces.

1.3 Golden Scoop Company Limited

Golden Scoop Company Limited (“GS”) owns the master franchise agreement from Baskin Robbins Franchising LLC (USA), a franchisor of Dunkin Donuts. GS earns the exclusive right to import and distribute “Baskin Robbins” ice-cream and related products such as ice-cream toppings and whipped cream under Baskin Robbins trademark. As of 31 December 2016, GS had 34 stores in Thailand, covering Bangkok and other provinces.

2) Food & Beverage Business under owned brand

2.1 Greyhound Café Company Limited

Greyhound Café Company Limited (“GHC”) operates full-service restaurant in fashion-café dining style under “Greyhound Café” brand. It also operates as a franchisor, providing the franchisees the right to open and operate the café under Greyhound Café brand. As of 31 December 2016, GHC had 28 stores in Thailand and oversea, 14 branches in Thailand and 14 branches oversea in such countries as Hong Kong, Malaysia, and Singapore. In addition, as of 8 March 2016, GHC set up a new subsidiary named GHC Café (UK) Co., Ltd in England with the objective to develop and operate Greyhound’s business in England.

2.2 Mudman Public Company Limited

Since January 2015, MM operates restaurant and cafeteria business in a hospital under “M-Kitchen” brand, comprising of two business divisions including restaurant and cafeteria business branded M-Kitchen in the hospital, and IPD food service i.e. food preparation and distribution. As of 31 December 2016, M-Kitchen had 1 store at Ramkamhaeng Hospital.

Other Business

3) Lifestyle Business

3.1 Greyhound Company Limited

Greyhound Company Limited (“GHF”) engages in lifestyle business under Greyhound brand. GHF has been a prominent manufacturer and distributor of fashion garments for both men and women, with over 20 years of well-accumulated experience. Stenghtened by its solid brand awareness, GHF successfully forms collaboration with other companies in several projects under Greyhound concept. As of 31 December 2016, there were 14 GHF stores in Bangkok, Thailand.

2. Revenue Structure

In 2014 – 2016, MM and its subsidiaries earned total revenue of THB 2,235 mm, THB 2,889 mm, and THB 2,992 mm, respectively, equaling to annual revenue growth of 29.3% in 2015 and 3.5% in 2016. Revenue structure by brands of MM is displayed below.

	As of 31 December ^{/2}					
	2014		2014		2014	
	Million Baht	%	Million Baht	%	Million Baht	%
MM	-	-	25	0.9	25	0.9
GDT	1,129	50.5	1,169	40.5	1,184	39.6
ABP	672	30.1	699	24.2	731	24.4
GS	84	3.8	101	3.5	105	3.5
GHC	236 ^{/1}	10.6	654	22.6	765	25.5
GHF	114 ^{/1}	5.1	241	8.3	182	6.1
Total Revenue	2,235	100.0	2,889	100.0	2,992	100.0

/1 Total revenue of Greyhound group from 22 July 2014 or after acquisition by MM




/2 Revenue structure base on consolidated financial statement

3. Target Customers


MM's target customers vary by types of its subsidiaries' businesses, which can be categorized as follows:



Core business

1) Food and beverage business under franchisee agreement (GDT, ABP, GS)

Brand	Target Customer Characteristics
 Dunkin' Donuts (DD)	Middle income level and above, regardless of ages and occupations. DD's customers are e.g. teenagers, university students, employees, managers, housewives, and tourists, those who seek for premium consumption of donuts and beverage.
 Au Bon Pain (ABP)	Middle income level and above, including students, families, tourists and foreign visitors who love nutritious bakery and would like to visit Au Bon Pain store for business or leisure. ABP also suits for customers who demand speedy service in rushed hours.
 Baskin Robbins (BR)	Middle income level and above, in which most of customers is family, housewives, kids, teenagers, and foreign visitors who like Baskin Robbins ice cream.

2) Food and beverage business under own brand (GHC and M-Kitchen)

Brand		Target Customer		
Greyhound Café Group		Occupation	Lifestyle	Income level
GREYHOUND CAFÉ	Greyhound Café	Student/ Employee / Tourist	Urbanista who prefer to pay more for superior quality of food and services	Middle to High
	Another-hound	Employee / Tourist		High
GREYHOUND CAFÉ	Greyhound Café International	Employee / Foreign Tourist		Middle to High

M Kitchen		Target Customer Characteristics
	M Kitchen	Out-Patient Department (OPD) patients and their relatives, as well as hospital's staff. The target customers prefer speedy services and price-worthy product.
	IPD Food Services	In-patient Department (IPD) patients

Other business

3) Lifestyle business (GHF)

Brand	Charateristics	Age	Income
1. Greyhound Original	Both new-generation men and women, white-collar workers	27 – 35 year	Above 30,000 Baht per month
2. Playhound	Both men and women who prefer streetwear and casual clothing	20 – 28 year	Above 15,000 Baht per month
3. Smileyhound	Both men and women who prefer casual clothing	20 – 32 year	Above 20,000 Baht per month
4. Animal House	Both men and women, from students to white-collar workers who prefer casual clothing	18 – 30 year	Above 7,000 Baht per month




Brand	Charateristics	Age	Income
5. Everythinghound	Both men and women who prefer Greyhound style	27 – 35 year	Above 30,000 Baht per month

4. Sources of Supply

4.1 Central Kitchen

4.1.1 Production

Central kitchens of MM's subsidiaries mainly contribute to the preparation and distribution of products to branches. The details of the central kitchens are as follows:

Brand	Central Kitchen
	GDT has central kitchen and sub-kitchens totaling 24 kitchens nationwide, serving branches located in provincial areas. The total production capacity is 360,000 pieces per day and the current production is 215,937 pieces per day or 60% of total production capacity.
	Commisary is located at Bangpoo Industrial Estate with production capacity of 26,400 pieces per day. As of 31 December 2016, ABP produced 23,545 pieces per day or 89% of total production capacity. Furthermore, certain ABP branches are inclusive of kitchens, which can produce and distribute products to nearby branch.
	GS's ice cream cake production center includes ice cream cake production and training center, located in Rama 9 area. At present, GS has production capacity of 375 pieces per month or 65.6% of total production capacity.
GREYHOUND CAFÉ	GHC has central preparing unit located at Thong Lor Area. The unit is responsible of cooking, marinating, categorizing ingredients for branch cooking, and preparing packages and disposable products for distribution to branches. The preparing unit can be served up to 17 branches. As of 31 December 2016, Company had 14 branches or 76% of total production capacity; the preparing unit cooks, marinates and prepares ingredients for 40% of the ingredients used in branches, while the remaining portion of 60% is distributed directly from the suppliers to the branches.

4.1.2 Raw material procurement

Company's quick service restaurants store raw materials at warehouses under the management of third party logistic provider. The third party logistic provider manages the stock balance and distributes the inventory to central kitchen, sub-kitchens, and branches. The raw materials, under the management of third party logistic provider, can be divided in 2 categories e.g. (1) dried products in large order e.g. napkin and packaging etc. (2) ingredients, e.g. flour, sugar, and oil etc., used in central kitchens. Regarding purchasing process, the purchasing department will order raw materials by considering

amount of raw material required in next 1 month based on sales forecast, approved by regional manager. Subsequently, the order will be transferred to central kitchen in order for the central kitchen to manage and estimate the orders, and will be sent to purchasing department to plan the orders accordingly. The purchasing department will evaluate the orders with third party logistic provider before placing orders with the supplier.

For full service restaurants, raw materials can be categorized in 3 types i.e. 1) raw materials to be prepared on preparation site, 2) fresh ingredients, and 3) processed/finished products. The raw materials to be prepared on preparation site (type 1) will be transported to preparation site for categorizing, marinating, and cooking, before being distributed to the branches. This type of raw materials accounts for 40% of total raw materials. Meanwhile, fresh ingredients and processed/finished products (type 2 and 3) will be transferred directly from the suppliers to the branches. The two types of raw materials account for 60% of total raw materials. As major proportion of MM's raw materials has short storage life and high turnover e.g. meat, egg, and fruit etc., the Company has to order these raw materials daily. The central kitchen will evaluate the stock daily and estimate the raw materials before placing orders with the suppliers via email or facsimile.

The purchasing department follows its standard procedure in selecting the suppliers by comparing 2-3 suppliers based on factors e.g. quality of suppliers, distribution capability, quality of products, and value of products etc. The Company will re-evaluate the price, quality, and list of suppliers on a semiannual basis for general raw materials, and on a monthly basis for fresh ingredients.

The Company's order with top 10 suppliers at 26.4%, 28.5% and 26.8% of total cost of goods sold in fiscal year 2014 - 2016, respectively. The Company doesn't rely on each supplier for more than 30% of total purchasing amount.

4.1.3 Quality assurance

The Company has a comprehensive quality assurance scheme covering from the purchasing process till the end process in branches. The Company also creates "Sourcing Manual" which plays significant role in its quality maintenance. For post-production process, the Company specifically assigns the quality control department to ensure consistent attributes of products, i.e. quality, texture, size and taste, before sending to the branches.

4.1.4 Product distribution

For quick service restaurants, distribution of raw materials from warehouse to central kitchen and branches is under the management of third party logistic provider. Processed ingredients will be transported by vehicle under the management of the Company. For full service restaurants, most ingredients will be transported directly from the suppliers to the central kitchen and branches, while processed ingredients from the central kitchen will be transported to the branches by vehicle under the management of the Company.

4.2 Branch

4.2.1 Raw material and product procurement

Quick service restaurant

Freshness of products is one of MM's main priorities. The Company transports fresh ingredients, intermediate products, and finished products, from the suppliers and central kitchen/sub-kitchens on a daily basis. Such ingredients and products are delivered to the branches according to the order that each branch placed one day prior. Moreover, at the end of each day, the branch staffs destroy the remaining products and return them to central kitchen to record the wastes and sell them. In few hours before the branches are closed, products are offered at discount to enhance sales and reduce unsold products at the end of the day. The remaining products from the branches will be analyzed and adjusted in the next orders from each branch.

Full service restaurant

Full service restaurant procure cooking ingredients daily to ensure consistent freshness of the ingredients, due to the reason that approximately 95% of total raw materials are perishable. The Company evaluates its inventory before making an informed decision on the projection of raw materials, in order to place an order one day prior to the day of usage. Since full service restaurants customize products to their customers' orders, this type of restaurants do not have significant amount of waste and remaining products in the branches.

Full service restaurant (under a role of franchisor)

Full service restaurants overseas operate under the Company's role as a franchisor. Each of the Company's franchisee individually manages and procures its general raw materials. Nevertheless, all of the franchisees are required to order secret ingredients, e.g. salad dressing, sauce, and seasoning, from the franchisor. This policy is one of MM's strategy to control the quality of the products while unrevealing its secret recipe.

4.2.2 Raw material storage

Branch staffs inspect the products from the central kitchen, sub-kitchens, and suppliers to ensure accurate order and satisfactory quality before accepting the products. Subsequently, the products and raw materials will be stored in a freezer or storage container. MM manages the flow of products and raw materials in form of First in First out (FIFO) to maintain their freshness, ensure constant flow, and reduce loss from expired products and raw materials.

4.2.3 Customer Service

Quick Service Restaurant

Quick service restaurants are comprised of an average of 2-3 staffs for small branches in approximately 15 square meters, and an average of 4-6 staffs for medium branches in approximately 15 square meters and above. All branch staffs are required to pass the training, regarding product preparation and service, before being employed at the branches.

Full Service Restaurant

High-quality service plays significant role in drawing customers to full service restaurants. Each of MM's full service restaurants is comprised of waiters/waitress and kitchen staffs totaling 43 – 45 staffs on average. All branch staffs are required to pass the training regarding technical knowledge e.g. corporate culture, greeting, Basic English conversation, and food introduction, and they are required to pass the probation at the restaurant before being employed in the branches. Moreover, the Company uses customers' feedback as a part of service quality measurement in "Branch of the Year" award. The scoring of "Branch of the Year" is based on monthly evaluation of branches, random and unnoticed evaluation of branches, mystery shopper report, customers' satisfaction, customers' feedback based on the feedback paper and social media etc. The Company will use the evaluation result to enhance the improvement of the service, contributing to its strategy to control the quality of products and service.

4.2.4 Management of overseas franchisees

MM is a franchisor to the operation of its full service restaurants overseas. It earns franchise income from revenue contribution from the overseas franchisees. It controls the franchise in processes from franchisee selection, production, service, and revenue inspection.

Franchisee selection

The Company selects the franchisees with strong experience in food and beverage business, solid understanding of identity of Greyhound Café, and high potential to secure key location as well as sources of fund.

Production and service

The Company assists franchisees in selecting chefs and training them to master the cooking of Greyhound Café's menu. Each franchisee is required to strictly follow the sourcing manual. Moreover, the Company has stringent policy to control the quality of its products and services. For example, there will be evaluation of cooking yearly and random evaluation at each branch periodically.

Sales monitoring




Due to the reason that MM earns revenue contribution from its franchisees, it sets the monitoring policy by requiring the franchisees to submit sales to the Company every month. Each franchisee needs to hire a reliable independent inspector to evaluate its sales once in 2 years to ensure the transparency of sales. In case that the independent inspector confirms different sales number than that of the franchisee, the franchisee is required to submit the difference of sales and penalty fee to the Company, in the amount agreed in the franchisee agreement.

5. Distribution Channels

Core Business

5.1 Food and beverage business under franchise agreement (GDT, ABP, GS)

The Company has 4 distribution channels including (1) dine-in restaurants of MM's subsidiaries nationwide (2) Take away service (3) Delivery service in Bangkok and (4) Catering service. The details can be summarized below.

Brand	Distribution Channels
 Dunkin' Donuts (DD)	Distribution channels of DD are branches, boothtes, and catering. Primary locations of DD are in hypermarkets, department stores, shopping centers, and transportation terminals in Bangkok and other provinces.
 Au Bon Pain (ABP)	Distribution channels of ABP are branches and catering. Its branches are primarily located in offices, department stores, shopping centers, community malls, and tourist attractions in Bangkok and metropolitan.
 Baskin Robbins (BR)	Distribution channels of GS are branches which are primarily located in department stores, shopping centers, community malls, and tourist attractions in Bangkok and metropolitan, as well as main cities in other provinces.

5.2 Food and beverage business under own brand (GHC)

Greyhound Café and Anoter-hound in Thailand are primarily located in shopping centers and community malls, accounting for 64.3% and 35.7% of total branches as of 31 December 2016, respectively. In addition, the Company expands Greyhound Café oversea under franchise agreement. Most of the GHC restaurants oversea are located in shopping centers, community malls, and offices.

Other Business

5.3 Lifestyle business

Company has 4 distribution channels as follows:

- 1) **Factory Outlet**
Greyhound distributes products to FN group's factory outlet. At present, there are 7 outlets in provincial area i.e. Petchburi, Karnchanaburi, Pattaya, Pakchong, Singhaburi, Hua Hhin, and Sriracha.
- 2) **Modern Trade**
Main distribution channel of GHF is its own branch in department stores in prime areas in Bangkok e.g. Central Ladprao, Siam Center and EmQuatier etc.
- 3) **Online**
Greyhound has commenced its online store, mainly offering shirts, pants, and skirts under "Greyhound" brand. The Company runs promotion to boost sales using this channel.
- 4) **Oversea**
For oversea channel, Greyhound doesn't own stores, but the Company distributes the products to the distributors and owners of concept stores. Greyhound projects the quantity of production in each collection based on the order from oversea distributors.

In 2016, MM's stores by brands are divided as follows:

	2016
Dunkin' Donuts	307
Au bon pain	72
Baskin Robbins	34
Greyhound cafe ^{/1}	14
Greyhound	14
M Kitchen	1
Total	442

Remark

/1 Exclude oversea stores under the management of GHC's franchisees

6. Market Competition

Noncomplex nature of business model has facilitated consistent inflow of new players into food service industry in Thailand over the past. Such phenomenon significantly intensifies the competition in food service industry due to large number of new players in the past 5 years, pressuring certain operators to cease their businesses. Therefore, food service operators depend on effective management and monitoring system, solid understanding of constantly-changing customer behaviors and brand value enhancement, in order to sustain their businesses.

Recently, the market value of food service business in Thailand has been continuously growing. In 2016, the market value was THB 788,000 mm, increaseing from 2009 at THB 654,668 mm with CAGR of 3% (source: EIC)

Direct competitors in food and beverage brand are chain restaurants which are primarily located in community malls, modern trades, and shopping malls in Bangkok and other provinces. The list of direct competitors is as follows:

Brand	Competitors
 Dunkin' Donuts (DD)	Mister Donut
	Krispy Kreme
	Daddy Dough
 Au Bon Pain (ABP)	Starbucks
	Dean & DeLuca
	Black Canyon Coffee
	Costa Coffee
	The Coffee Bean & Tea Leaf
	Bluecup Coffee
 Baskin Robbins (BR)	Haagen-Dazs
	Cold Stone
	Swensen
	Movenpick
 Greyhound Café (GHC)	Audrey Cafe
	Coffee Beans by Dao
	Vanilla Industry
	Roast
	Dean & DeLuca

Environmental Impacts - None -

Summary of Material Contracts

1. Business Contracts

1.1. Food and beverage business contract under “DUNKIN’ DONUTS” brand as at 10 March 1981

Type of contract	Multiple License Agreement
Contract parties	Golden Donuts Company Limited (Thailand) (right transfer from Multiple License Agreement from Dunkin Donuts Company Limited (Thailand) (originally Royal Industries Supply Company Limited) on 11 February 2009) and DUNKIN’ DONUTS FRANCHISING RESTAURANTS LLC (“DDF”) USA
Period of Contract	Contract party has agreed for the Company to open branches in accordance to development schedule. The development schedule ends on 15 December 2021. Each branch has the right to operate Dunkin’ Donuts for 20 years, and has the right to renew the contract for another 20 years under the approval of DDF in written consent in advanced.
Summary of Material Contract	DDF offers the right to Golden Donuts Company Limited (Thailand) to operate bakery restaurant under DUNKIN’ DONUTS brand and offers the right to Golden Donuts Company Limited (Thailand) to use the trademark of DUNKIN’ DONUTS in return of the compensation i.e. branch entrance fee, and royalty fee calculated from monthly sales.
Condition on Termination of Contract	DDF may terminate the contract if Golden Donuts Company Limited (Thailand) fails to meet the terms and conditions in the contract. For example, the new branches are less than the minimum requirement in development schedule, and the company cannot resolve the situation within the specified time period from the day it has been notified by DDF.

1.2. Food and beverage business contract under “Au Bon Pain” brand as at 1 April 2006

Type of contract	Master Franchise Agreement
Contract parties	ABP Café Company Limited (Thailand) and ABP CORPORATION USA
Period of Contract	28 years from 1) the signing date of Master Franchise Agreement, or 2) ending or termination date of the last contract to open branches, in which the period of contract of each branch is 9 years, with right to renew the contract for another 9 years. The period of contract is determined by 1) or 2), whichever is due first.
Summary of Material Contract	ABP CORPORATION offers the right to ABP Café Company Limited (Thailand) to use the brandname and trademark “AU BON PAIN” in Thailand, and offers technical assistance in production and offering of bread, salad, soup, beverage, desserts, and other food. The contracts specifies minimum requirement of additional branches in each year. In case that the Company fails to meet the minimum requirement of additional branches in 2 consecutive years, ABP CORPORATION has right to operate the business or offer the right to operate the business to other franchisee in Thailand. Regarding compensation, the contract specifies non-refundable entrance fee to be paid on fee agreement date, and royalty fee calculated based on monthly sales.
Condition on Termination of Contract	ABP CORPORATION may terminate the contract if ABP Cafe Company Limited (Thailand) fails to meet the terms and conditions in the contract. For example, the company ceases operation for more than 1 week due to any reason except force majeure, state of war, insurrection, and government order, or the company misuses the patent of ABP CORPORATION or uses the patent without the permission as stated in the contract.

1.3. Food and beverage business under “Baskin-Robbins” brand as at 20 January 2010

Type of contract	Master Operating Agreement
Contract parties	Golden Scoop Company Limited (Right transfer from Big Scoops Company Limited as at 2 July 2012) and BASKIN ROBBINS FRANCHISING LLC USA
Period of Contract	The contract party has agreed for the Golden Scoop Company Limited to open branches according to development schedule. The development schedule ends on 1 July 2017. Each branch has the right to operate Dunkin’ Donuts for 10 years, and has the right to renew the contract for another 10 years under the approval of the franchisor in written consent in advanced.
Summary of Material Contract	BASKIN ROBBINS FRANCHISING LLC offers the right to Golden Scoop Company Limited (Right transfer from Big Scoops Company Limited) to ice-cream restaurant under Baskin Robbins, the right to use trademarks, and technical assistance in distribution of Baskin Robbins ice-cream in Thailand. The compensation is in a specified rate under the contract parties’ mutual agreement. The company is required to strictly follow the terms and conditions and the development schedule as stated in the contract.
Condition on Termination of Contract	BASKIN ROBBINS FRANCHISING LLC may terminate the contract if Golden Scoop Company Limited fails to meet the terms and conditions in the contract. For example, the company fails to open new branches as required in the development schedule, within a specified period of time.

1.4. Franchise contract of oversea branches of Greyhound Café

1.4.1. Franchise contract of Greyhound Café in People's Republic of China as at 25 December 2012

Type of contract	1. Franchise Agreement 2. Consultation and Support Services Agreement and 3. Trademark Agreement
Contract parties	Greyhound Café Company Limited and contract party ("franchisee")
Period of Contract	10 years from contract signing date, renewable for 8 years
Summary of Material Contract	<p>Greyhound Café Company Limited offers the right to operate Greyhound Café restaurant in People's Republic of China (PRC), to the franchisee with solid experience in food and beverage business and firm financial position. The franchisee is required to open additional branches of Greyhound Café for no less than 10 branches in 8 years from June 2013. Moreover, the franchisee is required to pay entrance fee as a franchisee in People's Republic of China, branch opening fee for each additional branch, and royalty fee calculated based on monthly sales.</p> <p>Moreover, Greyhound Café Company Limited offers the consulting and support services to the franchisees, to support the management of Greyhound Café in PRC e.g. location selection and raw material selection etc. The fee of the services is charged monthly based on hours of service or percentage of net income, whichever is lower.</p>
Condition on Termination of Contract	Either contract party breaches the terms and conditions of the contract.

1.4.2. Franchise contract of Greyhound Café in Hong Kong as at 16 September 2011

Type of contract	Franchise Agreement
Contract parties	Greyhound Café Company Limited and contract party ("franchisee")
Period of Contract	6 years from contract signing date, renewable for 4 years
Summary of Material Contract	<p>Greyhound Café Company Limited offers the right to operate Greyhound Café restaurant in Hong Kong, to the franchisee with solid experience in food and beverage business and firm financial position. The franchisee is required to open additional branches of Greyhound Café for no less than 5 branches in 5 years from 15 October 2011. Moreover, the franchisee is required to pay entrance fee as a franchisee in Hong Kong, branch opening fee for each additional branch, and royalty fee calculated based on the franchisee's net income.</p> <p>Greyhound Café Company Limited has confirmed the contract renewal with the franchisee, and currently is during the preparation of new contract which will increase the territory under the franchise agreement to include Macao Special Administrative Region.</p>
Condition on Termination of Contract	Either contract party breaches the terms and conditions of the contract.

1.4.3. Franchise contract of Greyhound Café in Greyhound Café in Malaysia as at 8 January 2016

Type of contract	License Agreement
Contract parties	Greyhound Café Company Limited and contract party ("franchisee")
Period of Contract	5 years from contract signing date, renewable for 5 years
Summary of Material Contract	Greyhound Café Company Limited offers the right to operate Greyhound Café restaurant in Malaysia, to the franchisee with solid experience in food and beverage business and firm financial position. The franchisee is required to open additional branches of Greyhound Café for no less than 6 branches in 5 years from the contract signing date, according to the contract. Moreover, the franchisee is required to pay entrance fee as a franchisee in Malaysia, branch opening fee for each additional branch, and royalty fee calculated based on the franchisee's net income.
Condition on Termination of Contract	Either contract party breaches the terms and conditions of the contract.

1.4.4. Memorandum of understanding of franchise model of Greyhound Café in Singapore as at 11 July 2016

Greyhound Café Company Limited has conducted memorandum of understanding with the partner company that will be appointed as the franchisee of Greyhound Café in Singapore. Greyhound Café Company Limited and the partner company will negotiate and conduct franchise agreement in the next phase. Time frame of franchise agreement to be completed is approximately 6 months after the completion of memorandum of understanding. The main content of franchise agreement will be fairly similar to franchisee agreement in the rest of the region.

1.4.5. Memorandum of understanding of franchise model of Greyhound Café in Indonesia as at 27 December 2016

Greyhound Café Company Limited has conducted memorandum of understanding with the partner company that will be appointed as the franchisee of Greyhound Café in Indonesia. Greyhound Café Company Limited and the partner company will negotiate and conduct franchise agreement in the next phase. Time frame of franchise agreement to be completed is approximately 6 months after the completion of memorandum of understanding. The main content of franchise agreement will be fairly similar to franchisee agreement in the rest of the region.

2. Rental Contract of Branches

Contract Parties	Landlord : non-related parties e.g. department stores, modern trade, and shopping malls in Bangkok and other provinces Tenant : MM and its subsidiaries
Type of Contract	Rental and Service Contract for Business Operation
Rental Fee	For rental and service repayment, the tenant is obliged to pay taxation, property tax, and other taxes related to rental area. Characteristics of rental fee are divided as follows: 1) Rent payment in monthly basis as a percentage of total sales or total revenue. Certain cases may apply minimum revenue as a benchmark for rental and service fee calculation. 2) Rent payment made upon the agreed amount, supplemented by additional sales benefit based on the agreed amount 3) Rent payment in monthly basis

Rental Period	Rental period of MM and its subsidiaries' rental and service contracts is predominantly less than 3 years. For the rental and service contracts with over 3 years of rental period, the contract was conducted in writing and registered to the authority for legal validity.
Key Terms and Conditions	<ul style="list-style-type: none"> - Rental contract renewal encompasses 2 key characteristics as follows: <ul style="list-style-type: none"> 1) Retain terms and conditions and rental fee of existing rental contract, or increase rental fee 2) Create terms and conditions in contract renewal; the tenant is required to provide contract renewal request in writing to the landlord in advance of the maturity of rental or service contract. - Rental fee deposit or service fee deposit are required as an insured amount for breach of contract or any possible damage to rental area. The deposit amount varies in each contract, equivalent to rental fee ranging from 1 month to 6 months. The tenant will receive the deposit, in absence of interest income, at the maturity of the contract. - Subletting, subletting service or right transfer is not permitted, unless the landlord provides written consent to the tenant. In this regard, MM and its subsidiaries receive written consent from the landlord/service provider to sublet/conduct intra-company services.

3. Insurance Contracts

The subsidiaries has conducted insurance contract with Samaggi Insurance Co., Ltd. Key information of the insurance contract is as follows:

- **Insurance Period**

Company	Insurance Period	Note
Golden Donuts Company Limited (Thailand)	15 Feb 2017 –	-
ABP Café Company Limited (Thailand)	15 Feb 2018	
Golden Scoop Company Limited		
Greyhound Café Company Limited	15 Feb 2017 – 15 Feb 2018	Insurance period is adjusted to align with that of MM Group
Greyhound Company Limited	15 Feb 2017 – 15 Feb 2018	Insurance period is adjusted to align with that of MM Group

- **Types of Insurance Contract**

1. Property Damage

Property damage insurance covers loss from property damage in every store, warehouse, central kitchen, and headquarter of Golden Donuts Company Limited (Thailand), ABP Café Company Limited (Thailand), Golden Scoop Company Limited, Greyhound Café Company Limited, and Greyhound Company Limited. The insurance applies under specified terms and conditions.

2. Business Interruption

Business Interruption insurance covers loss from business interruption as a result of property damage (inclusive of loss from property damage in 1.) of in every store, warehouse, central kitchen, and headquarter of Golden Donuts Company Limited (Thailand), ABP Café Company Limited (Thailand), Golden Scoop Company Limited, Greyhound Café Company Limited, and Greyhound Company Limited. The insurance applies under specified terms and conditions.

3. Money Insurance

Money insurance covers every store, warehouse, central kitchen, and headquarter of Golden Donuts Company Limited (Thailand), ABP Café Company Limited (Thailand), Golden Scoop Company Limited, Greyhound Café Company Limited, and Greyhound Company Limited. The insurance applies under specified terms and conditions.

4. Public Liability

Public Liability covers every store, warehouse, central kitchen, and headquarter of Golden Donuts Company Limited (Thailand), ABP Café Company Limited (Thailand), Golden Scoop Company Limited, Greyhound Café Company Limited, and Greyhound Company Limited. The insurance applies under specified terms and conditions.

4. Loan Agreement with Financial Institutions

As of 23 September 2014, MM's subsidiaries including GDT, ABP and GHC, conducted long-term loan agreement with a financial institution in Thailand. The total facility amount was up to THB 1,235 mm (One billion two hundred and thirty five million Baht). The three subsidiaries pledge, in guarantee agreement dated 23 September 2014, for the repayment of the loan to the aforementioned financial institution.

Key information of the contract is summarized below.

Contract Parties	Golden Donuts Company Limited (Thailand) ("GD") ABP Café Company Limited (Thailand) ("ABP") and Greyhound Café Company Limited (GHC") (all defined as "Borrower") with Siam Commercial Bank Plc. ("Lender")
Facility Amount	THB 1,235,000,000 (One billion two hundred and thirty five million Baht), divided into 3 portions: (1) Portion to GD of up to THB 529,000,000 (2) Portion to ABP of up to THB 246,500,000 (3) Portion of GHC of up to THB 460,000,000
Voluntary Prepayment	Loan under the Term Loan Facility may be prepaid in whole or in part by the Borrowers 15 days' prior written notice to the Lender. Amounts prepaid shall be subject to prepayment fee and breakage costs (if any) to the Lender.
Security Documents	(1) Pledged GD shares by share certificate No. 50, totaling 5,999,998 shares, and share certificate No. 53, totaling 24,000,000 shares (2) Pledged ABP shares by share certificate No. 37, totaling 3,999,998 shares (3) Guarantee from MM, as co-borrower, for every borrowers (4) Guarantee from GS, as co-borrower, for every borrowers (5) Guarantee from GHF, as co-borrower, for every borrowers (6) Guarantee from GD as co-borrower of ABP and GHC (7) Guarantee from ABP as co-borrower of GD and GHC (8) Guarantee from GHC as co-borrower of GD and ABP
Key Terms and Conditions	(1) Borrowers shall not sell, transfer, or create subordination of loan in terms of ranking and payments to the Lender, unless approved by the Lender in written notice. The term applies to the Borrowers, GHF, and GS (including the Borrowers' bonds, GHF shares, and GS shares owned by MM). (2) Borrowers shall not issue new loans, guarantees, indemnities, or indebtedness except for permitted guarantees and permitted indebtedness. (3) Borrowers shall not create liability and obligation unless approved by the Lender in written notice, and shall create negative pledge on the Borrowers', MM's, GS's,

	<p>and GHF's core operating assets.</p> <p>(4) Borrowers shall not reduce their capitals, or acquire, merge, and establish or invest in other juristic person in any manner, unless approved by the Lender in written notice. If approved, the juristic person will incur the obligation to repay the Facility Amount.</p> <p>(5) Borrowers shall not conduct, or approve for the conduct of the following actions, unless approved by the Lender in written notice.</p> <p>(5.1) Alteration of business characteristics of the Borrowers</p> <p>(5.2) Alteration of management control of the Borrowers</p> <p>(5.3) Alteration of juristic condition of the entity, the board of director, and the management</p> <p>(5.4) Alteration of Memorandum of Association, regulations, and/or business objectives, unless approved by the Lender in written notice</p> <p>(5.5) Alteration of shareholding structure of the Borrowers</p> <p>(5.6) Alteration of shareholding of MM by SST to lower than 75% of MM's paid-up capital, except for the case of MM's IPO. After MM's IPO, SST is bound to own no less than 51% of MM's total shares at any point of time.</p> <p>(5.7) Alteration of shareholding in SST of K. Supasith Sukhanindr, Sukhanindr Family, and Chinthammit Family to lower than 51% of MM's total shares at any point of time.</p> <p>(6) Borrowers shall conform to the repayment schedule and shall not breach other contracts, testimonials, or obligations that can adversely affect repayment ability of the Borrowers.</p> <p>(7) Borrowers shall retain any legally valid license and agreements related to business operation.</p> <p>(8) Borrowers were restricted on their dividend payment, including annual dividend payment, interim dividend payment, and any payment of benefit and compensation to any specific shareholder or shareholders and its subsidiaries as a whole. Borrowers cannot pay dividend unless they were approved by lender in written notice and/or comply completely with the covenant.</p> <p>(8.1) Dividend payout is subject to distribution test of Dividend DSCR at now lower than 1.2:1. Dividend DSCR is defined as historical cash flow from operation (12-month prior), subtracted by projected capital expenditure (12-month forward), dividend payment (12-month prior), and expected dividend payment (current period); the residual was then divided by principal and interest payment due in 12 months forward.</p> <p>(8.2) No dividend payment unless no default has occurred and its continuing. Furthermore, MM, GS, and GHF are restricted on their dividend payment, including annual dividend payment, interim dividend payment, and any payment of benefit and compensation to any specific shareholder or shareholders and its subsidiaries as a whole. MM, GS, and GHF cannot pay dividend unless they were approved by lender in written notice and/or comply completely with the covenant.</p> <p>(9) MM shall own no less than 99.99% of total paid-up capitals of the Borrowers and GS (condition varies by circumstances), and shall have influential control over the</p>
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	<p>Borrowers and GS, unless approved by the Lender in written notice.</p> <p>(10) In case of increase in registered capital of MM, GD and/or ABP on any time being, MM shall increase the pledge for repayment of the Facility Amount with the full amount of increased share capital.</p> <p>(11) Borrowers shall not engage in any investment unless approved by the Lender in written notice.</p>
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In addition, on 15 December 2016, MM conducted Term Sheet with Siam Commercial Bank Plc. The term sheet was made upon agreement of the key terms and conditions of the short-term loan to support MM's interim dividend payment.

Key terms and conditions of the Term Sheet can be summarized as follows:

Borrower	Mudman Public Company Limited
Guarantors	Golden Donuts Company Limited (Thailand) ("GD") ABP Café Company Limited (Thailand) ("ABP") Greyhound Café Company Limited ("GHC") Golden Scoop Company Limited ("GS") Greyhound Company Limited ("GH")
Facility Amount	Up to THB 200,000,000 (two hundred millions Baht) provided in form of promissory note (P/N)
Purpose	To support business operation of the Borrower
Mandatory Requirement	The mandatory prepayment of the Term Loan Facility shall be made upon the occurrence of the events, one of which includes Initial Public Offering of MM's shares.
Security Documents	Pledged by guarantors
Condition Prior to Disbursement	The obligation of the Lender to disburse funds shall be subject tot the evidence that the Borrower has completed the submission of the prospectus to Security Exchange Commission (SEC) for consideration of IPO (for count day 1).
Key Terms and Conditions	<p>(1) Borrower shall consent to Lender's claim of dividend account of SST and Sukhanindr until the completion of IPO.</p> <p>(2) Borrower shall provide an irrevocable notice (in form and substance satisfactory to the Lender) to claim for the dividend account of SST and Sukhanindr Family in case that the Borrower is not approved by SEC to proceed on IPO within 45 days after count day 1 and/or if IPO is not complete before loan repayment schedule (6 months after loan drawdown).</p> <p>(3) Borrower shall provide to the Lender the undertaking of SST and Sukhanindr Family to repay Facility Amount with the debt and equity capital in case that the Borrower is not approved by SEC to proceed on IPO within 45 days after count day 1 and/or if IPO is not complete before loan repayment schedule (6 months after loan drawdown).</p>

On 13 January 2017, MM has completed short-term loan agreement with the aforementioned Bank, with total facility amount up to THB 160,000,000 (One hundred and sixty million Baht). Before the disbursement of loan, MM shall ensure the availability of the collateral, signed collateral contracts, the evidence of SEC's approval of filing/prospectus of IPO, and the undertaking by SST and Sukhanindr Family in writing (in form and substance satisfactory to the Bank).

Subsequently, on 17 February 2017, MM has conducted Term Sheet with Siam Commercial Bank Plc. The term sheet was made upon agreement of the key terms and conditions of the loans to enhance capital restructuring in post-IPO. The term sheet is divided into 3 facility amounts as follows:

	Facility A	Facility B	Facility C
Borrowers	GD ABP GHC	GHC	GHC
Guarantors	MM GS GH Each of the Borrowers (under cross guarantee condition)	GD ABP MM GS GH	GD ABP MM GS GH
Facilities Amount	Up to THB 987,182,500	Up to THB 45 mm	Up to THB 70 mm
Purpose	To prepay the existing debts of the Borrowers totaled THB 1,235,000,000 under the Existing Facility Agreement	For construction and decoration of 3 new Greyhound restaurants of Embassy, Blu'Port and Pattaya branches	For payment of cost related to leasehold (premium, rental and deposit) of GHC London branch
Mandatory Prepayment	The mandatory prepayment of the Term Loan Facility shall be made upon the occurrence of the events, one of which includes Initial Public Offering of MM; net proceeds of at least THB 350 mm.	-	-
Security Documents	(1) Pledge of all shares of GD, ABP, and GHC (2) Guarantee by the Guarantor	(3) Pledge of all shares of GHC (1) Guarantee by the Guarantor	(2) Pledge of all shares of GHC (3) Guarantee by the Guarantor
Condition Precedent	Borrower submits prepayment letter prior to repayment schedule of existing facility.	-	-
Other Terms and Conditions	(1) Retention of key existing management of GHC and GF of at least 2 years from the latest renewal (2) Negative pledge of the Borrowers' and Guarantors' core operating assets (3) Negative pledge of MM's shares in GS and GH (4) Restriction of MM's dividend distribution subject to the distribution test of 1.2x of Dividend DSCR. Upon completion of MM's	(1) Negative pledge of core operating assets of MM, GHC, GD, GS, ABP, GH, and GHC UK (2) Negative pledge of shares of GHC, GD, GS, ABP, GH, and GHC UK (3) MM's IPO shall have been completed within 13 July 2017 and the net proceeds received from MM's IPO shall be applied toward the repayment of the Facility	(1) Negative pledge of core operating assets of MM, GHC, GD, GS, ABP, GH, and GHC UK (2) Negative pledge of shares of GHC, GD, GS, ABP, GH, and GHC UK (3) MM's IPO shall have been completed within 13 July 2017 and the net proceeds received from MM's IPO shall be applied toward the repayment of the Facility

	Facility A	Facility B	Facility C
	<p>IPO, no dividend payment can be made unless no major default has occurred and is continuing.</p> <p>(5) Undertaking from K. Supasith Sukhanindr that the family of Sukhanindr and Chinthammit will retain an effective shareholding interest in SST of not less than 51% and that SST will retain an effective shareholding interest in MM of not less than 75%</p> <p>(6) No merger and acquisition until the completion of MM's IPO</p> <p>(7) No issuance of new loans, guarantees, indemnities, or indebtedness until the completion of IPO</p> <p>(8) No new investment until the completion of IPO</p> <p>(9) No change in nature of business or the constitutional documents</p> <p>(10) No reduction in capital</p>		

Feasibility Study - None -

Technical and Management Assistance

On 31 December 2016, MM held consulting service and business support contract with the franchisee for the purpose of business operation support of Greyhound Café in China. The consulting service and business support included the selection of location and raw materials. The service fee is paid on monthly basis, based on hours of service or percentage of net income; whichever is lower.

Future Projects

1. Food and Beverage Business under Owned Brand

1.1. Domestic Expansion of Greyhound Café Branches

At the end of 2016, there were 14 branches of GHC restaurants in Thailand. MM plans to expand Greyhound Café domestically by 6-9 branches to reach 20-23 branches within 2020. Capital expenditure for the plan is estimated at THB 15-20 mm approx. and is subject to the format and area of the restaurants. Domestic expansion is not expected to be through franchisee agreement.

1.2. International Expansion of Greyhound Café Branches through Franchise Agreement

At the end of 2016, there were 14 branches of Greyhound Café oversea. The branches are operated under franchise agreement with franchisees in China, Hong Kong, Malaysia, and Singapore. According to the explicit development schedule, the franchisees are required to open 5 Greyhound Café branches in 5-year term of franchise agreement. However, the development schedule can be adjusted to suit with market condition of each location. Each year forward, MM aims to expand to franchisee(s) in additional 1 country to 2 countries, predominantly in Asia.

1.3. International Expansion Greyhound Café in UK

MM established a UK-based subsidiary named GHC Café (UK), under umbrella of Greyhound Café, on 8 March 2016. It was initiated with registered capital of GBP 200,000 and par value of GBP 1. In essence, GHC Café (UK) will serve as a milestone for MM to establish and develop its food and beverage business in UK. This flagship store is positioned to create unique dining experience for customers under the “Basic with a Creative Twist” concept, and shall commence its operation in 4Q/2017, with estimated capital expenditure of THB 80-100 mm approx. MM strategizes GHC Café (UK)’s model to be a foundation for potential branch expansion through franchise agreement in Europe, North America, and other regions.

2. Food and Beverage Business under Franchise Agreement

MM plans to consistently expand the branches of GDP, ABP, and GS to maintain and increase market share in food and beverage industry. The development schedules of each brand are presented below.

Brand	Branch/Year	Investment per Branch (THB approx.)	Branches as at end of 2016	Estimated Branches in 2020
GDP	12-15	THB 1-2 mm	307	355
ABP	5-6	THB 4-6 mm	72	96
GS	3-5	THB 2-3 mm	34	54

Related Transactions

For the year ending on 31 December 2016, the key related party transactions entered into the company can be summarized as follows:

Person/Juristic Entity with Possible Conflict of Interests	Relationship	Shareholding^{/1}	Position in the Company
<p>Sub Sri Thai Plc. (“SST”)</p> <p><u>Business Nature</u></p> <p>SST provides storage service for documents, products, and assets</p>	<p>Major shareholders of the Company, with shared directors</p> <ol style="list-style-type: none"> 1. Mr. Sompoch Intranukul 2. Mr. Supasith Sukhanindr 3. Mr. Pilunchai Pradubphong 	80.3%	-None-
<p>Chavananthakij Co., Ltd.</p> <p><u>Business Nature</u></p> <p>Chavananthakij provides rental service of real estate, and own the land where the Company rents</p>	<p>Juristic person under shareholding of Mr. Supasith (major shareholder with shareholding of 19.62% of SST and director of MM) and Miss Kamornwan Chinthammit.</p> <p>Shareholders of Chavananthakij consisted of Chinthammit Family 70.62%, Sukhanindr Family 12.5%, and other shareholders 17.48%</p> <p>Juristic person with shared directors with SST</p> <ol style="list-style-type: none"> 1. Mrs. Intira Sukhanindr 2. Miss Duangkae Chinthammit 3. Miss Duangdao Chinthammit 	-None-	-None-
Mr. Supachai Sukhanindr	Major shareholder with shareholding of 19.62% of SST and director of MM	0.0% (1 share)	Vice Chairman of the Board of Director
Mr. Supachai Sukhanindr	Older brother of Mr. Supasith Sukhanindr, and major shareholder with 10.5% shareholding in SST.	-None-	Consultant to the Management Team

^{/1}Pre-IPO

Summary of the company guarantee obligation by those who may have conflict of interest for the period year ended 31 December 2015 and 31 December 2016 are as follows:

Characteristic of Transactions	Transaction size (THB mm)		Characteristic of Transactions
	2015	2016	
<p><u>SST's Guarantee Obligation</u></p> <p>SST entered into a guarantee obligation agreement with frachsinsees such as Dunkin' Donuts Restaurants Franchising LLC ABP Corporation and Baskin Robbins Franchising LLC in order to operate and run business for Golden Donuts Company Limited (Thailand) ("GDT") ABP Café Company Limited (Thailand) ("ABP") and Golden Scoop Company Limited ("GS"),</p> <p>Nevertheless, the current agreement that still effective is guarantee obligation agreement of ABP Café Company Limited (Thailand), which is the agreement with ABP Corporation</p> <p>SST did not receive any commission or fee for this entry of guarantee obligation agreement</p>	-	-	<p><u>Necessity and detail of the transacions</u></p> <ul style="list-style-type: none"> • A guarantee obligation agreement by SST is one of franchise agreement term under brand Dunkin' Donuts, Au Bon Pain and Baskin Robbins • As of 20 July 2016, ABP Café Company Limited (Thailand) and ABP Corporation agreed upon Master Franchise Agreement's amendment with the purpose to revoke the guarantee obligation of ABP Café Company Limited (Thailand) that SST and Mr. Supasith Sukhanindr had engaged. Such revoke will be effective after approval listed by SET • As of 5 August 2016 Dunkin' Donuts Franchising Restaurants LLC and Baskin Robbins Franchising LLC of SST is revoked <p><u>Opinions of Audit Committee</u></p> <p>The Audit committee considered the objected and caused of the entry of agreement and viewed that the entry of this agreement by SST as one of franchise agreement term under brand Dunkin' Donuts, Au Bon Pain and Baskin Robbins is necessary and beneficial to the company. And SST did not receive for any commission or fee for this entry of guarantee obligation agreement to benefit itself.</p>
<p><u>Mr. Supasith Sukhanindr's Guarantee Obligation</u></p> <p>Mr. Supasith Sukhanindr entered into a guarantee obligation agreement for ABP Café Company Limited (Thailand) ("ABP") regarding to ABP's performance and operation. In case of any bridge of franshine agreement, Mr. Supasith Sukhanindr shall compensate to the</p>	-	-	<p><u>Necessity and detail of the transacions</u></p> <p>Mr. Supasith Sukhanindr entered into a guarantee obligation agreement with ABP Corporation - the frachsinisor, in order to have be authorize and director of the company, which is one of the condition of entry of franshiee right of Au Bon Pain.</p> <ul style="list-style-type: none"> • However, on July 20, 2019, ABP Café (Thailand) company Limited and ABP Corporation entered into an amendment to the Master Franchise Agreement to

Characteristic of Transactions	Transaction size (THB mm)		Characteristic of Transactions
	2015	2016	
<p>franchisor regarding to condition that agree by both part on such agreement.</p> <p>Mr. Supasith Sukhanindr did not receive any commission or fee for this entry of guarantee obligation agreement</p>			<p>revoke the guarantee of liability for the performance of the contract of BPP (Thailand) Limited. Provided by Mr. Supasit Sukanan (and SST), the revocation of such guarantee will be effective when the Company First public offering after the approval of the Stock Exchange of Thailand</p> <p><u>Opinions of Audit Committee</u></p> <p>The Audit committee considered the objected and caused of the entry of agreement and viewed that the entry of this agreement by Mr. Supasith Sukhanindr as one of franchise agreement term under brand Au Bon Pain is necessary and benefitcial to the company. And Mr. Supasith Sukhanindr did not receive for any commission or fee for this entry of guarantee obligation agreement to benefit himself.</p>

Related party transaction of the company and subsidiaries with those who may have conflict of interest for the period year ended 31 December 2015 and 31 December 2016 are as follows

Person/Juristic Person who may have conflict of interest and nature of relationship	Type of Transactions	Transaction Size (THB mm)		Audit Committee's opinion/necessity and reasonableness
		2015	2016	
SST	<p>Document storage services provided by SST</p> <p>- Expense</p> <p>- Other creditors</p>	0.37	0.43	<p><u>Necessity and Details of The Transactions</u></p> <ul style="list-style-type: none"> Document storage service expenses incurred by the company and its subsidiaries Service fees are at fair-market price <p><u>Auditor's Opinion</u></p> <p>The auditors have assessed the rationality with regards to the transactions and have concluded that the storage services are regular activities of the company and its subsidiaries. Referential documents have stated that the service fees are at fair-market price, as if dealing</p>

Person/Juristic Person who may have conflict of interest and nature of relationship	Type of Transactions	Transaction Size (THB mm)		Audit Committee's opinion/necessity and reasonableness
		2015	2016	
				with a third- party provider (Arm's Length Basis). Hence, the transactions are within reasons and appropriate.
Chavanuntakit Ltd.	<p><u>Land Lease Agreement</u></p> <p>Entered a lease agreement with Chavanuntakit Ltd. On 16 April 2014</p> <p><u>Property:</u></p> <p>323 SQ./Wa Klongtan Phrakanong Bangkok</p> <p><u>Period:</u></p> <p>3-year period starting 1 November 2015 to 31 October 2017 with additional rights to extend the agreement by 4 cycles , each cycle is 3-year period</p> <p><u>Extension of Agreement</u></p> <p>- <i>First Extension:</i> The lessee must make a written request for renewal of the lease at least 45 days prior to the expiration of the lease term under the lease. Otherwise, it is considered that the tenant wants to terminate the contract and assume the lease</p>	4.92	6.41	<p><u>Necessity and Details of The Transactions</u></p> <ul style="list-style-type: none"> The company intended to develop the specific land into the food and beverages destination, the core business of the company The foresaw the potential of the specific land, with regards to developing food and beverages destination, in terms of the location, traffic accessibility, and target market. However, given the instability of the economy, the political situation, and the fierce competition within the industry, the company was forced to consider the investment carefully. The development plans were drafted and presented in the Committee's meeting from March 2015 - Present Furthermore, the lease agreement considered to be an advantageous opportunity for the company giving the right to develop facilities in a demanding area for the period of 3 years Considering the high investment nature of the business the company must consider each option with extensive care. After thorough development plans and the valuations are prepared, The Company will bring the project to the Board of Directors for approval. And proposed to the shareholders meeting of the Company and / or SST in accordance with the approval authority. To approve the transaction in accordance with the rules, conditions and procedures.

Person/Juristic Person who may have conflict of interest and nature of relationship	Type of Transactions	Transaction Size (THB mm)		Audit Committee's opinion/necessity and reasonableness																		
		2015	2016																			
	<p>term ends.</p> <p>- <i>The renewal of the contract (following the promise of rent):</i></p> <p>The lessee will inform the lessor in writing at least 45 days in advance of the end of each lease term. And if the tenant does not wish to rent within that timeframe. It is considered that the tenant wishes to lease under the lease</p> <p>Fee: 400,000THB per month with incremental growth of 5% per year for the first 3-year period</p> <p>Extension</p> <ul style="list-style-type: none"> ▪ Year 4- 6 will incur an incremental rate of 5% per year ▪ Year 7-12 will incur an incremental rate of 6% per year 			<ul style="list-style-type: none"> • The company will not extend the lease agreement (the leaor will be informed 45-day prior to the ending period), if the company cannot conclude a suitable development plan before 31 October 2017 following the appropriated practice • If solid development plans are made, the company will renegotiate the lease agreement renewing the lease as a long-term agreement for clarification and risk-reduction <p><u>Appropriateness of The Lease</u></p> <ul style="list-style-type: none"> • Knightfrank Chartered (Thailand) Ltd. was appointed by the company as an independent valuator • The rental fee according the independent valuator is 7,752,000THB per year for the first year or 646,000THB per month with the incremental growth rate of 10% every 3 year • The comparisons between the lease agreement and the figures proposed by the independent valuator on 26 October 2016, the Net Present Value of the rental fees are as followed: <table border="1"> <thead> <tr> <th></th> <th>Lease Agreement</th> <th>Independent Valuator</th> </tr> </thead> <tbody> <tr> <td>Total Rental Fees (Million Baht)</td> <td>107.8</td> <td>142.0</td> </tr> <tr> <td>NPV (Million Baht)</td> <td>50.2 ^{/1}</td> <td>54.1</td> </tr> <tr> <td>Period</td> <td>15 years</td> <td>15 year</td> </tr> <tr> <td>Discount Rate</td> <td>14%(annually)</td> <td>14%(annually)</td> </tr> <tr> <td>%Growth</td> <td>5%-7%(annually)</td> <td>10%(3-year period)</td> </tr> </tbody> </table> <p>Remark ^{/1} The present value of the rent paid, plus the present value of the future lease</p>		Lease Agreement	Independent Valuator	Total Rental Fees (Million Baht)	107.8	142.0	NPV (Million Baht)	50.2 ^{/1}	54.1	Period	15 years	15 year	Discount Rate	14%(annually)	14%(annually)	%Growth	5%-7%(annually)	10%(3-year period)
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Person/Juristic Person who may have conflict of interest and nature of relationship	Type of Transactions	Transaction Size (THB mm)		Audit Committee's opinion/necessity and reasonableness
		2015	2016	
	<ul style="list-style-type: none"> ▪ Year 13-15 will incur an incremental rate of 7% per year <p><u>Sub-lease:</u> The tenant has the right to remove some of the premises for sublease. However, the lease can not be transferred in whole or in part. Unless otherwise agreed in writing by the other party.</p> <p><u>Ending The Agreement:</u> Any buildings and constructions within the leased land will be the lessor's property in such case the lessor can have the lessee remove such construction otherwise the lessor can fine the lessee on a daily basis</p>			<p>payments.</p> <ul style="list-style-type: none"> • From the table above, the NPV of the lease agreement is <i>lower</i> than the value presented by the independent valuator • Despite the incremental rental rate (%Growth) is higher in the lease agreement than the figures presented by the independent valuator, the total value of the rent is lower than the value calculated by the independent valuator in every year • Furthermore, the company has an option to whether or not continue to lease agreement which gives more flexibility in operation • Considering all the factors, the rental rate, the incremental growth of the rental fee, and the conditions of the lease agreement is within reasons and appropriate <p><u>Auditor's Opinion</u> The auditors have assessed the rationality with regards to the transactions and have concluded that the company has taken an appropriate course of action with the rental fee being within an acceptable range considering the nearby properties and the market benchmarks. The fact that the company is considering its investment options is classified as an act to retain its right and considered to follow a regular process as if dealing with a third-party entity (Arm's Length Basis).</p>
Mr. Supachai Sukhanindr	<p>Consultation Fees</p> <p>Scope and Responsibilities</p> <ul style="list-style-type: none"> • Offer advice on the operation of the business as a whole and 	0.30	0.30	<p><u>Necessity and Details of The Transactions</u></p> <ul style="list-style-type: none"> • Given fierce competition within the industry, the company must seek new opportunities and retain its competitive advantages

Person/Juristic Person who may have conflict of interest and nature of relationship	Type of Transactions	Transaction Size (THB mm)		Audit Committee's opinion/necessity and reasonableness
		2015	2016	
	<p>the future trend in the industry</p> <ul style="list-style-type: none"> • Provide recommendations on investment opportunities on land and properties • Counsel on the related business entities within the industry 			<ul style="list-style-type: none"> • The committee has decided on 7/2556 to appoint Mr. Supachai Sukhanindras board of director within the scope offering his expertise on land scouting, seeking investment opportunity, and collaborating with related entities. <u>His services are required upon request and not on a regular basis.</u> • Consultation fee is 25,000THB per month and is at a fair-market price <p><u>Auditor's Opinion</u></p> <p>The auditors have assessed the appropriateness of the transaction and have declared Mr. Supachai Sukhanindr to be a qualified consultant with the service fee is within a reasonable range concerning the scope and responsibilities. As a result the transaction is within it reasons and necessity as if dealing with a third-party service provider (Arm's Length Basis).</p>

Remark 1/ Knight Frank Chartered (Thailand) Company Limited is listed on the Capital Market Valuation Company and major appraiser approved by the Office of the Securities and Exchange Commission (as of October 1, 2016).

Contingencies and Commitments

As of 31 December 2016, contingencies and commitments of the consolidated financial statements of MM and its subsidiaries were as follows:

1. Contingencies and commitments related to capital expenditure

MM and its subsidiaries encompass contingencies and commitments related to capital expenditure totaling THB 21 mm, due to the renovation of buildings and the purchase of equipments.

2. Contingencies and commitments related to operation and service

MM and its subsidiaries has completed operational contract regarding rental area in buildings and services. The period of the contract is from 6 months to 28 years. Part of rental and service fee is calculated as a percentage of actual sales. The minimum rental fee and service is stated in the contract.

As of 31 December 2016, MM and its subsidiaries have minimum payment to be paid, under operational contract and irrevocable service, as follows:

Minimum payment to be paid in 1 year	THB 272 mm
Minimum payment to be paid after 1 year but within 5 years	THB 412 mm
Minimum payment to be paid after 5 years	THB 162 mm

Risk Factors

Key Risk factors of the Company includes the following:

1. Operational Risk

1.1. Risk from discontinuation of franchise agreement or termination of franchise agreement due to breach of terms and conditions

Part of MM's business is operated under franchise agreement from international franchisor, under the terms and conditions as indicated in franchise agreement. The franchise agreements are susceptible to possible changes in terms and conditions under certain circumstances. For example, terms and conditions may change if the subsidiaries cannot conform to the development schedule in the agreement. In 2014 – 2016, development schedule of the subsidiaries of MM are as follows:

	DUNKIN' DONUTS		Au Bon Pain		Baskin-Robbins	
	Additional Branches in Developemt Schedule	Actual Additional Branches	Additional Branches in Developemt Schedule	Actual Additional Branches	Additional Branches in Developemt Schedule	Actual Additional Branches
2014	7	15	3	5	6	2
2015	8	6	3	3	6	4
2016	12	34	5	5	3	5

In 2014 - 2016, GDT and GS could not fully conform to the development schedule in the master franchise agreement. Firstly, GDT opened 6 branches as opposed to minimum requirement of 8 branches in 2015. Secondly, GS opened 2 branches from minimum requirement of 6 branches in 2014, and opened 4 branches from minimum requirement of 6 branches in 2015.

Nevertheless, GDT has maintained a satisfactory branch opening record over the past, with under-target branch opening only in 2015. Additionally, deviation of opening of 2 branches is compensated by record of well-accumulated branch opening of 280 branches countrywide, causing the cumulative number of branches to significantly exceed that of the

development schedule. As such, under-target branch opening is not a significant concern to the franchisor after taking into account the cumulative number of branches over the years. Evidently, the franchisor expressed in the exemption letter that “Even though branch opening of GDT did not reach to the development schedule, its cumulative number of stores exceeds accumulated minimum stores required in the development schedule. Therefore, the Franchisor agreed to exempt the minimum store requirement in 2015.” In 2016, GDT opened 34 branches, more than minimum requirement of 12 branches.

In the case of GS, Baskin Robbins’ development schedule had been unchanged since the agreement between the franchisor and the previous franchisee. After acquisition of the brand, GS has been determined to improve the business and operation of Baskin Robbins, whilst strictly complying with the terms and conditions of the franchise agreement. The improvement in business and operation after the acquisition has contributed to improving financial performance of Baskin Robbins over time. However, during the same time period, Baskin Robbins encountered certain circumstances in Thailand e.g. intense competition, political instability, and economic downturn. Amidst these difficult circumstances, the management team considered Baskin Robbins branch opening with significant caution, to ensure ultimate benefit to the Company and the shareholders. Hence, additional branches resulted in less number of additional stores than that required in the franchise agreement. Nevertheless, the franchise agreement indicated the consideration of branch opening in cumulative number of stores, together with additional branches each year. As a result, the Company discussed with the franchisor to amend the terms and conditions regarding branch opening to realistically reflect current situation of Baskin Robbins. In this regard, the franchisor expressed thoughtful understanding of the root causes of Baskin Robbins’ under-targeted branch opening. Therefore, the Company and the franchisor amended the development schedule for 2016-2017 to reflect the current situation in Thailand (Please see details of franchisee agreement in Summary of Material Contracts for more information). Such amendment reduced the risk of GS in breaching the development schedule in the franchise agreement. In 2016, GS opened 5 branches, more than minimum requirement of 3 branches.

MM has operated franchise business of international brands for a considerable period of time. It has developed unique expertise and knowledge in business operation from well-accumulated experience in food and beverage business. It also consisted of outstanding performances in the past, including the conformation to the franchise agreement and the rewards and recognitions received as an excellently-performing franchisee.

Coupled with MM’s growth in food and beverage business under franchise agreement, MM diversifies its business portfolio to food and beverage business under own brand to boundlessly thrive its business. Not only securing food and beverage business under franchisee agreement and own brand, MM aims to expand its portfolio to other businesses in the future as well.

1.2. Risk from competition

Under ever-rising competition, both in food and beverage business and lifestyle business, from local as well as foreign entrants, MM’s performance can be adversely affected.

Nevertheless, MM is considered as a strong player with well-recognized brands and good relationship with the franchisors. The well-cultivated expertise has empowered the Company to optimize its business portfolio, as well as location to cover its target customers. Moreover, its management team has developed strong experience in the businesses for over 10 years. The team has immense industry knowledge and customer insight, leading to the Company’s effective risk management. The Company also encompassed the comprehensive set of growth plan in Thailand and oversea, securing the sustainable growth in food and beverage business. This can be evidenced by consistent organic growth of total revenue of food and beverage business under franchise agreement, and significant inorganic growth from acquisition of businesses under own brands (GHC and GHF) in 2014. The total revenue from GHC and GHF increased from THB 1,655 mm in 2012 to THB 2,020 mm in 2016 (CAGR of 5.1%), exceeding the growth of total food and beverage industry as a whole.

1.3. Risk from procurement of rental areas

Location selection is important to business growth of operations in food and beverage business, as well as in lifestyle business. Majority of rental contracts are in short-term, at 1-3 years on average. Moreover, the high competition in food and beverage, and lifestyle industries, coupled with ever-rising number of new entrants, have intensified the competition to secure key locations and lifted the rental cost significantly both in Bangkok and other provinces. Hence, MM and its subsidiaries can be adversely affected by the risk of obtaining reasonable terms and conditions in current and new rental contracts.

Nevertheless, MM and its subsidiaries are experienced players with well-recognized brands and strong brand awareness in local and foreign markets. They own popular products which contributed significantly in attracting customers for repeating services. They also have good rental payment record, whilst strictly conforming to the terms and conditions in the rental contracts over the past. Moreover, MM and its subsidiaries ally with several landlords, and own an experienced business development team that assists on securing new locations. These factors have facilitated MM and its subsidiaries in renewing existing rental contracts and securing new rental contracts.

1.4. Risk from discontinuation or change in terms and conditions of rental agreement

Majority of MM and its subsidiaries' branches, e.g. Dunkin' Donuts Au Bon Pain Baskin Robbins Greyhound Café and Greyhound Fashion, are located in department stores, community malls, and/or supermarkets. The branches are under rental contracts with rental period of no more than 3 years and renewal right after maturity of contracts. Therefore, MM may encounter risk of discontinuation of rental contracts, as well as change in terms and conditions of the rental contracts e.g. increase in rental and service payment. The aforementioned risk may adversely affect the financial and operational performance of the Company.

However, MM forms strong business alliance with several department stores, community malls, and shopping centers. The Company also maintains good relationship with the landlords over the past, and has strictly and consistently complies with the rental contract. The franchise businesses of MM are considered as magnet stores, with the popular products that draw customers to visit the department stores, community malls, and shopping centers where they are located. Moreover, similar to rental contracts of other tenants, the rental contracts between MM and its landlords assign rental cost on market price, and are formed on Arm's Length Basis. Hence, MM and its subsidiaries are confident that under adverse situation, they will ably secure new locations with market terms and conditions. This view is supported by historical renewal of rental contracts in 2014 – 2016, as the Company could renew most of rental contracts, while rental cost reasonably rose by 3-5% per year.

1.5. Risk from lower than targeted sales of branches

Currently, food and beverage, and lifestyle industries are facing intense competition from existing players and new entrants. The locations of the players' stores shall be competitive and lucrative to extend the market reach and support consistent growth. However, the players can still be adversely affected by intense competition, and can underperform due to lower-than-targeted store sales.

To cope with this issue, management team of MM incorporated realistic assumptions, inclusive of those related to economic condition, and consumer's needs and demands, in setting MM's branch opening target. The Company encompasses experienced business development team responsible for analyzing branch expansion opportunity, overseeing the availability of capital, and evaluating its business and finance. Moreover, the Company monitors the performance of each branch regularly, supporting the process of the team to identify possible problems promptly, and adjust operational plan accordingly for the benefit of future branch expansion.

In the past 10 years, number of branches of MM has expanded from 170 branches in 2006 to 428 branches in 2016. In 2013-2014, the Company closed down 3 branches due to underperformed operation. In 2015 – 2016, there is no ceased branch operation due to underperformed operation.

1.6. Risk from reliance of major distribution channel

As of 31 December 2016, there were 142 branches of Dunkin' Donuts in Tesco Lotus (46% of total branches, 52% of total sales of Dunkin' Donuts). Therefore, the Company can be adversely affected by the risk of discontinuation of rental contracts, and increase in rental cost based on the discretion of Tesco Lotus.

Nevertheless, Dunkin' Donuts and Tesco Lotus have been business alliance for over 20 years. The two companies form mutual benefit, in which Dunkin' Donuts is a popular brand of MM, while being a magnet store to Tesco Lotus' target customers. Moreover, the rental contracts between Dunkin' Donuts and Tesco Lotus is conducted for one branch of Dunkin Donuts per one contract. In other words, there is no bundle of Dunkin' Donuts branches in rental contracts with Tesco Lotus. Hence, there shall be low possibility of multiple Dunkin Donuts' branches to lose rental contract with Tesco Lotus simultaneously.

Moreover, the rental contracts between Dunkin' Donuts and Tesco Lotus assign rental cost based on market price, and are formed on Arm's Length Basis. These conditions are similar to rental contracts of other tenants. Hence, under adverse situation, the Company shall secure new locations with market terms and conditions, which shall not significantly lift its current rental cost. Concurrently, the Company plans to expand its store in more variety of format e.g. standalone, drive thru etc. Such expansion plan will allow the Company to diversify its distribution channel to other shopping centers.

1.7. Risk from increase in personnel cost

Since 1 January 2013, the government has effectively imposed the regulation to increase wage to THB 300 per day, applicable nationwide (Based on Committee Announcement of Minimum Wage No. 7 dated 17 October 2011). The lift of minimum wage has considerably affected companies those heavily rely on human resource, buoying companies' personnel cost related to branch employees, waiters/waitresses, employees in central kitchen, and employees in branches' kitchens. Therefore, the business performance of MM and its subsidiaries can be adversely affected by this regulatory change.

Nevertheless, MM has increased wage of its employees to be competitive to the market rate and competitors' rates in order to effectively cope with the regulatory change and maintain its competitiveness in the labor market. The average minimum wage of MM's employees is higher than minimum wage by law. Supported by effective wage management scheme, the Company is determined to increase the proportion of full-time employees to part-time employees. This is due to 2 reasons. Firstly, the cost of full-time employees is more consistent and predictable. Secondly, the Company has better control on personnel cost of full-time employees, than that of part-time employees. Although the rise in proportion of full-time employees has financial implication on MM's personnel cost, MM deems the rise in proportion of full-time employees necessary for its growth. The Company firmly believes that the retention of its personnels, through increasing proportion of full-time employees, shall enhance the potentiality of its employees while reducing employees' overall turnover rate. To diminish the financial implication of this plan and maintain profitability, the Company focuses on controlling its personnel cost in the best manner.

1.8. Risk from fluctuations of costs of agricultural raw materials

Raw materials in food and beverage business are mainly agricultural products, such as meat, vegetable, and fruit etc., accounting for 95% of total raw materials. The costs of the raw materials fluctuate by seasonal effect, climate variability, natural disaster, and market demand at a particular point of time. The fluctuation of raw material costs is uncontrollable. This risk can adversely affect food and beverage businesses, inevitably affecting MM's operation.

Nevertheless, the Company concentrates on controlling and managing its costs effectively, and attempts to reduce the effect from fluctuation of raw material costs by closely monitoring the market situation, conducting risk assessment on

shortage of raw materials and possible increase in raw material costs, and managing risk from fluctuation of raw material costs by adjusting production process to respond to higher raw material costs. Moreover, the Company may consider increasing prices of its products. However, the prices will be reflected by market price and competitors' prices in order to minimize the downside to sales and overall customer base of the Company.

1.9. Risk from reliance of sole third-party logistics provider in product transportation and distribution

Transportation and distribution management is essential for business operation of companies with branches nationwide, including companies encompassing food and beverage businesses with perishable products (average shelf life of 24 hours). To maintain the quality of products, transportation and distribution of products ought to be prompt on schedule. MM has central kitchens which contribute to the process of product preparation and distribution. The Company hires single third party logistic provider to be responsible of managing raw materials and distributing products to central kitchens, small kitchens, and certain branches. Concurrently, it uses its own vehicle to distribute products from small kitchens to branches. As a result, the Company encounters risk from failure in product transportation and distribution.

Despite such risk, the Company's third party logistic provider has been operating with 30 years of well-accumulated expertise in transportation, inventory management, and product distribution. The provider has inventory management that is reputable in food and beverage industry, assuring its high-quality and satisfactory performance. In addition, the third party logistic provider is responsible for possible damage and loss under its operation, inventory management, and product distribution to central kitchens, small kitchens, and branches.

1.10. Risk from deterioration of quality of raw materials and products

Perishable goods account for 80% of raw materials in MM's full-service restaurants. For MM's quick-service restaurants, most raw materials consist of flour, bread, and doughnuts; all of which are easily perishable and have short shelf life. The nature of MM's raw materials implies operational risk to its business.

Nevertheless, MM meticulously focuses on the quality of raw materials and products. It has comprehensive quality control system for the production, transportation, and distribution process. If the raw materials fail to meet the standard, they will be immediately returned to the suppliers. Moreover, the Company applies sharp freezer, a specifically-developed technology to preserve taste and quality of food, for preservation process of bread flour and doughnut flour since these flours need to be transported in long distance from central kitchen to branches. Moreover, the Company opens small kitchens where food distribution stations and distribution centers are located. This is an essential strategy in controlling the quality and minimizing the deterioration of raw materials and products.

Based on MM's effective management of raw material, the Company ably reduces the unnecessary waste, evidenced by the consistent reduction of cost of waste to total sales. In 2014 – 2016, the Company has cost of waste totaling 3.6%, 2.9%, and 2.6% of total sales, respectively.

1.11. Risk from patent infringement

Trademarks are one of important assets in MM's business operation as MM's subsidiaries are operated under brands which can be divided into 1) brands from franchise agreement and 2) own brands. The own brands are added into MM's business portfolio to drive further growth and to create value addition to its businesses. For MM's own brands, the Company is a franchisor to international franchisee under the operation of Greyhound Café oversea. Thus, the Company encounters risk of patent infringement both on brands under franchise agreement and own brands. The risk may result in operational loss and limitation of business growth.

Despite such risk, MM has strict policy in preventing risk from patent infringement. The Company obtains licenses to use trademarks in Thailand, for brands under franchise agreement. In the meantime, it has registered its trademarks under own brands in Thailand and countries where the business expends or potentially expends into e.g. China, Hong Kong, Malaysia,

Taiwan, and Korea. As a result, this policy mitigates risk from patent infringement to certain extent, for countries that its own brands expand into.

2. Financial Risk

2.1. Risk from default on the covenants in loan agreement

As of 31 December 2016, MM and its subsidiaries has loan outstanding with Siam Commercial Bank Plc. ("The Bank") totaling THB 1,059.2 mm. In the loan agreement, MM and its subsidiaries are required to conform to the covenants of the aforementioned bank (Please see details of loan agreement in Summary of Material Contracts under the topic of Loan Agreement with Siam Commercial Bank Plc.) In the current time, Siam Commercial Bank is its sole source of funding. Hence, MM Group encounters risk of default on covenants in the loan agreement, which may significantly affect the liquidity of the Group. The main covenants are as follows:

2.1.1. Key Financial Ratios

The Company shall maintain the following key financial ratios.

- 1) **Debt Service Coverage Ratio** shall be maintained at not lower than 1.2x in 2014 - 2017 (according to the loan agreement, DSCR was defined as EBITDA divided by principal and interest payments due in the same period).
- 2) **Debt to Equity Ratio** shall be maintained at not higher than 2x (according to the loan agreement, D/E ratio was defined as total debt in the consolidated financial statements, divided by total equity in the consolidated financial statements).
- 3) **Net Debt to EBITDA Ratio** shall be maintained at not higher than 3.5x in 2014, 3.0x in 2015, 2.5x in 2016, and 2.0x in 2017 (according to the loan agreement, net debt was defined as interest-bearing debt in the consolidated financial statements subtracted by cash in the consolidated financial statements).

In 2014 – 2016, MM could not meet the limit of Net Debt to EBITDA at 3.5x, 3.0x, and 2.5x, respectively. Its Net Debt to EBITDA Ratios were 5.5x, 4.4x, and 3.8x, respectively in the same period of time. Nevertheless, MM's Net Debt to EBITDA ratios in 2014 – 2016 were exempted by the lender, according to exemption letters dated 29 December 2014, 24 December 2015, and 15 December 2016, respectively.

Nevertheless, the Company is aware of the risk from default on the covenants. It has been cautious on its investment plan so as to avoid such risk. Specifically, the Company ensures prompt principal and interest repayment and appropriate loan drawdown to mitigate the risk from defaults on covenants of the loan agreement. Moreover, the proceeds from Initial Public Offering (IPO) will be utilized in lucrative projects, strengthening operational performance of the Group. The proceeds will additionally support working capital and liquidity of the Company. Such utilization plan of IPO proceeds will enhance the ability of the Company to maintain DSCR, Debt to Equity Ratio, and Net Debt to EBITDA Ratio in accordance with the loan agreement.

2.1.2. Restriction on dividend payment

According to the loan agreement with Siam Commercial Bank Plc. (Please see details of loan agreement in Summary of Material Contracts under the topic of Loan Agreement with Siam Commercial Bank Plc.), MM and its subsidiaries could not pay dividend unless they were informed by lender in written consent and/or comply completely with the covenant. In this regards, the covenant included the requirement for MM to maintain Dividend DSCR (historical cash flow from operation (12-month prior), subtracted by projected capital expenditure (12-month forward), dividend payment (12-month prior), and expected dividend payment (current period); the residual was then divided by principal and interest payment due in 12 months forward.) at not lower than 1.2:1 based on the most recent consolidated financial statements prior to dividend

payment, as well as for the covenant not to be breached in any manner. Therefore, MM and its subsidiaries required written consent from the lender before each and every dividend payment was made.

In 2014 – 2015, GDT, ABP and GHC paid dividend to MM. In the particular years, Dividend DSCR of MM were at 0.7x and 0.4x, respectively. Furthermore, the resolution of Board of Directors' meeting, dated 14 December 2016, approved interim dividend payment totaled THB 160.3 mm. As the dividend payment was made, MM and its subsidiaries were unable to maintain Dividend DSCR by the threshold in the covenant. Nevertheless, MM and its subsidiaries' Dividend DSCR were exempted by Siam Commercial Bank Plc. in 2014 – 2016.

Furthermore, MM opines that, after IPO, it will be able to generate sufficient liquidity, reducing the risk of default on covenants of the loan agreement. The Company will consider other funding alternatives with better terms and conditions, as well as lower cost of fund. Meanwhile, the capital structure will be adjusted in order to ensure ultimate benefit to MM and its shareholders. The plan after IPO shall play significant role in reducing the restriction of dividend payment of the Company with the Bank.

2.1.3. Restriction on change of MM's shareholding structure

The loan agreement between the Company and Siam Commercial Bank Plc requires SST to maintain shareholding of MM at not less than 51% of total paid-up capital of MM after IPO, and states that Mr. Supasith Sukhanindr, Sukhanindr Family, and Chinthammit must maintain shareholding in SST at not less than 51% of total paid-up capital of SST. The conditions shall be met at all time unless the Bank states otherwise in written consent (Please see details of loan agreement in Summary of Material Contracts under the topic of Loan Agreement with Siam Commercial Bank Plc.). Hence, MM and its subsidiaries encounters risk from default on covenants if one of the covenants related to shareholding is breached.

Notwithstanding the risk from default on the covenants, on 23 September 2014, Mr. Supasith Sukhanindr provided undertaking in writing that throughout the the existence of MM's debt with the Bank; 1) Mr. Supasith Sukhanindr will maintain shareholding in SST, perform his best effort to maintain shareholding of Sukhanindr Family and Chinthammit Family in SST at no less than 51% of total paid-up capital of SST, and maintain management control of SST, 2) Mr. Supasith Sukhanindr will maintain SST as the major shareholder of MM, and will not alter the shareholding of MM that results in SST's shareholding of MM at less than 51% of paid-up capital of MM after IPO. Moreover, after IPO, MM shall be able to access other sources of fund more conveniently, in which its sources of fund shall not be limited only to borrowing from financial institutions. The capital structure will be adjusted in order to ensure ultimate benefit to MM and its shareholders.

2.1.4. Restriction on Business Operation

The covenant states that the Company must not invest in any matter unless approved by the Bank in written consent. It also restricted the Company on conducting mergers and acquisitions, as well as investing in entity to operate on its behalf or to operate with other entity for any reason.

2.2. Risk from dividend payment capability not meeting dividend payment policy

As a separate company, MM mainly operates as a holding company with no business that can significantly generate income. In 2014 – 2016, the Company has net profit (loss) in consolidated financial statement at THB (35.2) mm, THB (42.9) mm, and THB (168.3) mm, respectively. Meanwhile, the Company has retained earnings (deficit) in consolidated financial statement at THB 31.4 mm, THB (11.6) mm, and THB (351.4) mm, respectively. Moreover, MM and its subsidiaries are restricted on dividend payment, in which they are required to maintain key financial ratios in accordance with the covenant of the loan agreement (Please see details of loan agreement in Summary of Material Contracts under the topic of Loan Agreement with Siam Commercial Bank Plc.) In case that the Company and its subsidiaries cannot comply with the covenants, they are required to seek for the Bank's approval in written consent before each and every dividend is made. If

the subsidiaries are restricted on paying dividend to MM, MM's operational performance will be significantly affected. As a result, MM may fail to meet its dividend payment policy, which states that MM shall make dividend payment at no less than 50% of net profit on separate financial statements.

MM's income is mainly generated from dividend income from its subsidiaries and management income. Its dividend payment relies heavily on profit and cash flow of its subsidiaries. As of 31 December 2016, MM earns dividend income and management income totaling 87.5% of total sales MM's separate financial statements. Net profit (loss) in MM's separate financial states amounted to THB 16.1 mm, THB 146.8 mm, and THB (73.7) mm in 2014 – 2016, respectively. In 2016, MM recorded impairment loss totaling THB 155 mm in consolidated financial statement, and impairment loss from investment in Greyhound Group totaling THB 142 mm in separate financial statements. The impairment losses are non-recurring items happened specifically in that year. Without such impairment loss, net profit on MM's separate financial statement would have been THB 68.3 mm. Moreover, The resolution of Board of Directors' meeting no. 4/2016, dated 14 December 2016, approved interim dividend payment totaled THB 160.3 mm (0.19 THB/share, par value of 1 THB/share) in which the dividend was paid to shareholders on 13 January 2017. The interim dividend payment was made as a return on shareholders' investment, and a reward to shareholders for bearing the risk from MM's business development through time. Such interim dividend payment was made from retained earnings in separate financial statements, based on MM's historical financial performance. MM's source of fund was the loan from Siam Commercial Bank Plc. because the Company has allocated cash flow from its past operation for business expansion. MM did not make dividend payment despite profitable operational result in each period in the financial statements, resulting in retained earnings in its balance sheet. As the dividend payment was made, MM's retained earnings remain at THB 38 mm in separate financial statements, and retained earnings deficit remains at THB 351 mm in consolidated financial statements as of 31 December 2016.

Nevertheless, after IPO, the Company will allocate IPO proceeds to repay loan with the Bank. The proceeds will additionally be invested in lucrative projects which shall enhance the operational performance and liquidity of the Company. As a result, risk from default on covenants of the loan agreement shall be effectively mitigated, leading to more flexible dividend payment capability. In addition, the Company will consider other funding alternatives in order to reduce its dependence on strict covenants with the Bank. As a result, the Company shall be able to make dividend payment in accordance with the dividend payment policy.

2.3. Risk from possibility of impairment loss of goodwill and/or intangible assets from the acquisition of business and capital of subsidiaries

MM records investment at direct cost to share acquisition of its subsidiaries on the acquisition date. The Company also records goodwill from acquisition based on the difference between the direct cost on share acquisition and the net fair value of acquired assets, liabilities, and possible liabilities identifiable on the date of share acquisition in proportion to investment. Due to decrease of projected cash flow from operation, significant changes in the market and economy may pressure enterprise value to be lower than carrying value of goodwill from acquisition, assets, and investment in subsidiaries, leading to possibility of impairment loss. Under the financial year which impairment loss occurs, shareholders' equity will subsequently diminish. As a result, dividend payment capability of the Company can be adversely affected.

The Company has tested impairment loss of goodwill/intangible assets and found that enterprise value of GHF is lower than carrying value. This has led to the record of impairment loss in 2016 on consolidated financial statements totaling THB 155 mm, and the record of impairment loss of investment in GHF in separate financial statements totaling THB 204 mm. Nevertheless, there is no significant evidence of impairment loss in other goodwill, assets, and investments in subsidiaries. In addition, the Company closely monitors the performance to align to the projected performance.

3. Production Risk

3.1. Risk from reliance on limited suppliers

In 2016, maximum cost that GDT, ABP, GS, and GHC paid to single supplier equaled to 7.9%, 2.1%, 1.8%, and 2.0% of total cost, respectively. The raw materials are mainly used in production process and are inclusive of doughnut flour, imported ice cream from Baskin Robbins Franchising LLC (USA), and perishable raw materials etc. Hence, the Company encounters the risk from reliance on the limited number of suppliers if these suppliers fail to deliver the raw materials to the Company, or if there is shortage on raw materials.

Nevertheless, MM has strict operational evaluation and control to ensure that the production and distribution are consistent. It also manages level of inventory to be moderately sufficient for the operation under adverse situation. Meanwhile, it conducted a list of suppliers with comparable quality and taste of raw materials to ensure smooth shift of suppliers in unexpected circumstances. Historically, MM has never encountered a shortage of raw materials. Moreover, the raw materials are its secret ingredients, and thus MM can shift to new suppliers while the quality and taste of raw materials are preserved. Based on all factors above, the risk from reliance on limited number of suppliers shall be manageable.

3.2. Risk from short-term rental contract of production kitchen

MM encompasses 26 central and small kitchens, inclusive of 24 kitchens of GDT, 1 kitchen of ABP, and 1 ice-cream cake center of GS. All central kitchens and small kitchens are mostly based on rental contracts with maximum rental period of 3 years. Therefore, the Company may be adversely affected if it could not renew the rental contract with the landlords, and if the landlords change the terms and conditions of the rental contract e.g. increase rental and service fee. As a result, MM may incur higher expense from shifting the kitchen location, pressuring the operational performance of the Company.

The rental contracts between MM and its landlords assign rental cost on market price, and the contracts are formed on Arm's Length Basis, in which MM can renew the contract 1-2 times as the contracts mature. If MM cannot renew the contract after the maturity of contract, the Company shall be able to secure a rental contract with market terms and conditions. Moreover, if the Company needs to shift the location of its kitchen, the Company believes that the shift should be manageable. This is due to the reasons that the kitchens are located in diversified locations in many provinces and the production is in batch. If the kitchen needs to be transferred, the Company shall be able to plan in advance in order to ensure sufficient products from production. Additionally, GDT has developed Frozen Donut production technology which shall reduce the effect from shortage of products if the kitchens need to be transferred.

Legal Dispute

- None -

No. of Employees

As of 31 December 2016, number of employees (excluding management) of MM and its subsidiaries is as follows:

(Unit : employee)

Company (employee)	No. of Employees As of 31 December 2016	
	Permanent	Temporary
Mudman	87	-
Golden Donut (Thailand)	930	903
ABP Café (Thailand)	655	104
Golder Scope	94	19
Greyhound Café	717	8
Greyhound	142	-
Golden Gourmet	-	-
Total	2,625	1,034
Grand Total	3,659	

Company Background

Year	Event
2006	The Company was established on 16 March 2006 with registered capital of THB 10.00 mm (comprising of ordinary shares of 49,000 shares with par value of THB 100 and preferred shares of 51,000 shares with par value of THB 100). The Company operated as a holding company, investing in food and beverage businesses. As of 31 December 2006, the Company has investment in 25% of GDT, ABP, and GFS which engaging in food and beverage business. The investment in each company is 131.93 million Baht, 131.87 million Baht, and 25.00 million Baht, respectively. The paid-up capital in each company is 289.64 million Baht, 139.62 million Baht, and 54.59 million Baht, respectively.
2008	The Company increased investment in 3 companies i.e. GDT, ABP, and GFS from 131.93 million Baht, 131.87 million Baht, and 25.00 million Baht, respectively, to 173.55 million Baht, 157.42 million Baht, and 36.01 million Baht, respectively. Therefore the shareholding increases from 25% to 41% in those 3 companies.
2009	GFS transferred all business including production and distribution of food and beverage process to ABP, then GFS has liquidated its entity after transferred business to ABP.
2012	Extraordinary General Meeting of SST, a listed company in the Stock Exchange of Thailand, passed resolution approved acquisition of all shares in the Company, which in that time hold 41 percent in GDT and ABP. In addition, SST has acquired 59 percent of GDT and ABP from existing shareholder. After the acquisition, GDT and ABP became the Company's subsidiary. In 2012, GDT and ABP have paid-up capital of 226.20 million Baht and 139.62 million Baht, respectively. Then SST has restructured shareholding in subsidiaries in order to efficiently manage by selling 59 percent shares of GDT and ABP in SST to the Company. After the restructuring, the Company will hold all stakes in GDT and ABP. The Company established GS on 1 June 2012 with registered capital of 5.00 million Baht to engage in

Year	Event
	<p>food and beverage business under brand "Baskin Robbins". Then on 12 June 2012, GS has acquired operating assets of Baskin Robbins and Exclusivity Rights to operate food and beverage business under brand "Baskin Robbins" from ex-owner.</p>
2014	<p>On 18 July 2014, Extraordinary General Meeting of the Company passed the resolution approved issuing 3,189,230 newly issued ordinary shares, resulting shares from 5,250,000 shares to 8,439,230 shares with par value of 100 Baht at the offering price of 444.62 Baht. The Company has registered capital increased with Department of Business Development, the Ministry of Commerce on 22 July 2014. The allocation is as follows:</p> <ul style="list-style-type: none"> ▪ Allocate 1,079,571 shares to SST, totaling of 480.0 million Baht ▪ Allocate 787,186 shares to KSL, totaling of 350.0 million Baht ▪ Allocate 1,322,473 shares to Greyhound's ex-shareholder, totaling of 588.0 million Baht <p>In order to compensate partially of Greyhound Group shares. After the capital increased, SST shareholding will be diluted from 100% to 75%. The registered capital increased from 525.0 million Baht to 843.92 million Baht. SST, KSL, Ex-Greyhound shareholder held 75.0%, 9.3%, and 15.7% of capital increased, respectively.</p> <p>On 22 July 2014, the Company acquired GHF comprised of 969,900 ordinary shares at par value 100 Baht and 107,843 preferred shares at par value of 100 Baht from Ex-Greyhound shareholder, totaling value of 1,843.80 million Baht. The compensation divided in 2 portion, i.e. 1) 1,265.80 million Baht cash and 2) the Company share of 588.0 million Baht (consist of 1,322,473 ordinary shares at the value of 444.62 Baht per shares). SST has right to purchase shares from Ex-Greyhound shareholder at the agreed price within 2 years. At the time GHS and GHF has total stores of 28 branched (domestic 14 branches and international 14 branches) and 14 branches, respectively.</p> <p>On 18 November 2014, the Board of Directors Meeting No.6/2014 approve the acquisition of Golden Gourmet Company Limited ("GGC"), which has paid-up capital of 1 million Baht, to operate ing food and beverage business. GGC is established by the Company's management to support the Company busness in that time. GGC got exclusivity rights to operate premium bakery business under btand "COVA", Italian brand, in Thailand. In 28 November 2017, the Company has entering to that transaction by acquiring 99,998 shares at 10 Baht per share (par value at 10 Baht), totaling transaction size of 999,980 Baht, representing 99.99% investment of GGC.</p>
2015	<p>On 9 March 2015, SST has exercise its rights to purchase the Company's shares from Ex-Greyhound shareholder in an amount of 449,821 shares or 5% of paid-up capital at 464.92 Baht per share, totaling 209.0 million Baht. After transaction, SST investment in the Company increased from 75% to 80% of paid-up capital.</p> <p>On 24 December 2015, the Company forgave debt between the Company and GS in an amount of 120 million Baht and then the Company increased paid-up capital in GS by 120 million Baht, thus GS paid-up capital increased to 125 million Baht.</p> <p>GHC opend first store in Malaysia via giving rights through franchise model.</p>
2016	<p>On 10 March 2016, the Board of Directors Meeting of SST No.1/2016, approve capital increased and offering of newly issued ordinary shares of the Company, subsidiary of SST, to public and SST's shareholder in proportion to their shareholding and listing the Company shares in the Market for Alternative Investment. After the offering, SST still be major shareholder and controller of the Company at least 52%</p>

Year	Event
	<p>of enlarged capital. (Information per disclosed in the Stock Exchange of Thailand on 10 March 2016, and amendment on 14 March 2016)</p> <p>Then on 31 March 2016, Annual General Meeting of 2016 of the Company passed resolution approving capital increased from 843.92 million Baht to 1,054.90 million Baht by issuing 210.98 newly issued ordinary shares at par value of 1 Baht or 20% of registered capital. Those shares will be offer to public and SST's shareholder in proportion to their shareholding. The Company has registered capital increase with Department of Business Development, the Ministry of Commerce, on 19 April 2016.</p> <p>On 31 May 2016, Extraordinary General Meeting of GGC passed resolution approved liquidation of GGC. On 1 June 2016, GGC has registered of liquidation with the Ministry of Commerce.</p>

Investment in Subsidiary/Joint venture company/Related Company

Information as of 31 December 2016

	Name	Business	Paid-up Capital (baht)	Ownership %	Investment Value (Baht)
1.	Golden Donuts Company Limited (Thailand) ("GDT")	produce and distribute donuts and beverage	300,000,000	100.0	299,999,980
2.	ABP Café Company Limited (Thailand) ("ABP")	produce and distribute bakery	40,000,000	100.0	39,999,980
3.	Golden Scoop Company Limited ("GS")	import and distribute ice-cream and related products	125,000,000	100.0	124,999,980
4.	Greyhound Café Company Limited ("GHC")	Provide full service restaurant in fashion-café dining style	10,784,300	100.0	10,784,100
5.	Greyhound Company Limited ("GHF")	lifestyle business	96,900,000	100.00	96,989,800
6.	Greyhound Café (UK) Company Limited ("GHC UK") ¹	Provide full service restaurant in fashion-café dining style	-	100.0	-

¹GHC UK has not commenced operation, currently has registered (not yet paid-up) capital totaling GBP 200,000

Increase (Decrease) Registered capital in the last 3 years

Date/Month/Year	Registered Capital (Decrease) Increase	After Increase/(Decrease)	Remark / Use of Proceed
18 July 2016	318,923,000 baht	843,923,000 baht	To issue for the purpose share swap, which part of Greyhound group's acquisition
31 March 2016	210,980,750 baht	1,054,903,750 baht	To issue newly issued ordinary share for the purpose of Initial Public Offering and Pre-emptive Right for SST shareholder

Accounting Period

1 January to 31 December

Auditor

The summary of auditor who audit financial statement of the company is below

Financial Statements	Auditor's Name and Company	Registered Number
Audited Financial Statements As of 31 December 2016	Miss Sirirat Sricharoensap (or) Miss Supanee Triyanantakul (or) Mr. Supachai Panyawatno (or) Miss. Siraporn Auranankul EY Company Limited 193/136-137 Lake Ratchada Fl. 33, Rachadapisek Road, Klongtoey, Klongtoey, Bangkok 10110 Tel. 02-264-0777 Fax. 02-264-0789	Registered Audit no. 5419 Registered Audit no. 4498 Registered Audit no. 3930 Registered Audit no. 3844

Registrar

Thailand Security Depository Company Limited (TDS)

Financial Advisor

The Siam Commercial Bank Public Limited Company (SCB)

Lead Underwriter

Maybank Kim Eng Securities (Thailand) Public Company Limited (Kimeng)

Dividend Policy**1. Dividend Policy of the Company**

The Company has dividend policy to make dividend payment of not less than 50% of net profit based on the Company's separate financial statement after deduction of tax expenses and legal reserve (if any). Dividend payout will be considered by the board of directors/shareholders of the Company for the purpose of maximizing benefit to the shareholders. Factors determining dividend payout of the Company are such as reserve for loan repayment, investment plan for expansion, and liquidity support for the Company's subsidiaries under unstable market circumstances etc. The dividend payout shall not exceed retained earnings in the Company's separate financial statements, and shall comply with related laws and regulations.

As the Company operates as a holding company which majorly consists of investment in its subsidiaries, its dividend payout capability is mainly subject to subsidiaries' performance and dividend payout

2. Dividend Policy of Subsidiaries

Subsidiaries of the Company have dividend policy to make dividend payment of not less 50% of net profit based on their separate financial statements after deduction of tax expenses and legal reserve (if any). Dividend payout will be considered by the board of directors/shareholders of the Company for the purpose of maximizing benefit to the shareholders. Factors determining dividend payout of the Company are such as reserve for loan repayment, investment plan for expansion, and liquidity support for the Company's subsidiaries under unstable market circumstances etc. The dividend payout shall not exceed retained earnings in the Company's separate financial statements, and shall comply with related laws and regulations.

Board of Investment

- None -

Number of Shareholder

As of 7 April 2017

	Number of shareholders	Number of shares	Percentage of paid-up capital
1. Strategic shareholders			
1.1 Directors, managers and executive management including related persons and associated persons	17	51,284,742	4.86
1.2 Shareholder who have a holding of > 5 % including related persons	2	756,657,600	71.73
1.3 Controlling shareholders	-	-	-
2. Non-strategic shareholder holding \geq 1 trading unit	4,948	246,957,153	23.41
3. Non-strategic shareholder holding < 1 trading unit	97	4,255	0.00
Total Shareholders	5,064	1,054,903,750	100.00

Major Shareholders

As of 7 April 2017,

Shareholder	Pre-IPO		Post-IPO	
	Shares	%	Shares	%
1. Sub Sri Thai Plc.	677,939,000	80.33%	677,939,000	64.27%
2. Khon Kaen Sugar Industry Plc.	78,718,600	9.33%	78,718,600	7.46%
3. Chinthammit Family ⁽¹⁾				
<i>Miss Duangkae Chinthammit</i>	4,498,200	0.53%	6,815,373	0.65%
<i>Miss Duangdao Chinthammit</i>	4,498,200	0.53%	6,768,112	0.64%
<i>Mr. Somchai Chinthammit</i>	4,498,200	0.53%	6,011,340	0.57%
<i>Mrs. Nareerat Chinthammit</i>	4,496,400	0.53%	4,688,900	0.44%
<i>Mr. Piripon Chinthammit</i>	2,811,400	0.33%	2,824,187	0.27%
<i>Mr. Kamondanai Chinthammit</i>	2,811,400	0.33%	2,822,033	0.27%
<i>Miss Kamornwan Chinthammit</i>	2,811,400	0.33%	2,820,841	0.27%

Shareholder	Pre-IPO		Post-IPO	
	Shares	%	Shares	%
<i>Mr. Chamroon Chinthammit</i>	-	-	2,016,666	0.19%
<i>Mr. Chalee Chinthammit</i>	1,125,000	0.13%	1,352,764	0.13%
<i>Mr. Chalush Chinthammit</i>	1,125,000	0.13%	1,125,000	0.11%
<i>Mr. Chatri Chinthammit</i>	1,125,000	0.13%	1,125,000	0.11%
<i>Mrs. Karnikar Chinthammit</i>	1,125,000	0.13%	1,125,000	0.11%
<i>Miss Sasiporn Chinthammit</i>	-	-	36,666	0.00%
<i>Miss Nattamon Chinthammit</i>	-	-	4,583	0.00%
Total	30,925,200	3.66%	39,536,465	3.75%
4. Mr. Bhanu Inkawat	23,534,800	2.79%	23,534,800	2.23%
5. MAYBANK KIM ENG SECURITIES PTE LTD ⁽²⁾	-	-	19,950,000	1.89%
6. Sukhanindr Family ⁽¹⁾				
<i>Mr. Supasith Sukhanindr</i>	100	0.00%	8,133,937	0.77%
<i>Mr. Supachai Sukhanindr</i>	-	-	4,357,103	0.41%
<i>Mrs. Intira Sukhanindr</i>	-	-	4,297,329	0.41%
<i>Miss Kamolrudee Patchimsawas</i>	-	-	1,194,870	0.11%
<i>Mr. Suparith Sukhanindr</i>	-	-	357,270	0.03%
<i>Mr. Supadech Sukhanindr</i>	-	-	357,270	0.03%
<i>Mrs. Suthida Sukhanindr</i>	-	-	188,271	0.02%
<i>Mr. Sarut Sukhanindr</i>	-	-	27,125	0.00%
<i>Miss Sita Sukhanindr</i>	-	-	26,810	0.00%
<i>Miss Sipa Sukhanindr</i>	-	-	26,480	0.00%
Total	100	0.00%	18,966,465	1.80%
7. Honour Key Corporation Limited	14,083,500	1.67%	14,083,500	1.34%
8. Chonecadeedumrongkul Family ⁽¹⁾				
<i>Mr. Sompong Chonecadeedumrongkul</i>	-	-	11,162,600	1.06%
<i>Mrs. Varunee Chonecadeedumrongkul</i>	-	-	174,100	0.02%
<i>Mr. Pongpat Chonecadeedumrongkul</i>	-	-	30,000	0.00%
<i>Miss Nataya Chonecadeedumrongkul</i>	-	-	30,000	0.00%
<i>Miss Kanita Chonecadeedumrongkul</i>	-	-	30,000	0.00%
<i>Mr. Somchai Chonecadeedumrongkul</i>	-	-	30,000	0.00%
Total	-	-	11,456,700	1.09%
9. Mr. Nareth Ngamapichon	-	-	7,500,000	0.71%
10. Mrs. Kamollee Patchimsawas	-	-	6,775,582	0.64%
Other Shareholders	18,721,800	2.22%	156,442,638	14.83%
Grand Total	843,923,000	100.00%	1,054,903,750	100.00%

Note (1) The list of major shareholders classifies shareholders by lastnames; such classification of lastnames neither defines consanguinity, nor reveals connecting transactions and concert party.

(2) MAYBANK KIM ENG SECURITIES PTE LTD subscribes to buy shares of MM, on behalf of foreign institutional shareholders. MAYBANK KIM ENG SECURITIES will allot the shares to foreign shareholders, whereby none of the foreign institutional shareholders will receive more than 5% of paid-up capital of MM after IPO, and none of them will become strategic shareholders of MM.

Foreign Shareholders

As of 7 April 2017, number of foreign shareholders was 33 shareholders (total number of shares held 38,070,900 shares or 3.61% of total paid-up capital).

(Note : The company has a limitation on the percentage of equity shares held by foreign shareholders stated in the article of association topic no. 10. "The shares of the Company can be transferred at will, unless the transfer of shares results in shareholding of foreign shareholders at more than 49% of total paid-up ordinary shares. In such circumstance, the Company reserves it right to decline the transfer.)

Board of Director

As of 31 December 2016, Board of directors of MM consisted of 11 members as follows

Name	Position	Commencement Date
1. Mr. Sompoch Intranukul	Chairman of the Board of Directors /Independent Director	15 March 2016
2. Mr. Supasith Sukhanindr	Vice Chairman of the Board of Directors /Chairman of Executive Directors	15 March 2016
3. Mr. Pilunchai Pradubphong	Board of Director	15 March 2016
4. Mr. Nadim Xavier Salhani	Board of Director /Chairman of the Board of Executive Directors	15 March 2016
5. Mr. Bhanu Inkawat	Board of Director	15 March 2016
6. Mr. Chalush Chinthammit	Board of Director	15 March 2016
7. Miss Kamornwan Chinthammit	Board of Director	15 March 2016
8. Pol.Gen. Ruengsak Charit-ek	Independent Director	15 March 2016
9. Pol. Lt. Col. Thaweessin Rakkatanyu	Independent Director /Chairman of the Audit Committee	15 March 2016
10. Asst. Dr. Tippawan Pinvanichkul	Independent Director /Audit Committee	15 March 2016
11. Mr. Pisit Jeungpraditphan	Independent Director /Audit Committee	15 March 2016

Remark: ¹ who have an intensive knowledge in accounting and finance

Audit Committee

Audit committee was appointed by the Board of Directors' Meeting No. 3/2016 on 2 March 2016

Member of Audit Committee

Chairman of the Audit Committee	Pol. Lt. Col. Thaweessin Rakkatanyu
Member of Audit Committee	Asst. Dr. Tippawan Pinvanichkul Mr. Pisit Jeungpraditphan
Audit Committee Secretary	Miss Praphaiwan Kimsomboon

Scope of Authorities, duties and responsibility

1. Review the financial statements to ensure accuracy, reliability, and sufficient disclosure of information, by collaboration with independent auditor and responsible managers to conduct financial report on quarterly and yearly basis.
2. Review internal audit system of the Company and ensure suitability and efficiency, provide guidance on review and audit of any necessary matter, and propose the guidance on the improvement of internal audit system to the board of directors.

3. Review the performance of the Company to ensure its compliance with the security and exchange laws, the regulations of the SET and the laws relating to the business of the company.
4. Consider, select, and nominate independent person to be the Company's auditor, and propose such person's remuneration to the board of directors.
5. Review the evaluation plan of internal audit system, in accordance with the standard procedure.
6. Consider the disclosure of the information related to connected transactions, or transactions that may lead to conflict of interests and ensure accuracy and completeness of such information.
7. Review risk management system and ensure its suitability and effectiveness.
8. Report the result of the audit committees to the board of directors at least 4 times a year.
9. Approve to consider, appoint, transfer, and discharge the lead manager of internal audit unit or other related units.
10. Upon the scopes and responsibilities, the audit committees are authorized to invite management team and related employees to give opinion, attend on meeting, or send related documents to the committees.
11. Be authorized to hire the consultant or independent person, in accordance with the Company's procedure, to give opinion and consultation if necessary, under the consent of the board of directors.
12. Report the monitoring result of audit committee, by disclosing the information in the annual report that is signed by the chairman of audit committee.
13. The audit committee is required to evaluate the operational result under their own attempt, and report such result with operational problems (if any) to the board of directors every year.
14. Consider to review and improve the Charter of Audit Committee.
15. Proceed in any action as designated by the board of directors, with consent from the audit committee.

Term of Membership

- 1) Chairman of Audit Committee 3 years
- 2) Audit Committee 3 years

Listing Conditions

The Company is required to maintain its share ownership in Golden Donut (Thailand) Company Limited as Core Company, per related regulation regarding listing securities, throughout the period of MM as a listed company. The Company may change the Core Company after 3 years from trading commencement date in mai.

Silent Period

Sub Sri Thai Public Company Limited, existing shareholder prior to the Company's IPO who owns 677,939,000 shares or 64.27% of paid-up capital after IPO, certifies to the Stock Exchange of Thailand that shares totaling 580,197,063 shares or 55% of paid-up capital will not be sold for the period of one year from the first trading date. After 6 months from the first trading date, the aforementioned shareholder will be allowed to sell 25% of the total amount of shares prohibited for sale, while the remaining shares can be sold after one year.

Relaxation - None -

Others - None -

Statistical Summary

Mudman Public Company Limited

Fiscal Year	Thousand Baht		Baht per share ⁽¹⁾			%
	Total Sales	Net Profit (Loss)	Earnings (Loss)	Dividend ⁽²⁾	Book Value	Payout Ratio ⁽³⁾
2557 (Audited)	2,184,014	(35,208)	(0.04)	-	2.59	-
2558 (Audited)	2,797,447	(43,138)	(0.05)	-	2.54	-
2559 (Audited)	2,889,142	(168,325)	(0.20)	0.19	2.15	n.a. ⁽⁴⁾

(1) In 2014-2015, earnings and loss per share are calculated under the assumption that the Company has issued and paid-up shares totaling 843,923,000 shares at par value of THB 1 from the beginning of the year for the purpose of performance comparison. The actual number of shares and par value of the Company's shares are as follows:

- 1) In 2014, the Company has increased capital according to resolution of Extraordinary General Meeting of the Company by issuing 3,189,230 shares, therefore the shares increased from 5,250,000 shares to 8,439,230 shares with par value of 100 Baht.
- 2) In 2015, the Company has paid-up capital of 8,439,230 shares with par value of THB 100.
- 3) In 2016, the Company has change its par value according to Annual General Meeting of the Company on 5 April 2016 from 100 Baht to 1 Baht, therefore the issued and paid up shares is 843,923,000 shares with par value of THB 1.

(2) Calculated from dividend of THB 160.3 mm divided by paid-up shares in that fiscal year.

(3) Calculated by dividing dividend (Baht per share) by earnings (loss) (Baht per share)

(4) Not be able to calculate dividend payout ratio as the Company reported net loss in 2016. However, the Company has paid dividend from retained earnings in separated financial statements, which is past operating performance. The Company borrows to pay dividend as the Company has been using internal cash flow for business expansion and hasn't paid dividend as per performance in preceding fiscal year, therefore the Company has retained earnings in statement of financial position.

Mudman Public Company Limited
Statement of Financial Position

Unit : Thousand Baht

	Fiscal Year 2014 (Audited)		Fiscal Year 2015 (Audited)		Fiscal Year 2016 (Audited)	
	Amount	%	Amount	%	Amount	%
Assets						
<u>Current Assets</u>						
Cash and cash equivalents	169,851	4.1	108,270	2.7	89,379	2.3
Trade and other receivables	55,549	1.3	59,859	1.5	67,304	1.8
Inventories	221,250	5.3	223,876	5.5	204,348	5.4
Other current assets	19,479	0.5	25,287	0.6	28,354	0.7
Total Current Assets	466,130	11.2	417,292	10.3	389,385	10.2
<u>Non-current Assets</u>						
Restrict bank deposits	3,588	0.1	3,021	0.1	3,016	0.1
Building improvement and equipment	467,601	11.2	479,929	11.8	477,781	12.5
Goodwill	1,896,039	45.6	1,896,039	46.7	1,896,039	49.7
Leasehold rights	70,446	1.7	67,631	1.7	56,367	1.5
Intangible assets	1,164,000	28.0	1,093,815	27.0	884,999	23.2
Deferred tax assets	5,181	0.1	5,754	0.1	8,746	0.2
Deposits	87,767	2.1	93,292	2.3	98,268	2.6
Total Non-current Assets	3,694,623	88.8	3,639,481	89.7	3,425,216	89.8
Total Assets	4,160,753	100.0	4,056,773	100.0	3,814,601	100.0
Liabilities and Shareholders' Equity						
<u>Current Liabilities</u>						
Short-term loan from financial institutions	-	-	35,000	0.9	24,800	0.7
Trade and other payables	369,440	8.9	355,258	8.8	429,550	11.3
Current portion of long-term loan from financial institutions	79,038	1.9	123,688	3.0	173,334	4.5
Short-term loan from and accrued interest payable to related parties	-	-	-	-	-	-
Income tax payable	21,002	0.5	12,608	0.3	11,540	0.3
Dividend payable	-	-	-	-	160,345	4.2
Other current liabilities	26,885	0.6	39,771	1.0	55,823	1.5
Total Current Liabilities	496,366	11.9	566,326	14.0	855,391	22.4

	Fiscal Year 2014 (Audited)		Fiscal Year 2015 (Audited)		Fiscal Year 2016 (Audited)	
	Amount	%	Amount	%	Amount	%
<u>Non-current Liabilities</u>						
Long-term loan from financial institution – net of current portion	1,169,003	28.1	1,045,230	25.8	871,755	22.9
Deferred tax liabilities	263,263	6.3	251,587	6.2	204,794	5.4
Provision for long-term employee benefits	37,101	0.9	36,549	0.9	40,895	1.1
Other non-current liabilities	8,299	0.2	13,288	0.3	26,643	0.7
Total Non-current Liabilities	1,477,666	35.5	1,346,654	33.2	1,144,087	30.0
Total Liabilities	1,974,032	47.4	1,912,980	47.2	1,999,478	52.4
<u>Shareholders' Equity</u>						
Share capital						
Registered						
8,439,230 ordinary shares of Baht 100 each (2556: 5,250,000 ordinary shares of Baht 100 each)	843,923	20.3	843,923	20.8	1,054,904	27.7
Issued and fully paid						
8,439,230 ordinary shares of Baht 100 each (2556: 5,250,000 ordinary shares of Baht 100 each)	843,923	20.3	843,923	20.8	843,923	22.1
Share premium	1,099,077	26.4	1,099,077	27.1	1,099,077	28.8
Surplus from business combination under common control	212,356	5.1	212,356	5.2	212,356	5.6
Retained earnings						
Legal reserve	-	-	-	-	11,130	0.3
Unappropriated (defecit)	31,365	0.8	(11,563)	(0.3)	(351,363)	(9.2)
Total Shareholders' Equity	2,186,721	52.6	2,143,793	52.8	1,815,123	47.6
Total Liabilities and Shareholders' Equity	4,160,753	100.0	4,056,773	100.0	3,814,601	100

Mudman Public Company Limited
Statement of Comprehensive Income

Unit : Thousand Baht

	Fiscal Year 2014 (Audited)		Fiscal Year 2015 (Audited)		Fiscal Year 2016 (Audited)	
	Amount	%	Amount	%	Amount	%
Profit or Loss						
<u>Revenues</u>						
Sale and service income	2,184,014	97.7	2,797,447	96.8	2,889,142	96.6
Other income	51,025	2.3	91,669	3.2	102,409	3.4
Total Revenues	2,235,040	100.0	2,889,116	100.0	2,991,551	100.0
<u>Expenses</u>						
Cost of sales and services	800,426	35.8	1,022,910	35.4	1,175,346	39.3
Selling expenses						0.0
Amortization of intangible assets acquired through business combination	48,064	2.2	71,013	2.5	70,110	2.3
Other selling expenses	1,107,839	49.6	1,467,530	50.8	1,418,480	47.4
Administrative expenses	229,822	10.3	295,583	10.2	304,640	10.2
Loss from assets impairment	-	-	-	-	154,931	5.2
Total Expenses	2,186,152	97.8	2,857,036	98.9	3,123,506	104.4
Profit before Financial Cost and Income Tax Expenses	48,888	2.2	32,080	1.1	(131,955)	(4.4)
Financial cost	(68,248)	(3.1)	(62,958)	(2.2)	(56,259)	(1.9)
Profit (Loss) before Income Tax Expenses	(19,360)	(0.9)	(30,878)	(1.1)	(188,214)	(6.3)
Income tax income (expenses)	(15,848)	(0.7)	(12,260)	(0.4)	19,889	0.7
Profit (Loss) for the Year	(35,208)	(1.6)	(43,138)	(1.5)	(168,325)	(5.6)
Other Comprehensive Income	-	-	210	(0.0)	-	-
Total Comprehensive Income for the Year	(35,208)	(1.6)	(42,928)	(1.5)	(168,325)	(5.6)

Mudman Public Company Limited**Statement of Cash Flow**

Unit : Thousand Baht

	Consolidated Financial Statement		
	Fiscal Year 2014 (Audited)	Fiscal Year 2015 (Audited)	Fiscal Year 2016 (Audited)
Cash Flow Details			
Net Cash Flows from Operating Activities	196,669	226,302	329,567
Net Cash Flows from (used in) Investing Activities	(1,349,820)	(178,708)	(153,216)
Net Cash Flows from (used in) Financing Activities	1,243,823	(109,175)	(195,242)

Prepared by

Siam Commercial Bank Public Company Limited

Company hereby certified the correctness of this information memorandum

Mudman Public Company Limited

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Mr. Supasith Sukhanindr
Director

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Mr. Nadim Xavier Salhani
Director