

**Zen Corporation Group Public Company Limited
and its Subsidiaries**

Condensed interim financial statements
for the three-month and nine-month periods ended
30 September 2021
and
Independent auditor's review report

Independent Auditor's Report on Review of Interim Financial Information

To the Board of Directors of Zen Corporation Group Public Company Limited

I have reviewed the accompanying consolidated and separate statements of financial position of Zen Corporation Group Public Company Limited and its subsidiaries (the "Group"), and of Zen Corporation Group Public Company Limited (the "Company"), respectively, as at 30 September 2021; the consolidated and separate statements of comprehensive income for the three-month and nine-month periods ended 30 September 2021, the consolidated and separate statements of changes in equity and cash flows for the nine-month period ended 30 September 2021; and condensed notes ("interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

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

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Reporting".

(Thanit Osathalert)
Certified Public Accountant
Registration No. 5155

KPMG Phoomchai Audit Ltd.
Bangkok
9 November 2021

Zen Corporation Group Public Company Limited and its Subsidiaries

Statement of financial position

		Consolidated		Separate	
		financial statements		financial statements	
		30 September	31 December	30 September	31 December
		Note	2021	2021	2020
Assets			(Unaudited)	(Unaudited)	
<i>(in thousand Baht)</i>					
Current assets					
Cash and cash equivalents			105,031	268,540	32,753
Trade and other current receivables	5		57,286	71,854	28,740
Short-term loans to related parties	5		-	-	354,888
Inventories			95,903	87,146	-
Current tax asset			7,147	7,986	4,981
Other current assets	5		18,466	26,054	4,599
Total current assets			283,833	461,580	425,961
Non-current assets					
Investment in an associate	6		4,238	2,467	-
Investments in subsidiaries	6		-	-	498,816
Property, plant and equipment	7		694,352	720,232	359,767
Right-of-use assets	7		843,856	956,943	144,693
Goodwill	4		194,809	180,024	-
Intangible assets other than goodwill			90,965	85,749	13,068
Deferred tax assets			93,109	65,870	20,905
Other non-current assets			219,254	216,091	21,844
Total non-current assets			2,140,583	2,227,376	1,059,093
Total assets			2,424,416	2,688,956	1,485,054
					1,534,426

The accompanying notes form an integral part of the interim financial statements.

Zen Corporation Group Public Company Limited and its Subsidiaries

Statement of financial position

		Consolidated		Separate	
		financial statements		financial statements	
		30 September	31 December	30 September	31 December
Liabilities and equity	Note	2021	2020	2021	2020
		(Unaudited)		(Unaudited)	
<i>(in thousand Baht)</i>					
Current liabilities					
Trade and other current payables	5	200,693	251,918	5,126	13,381
Short-term borrowings from related parties	5	-	-	3,689	3,572
Current portion of lease liabilities		202,945	202,602	17,840	15,805
Current income tax payable		3,673	772	-	-
Accrued expenses		31,789	41,968	2,803	8,395
Current portion of deferred income		12,677	17,171	8	-
Current provisions for loyalty programmes		5,586	4,590	5,498	-
Retention payables		2,583	14,466	19	1,063
Other current liabilities	5	20,737	32,832	4,834	14,636
Total current liabilities		480,683	566,319	39,817	56,852
Non-current liabilities					
Lease liabilities		667,839	778,019	149,777	163,883
Non-current provisions for employee benefits		21,558	17,742	7,804	8,577
Non-current provisions for decommissioning costs		60,387	62,261	5,091	5,091
Deferred income		23,801	29,048	5	-
Other non-current liabilities	5	23,324	24,441	-	-
Total non-current liabilities		796,909	911,511	162,677	177,551
Total liabilities		1,277,592	1,477,830	202,494	234,403

The accompanying notes form an integral part of the interim financial statements.

Zen Corporation Group Public Company Limited and its Subsidiaries

Statement of financial position

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2021	2020	2021	2020
Liabilities and equity	(Unaudited)		(Unaudited)	
	<i>(in thousand Baht)</i>			
Equity				
Share capital:				
Authorised share capital				
<i>(300,000,000 ordinary shares, par value at Baht 1 per share)</i>	300,000	300,000	300,000	300,000
Issued and paid-up share capital				
<i>(300,000,000 ordinary shares, par value at Baht 1 per share)</i>	300,000	300,000	300,000	300,000
Share premium on ordinary shares	959,977	959,977	959,977	959,977
Surplus on business combination under common control	148,733	148,324	-	-
Retained earnings (Deficit)				
Appropriated to legal reserve	30,000	30,000	30,000	30,000
Unappropriated (Deficit)	(328,070)	(227,176)	(7,417)	10,046
Equity Attributable to owners of the parent	1,110,640	1,211,125	1,282,560	1,300,023
Non-controlling interests	36,184	1	-	-
Total equity	1,146,824	1,211,126	1,282,560	1,300,023
Total liabilities and equity	2,424,416	2,688,956	1,485,054	1,534,426

The accompanying notes form an integral part of the interim financial statements.

Zen Corporation Group Public Company Limited and its Subsidiaries

Statement of comprehensive income (Unaudited)

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		Three-month period ended		Three-month period ended	
		30 September		30 September	
		2021	2020	2021	2020
<i>(in thousand Baht)</i>					
Revenues					
Revenue from sales of goods and services	5, 8	346,454	663,671	-	-
Management fee income and others	5, 8	-	-	46,064	52,122
Other income		12,068	15,752	4,603	3,203
Total revenues		358,522	679,423	50,667	55,325
Expenses					
Costs of sales of goods and services	5	236,801	333,011	-	-
Selling expenses		104,274	183,130	-	-
Administrative expenses	5	81,642	100,354	66,204	51,612
Total expenses		422,717	616,495	66,204	51,612
Profit (loss) from operating activities		(64,195)	62,928	(15,537)	3,713
Finance costs	5	(10,193)	(7,874)	(2,033)	(2,230)
Share of loss of associate accounted for using equity method		(488)	(232)	-	-
Profit (loss) before income tax expense		(74,876)	54,822	(17,570)	1,483
Tax expense (income)		(14,794)	9,279	(3,532)	702
Profit (loss) for the period		(60,082)	45,543	(14,038)	781
Other comprehensive income for the period		-	-	-	-
Total comprehensive income (expense) for the period		(60,082)	45,543	(14,038)	781

The accompanying notes form an integral part of the interim financial statements.

Zen Corporation Group Public Company Limited and its Subsidiaries

Statement of comprehensive income (Unaudited)

	Consolidated		Separate	
	financial statements		financial statements	
	Three-month period ended		Three-month period ended	
	30 September		30 September	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Profit (loss) attributable to:				
Owners of the parent	(61,752)	45,543	(14,038)	781
Non-controlling interests	1,670	-	-	-
	<u>(60,082)</u>	<u>45,543</u>	<u>(14,038)</u>	<u>781</u>
Total comprehensive income (expense) attributable to:				
Owners of the parent	(61,752)	45,543	(14,038)	781
Non-controlling interests	1,670	-	-	-
	<u>(60,082)</u>	<u>45,543</u>	<u>(14,038)</u>	<u>781</u>
Basic earnings (loss) per share <i>(in Baht)</i>	<u>(0.20)</u>	<u>0.15</u>	<u>(0.05)</u>	<u>0.00</u>

The accompanying notes form an integral part of the interim financial statements.

Zen Corporation Group Public Company Limited and its Subsidiaries

Statement of comprehensive income (Unaudited)

		Consolidated		Separate	
		financial statements		financial statements	
		Nine-month period ended		Nine-month period ended	
		30 September		30 September	
	Note	2021	2020	2021	2020
		(in thousand Baht)			
Revenues					
Revenue from sales of goods and services	5, 8	1,443,371	1,624,880	-	-
Management fee income and others	5, 8	-	-	167,735	127,825
Dividend income	5	-	-	11,800	-
Other income		31,419	36,788	11,194	10,392
Total revenues		1,474,790	1,661,668	190,729	138,217
Expenses					
Costs of sales of goods and services	5	843,860	895,851	-	-
Selling expenses		460,240	540,806	-	-
Administrative expenses	5	267,624	304,320	209,675	155,317
Total expenses		1,571,724	1,740,977	209,675	155,317
Loss from operating activities		(96,934)	(79,309)	(18,946)	(17,100)
Finance costs	5	(28,110)	(26,812)	(5,812)	(7,381)
Share of loss of associate accounted for using equity method		(1,322)	(641)	-	-
Loss before income tax expense		(126,366)	(106,762)	(24,758)	(24,481)
Tax income		(27,725)	(27,120)	(7,295)	(4,857)
Loss for the period		(98,641)	(79,642)	(17,463)	(19,624)
Other comprehensive income for the period		-	-	-	-
Total comprehensive income (expense) for the period		(98,641)	(79,642)	(17,463)	(19,624)

The accompanying notes form an integral part of the interim financial statements.

Zen Corporation Group Public Company Limited and its Subsidiaries

Statement of comprehensive income (Unaudited)

	Consolidated		Separate	
	financial statements		financial statements	
	Nine-month period ended		Nine-month period ended	
	30 September		30 September	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Profit (loss) attributable to:				
Owners of the parent	(100,894)	(79,642)	(17,463)	(19,624)
Non-controlling interests	2,253	-	-	-
	<u>(98,641)</u>	<u>(79,642)</u>	<u>(17,463)</u>	<u>(19,624)</u>
Total comprehensive income (expense) attributable to:				
Owners of the parent	(100,894)	(79,642)	(17,463)	(19,624)
Non-controlling interests	2,253	-	-	-
	<u>(98,641)</u>	<u>(79,642)</u>	<u>(17,463)</u>	<u>(19,624)</u>
Basic loss per share (in Baht)	<u>(0.33)</u>	<u>(0.27)</u>	<u>(0.06)</u>	<u>(0.07)</u>

The accompanying notes form an integral part of the interim financial statements.

Zen Corporation Group Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

	Consolidated financial statements							
	Issued and paid-up share capital	Share premium on ordinary shares	Surplus on business combination under common control	Retained earnings (deficit)		Equity attributable to owners of the parent	Non-controlling interests	Total equity
				Appropriated to legal reserve	Unappropriated (deficit)			
	(in thousand Baht)							
Nine-month period ended 30 September 2020								
Balance at 31 December 2019 - as reported	300,000	959,977	147,820	30,000	(3,722)	1,434,075	1	1,434,076
Impact of changes in accounting policies	-	-	-	-	(30,557)	(30,557)	-	(30,557)
Balance as at 1 January 2020	300,000	959,977	147,820	30,000	(34,279)	1,403,518	1	1,403,519
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners of the parent								
Disposal of discount on purchases of fixed assets								
from companies under common control	-	-	338	-	-	338	-	338
Dividends	-	-	-	-	(60,000)	(60,000)	-	(60,000)
Total contributions by and distributions to owners of the parent	-	-	338	-	(60,000)	(59,662)	-	(59,662)
Comprehensive income for the period								
Loss	-	-	-	-	(79,642)	(79,642)	-	(79,642)
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income (expense) for the period	-	-	-	-	(79,642)	(79,642)	-	(79,642)
Balance at 30 September 2020	300,000	959,977	148,158	30,000	(173,921)	1,264,214	1	1,264,215

The accompanying notes form an integral part of the interim financial statements.

Zen Corporation Group Public Company Limited and its Subsidiaries
Statement of changes in equity (Unaudited)

				Consolidated financial statements					
				Retained earnings (deficit)					
	Note	Issued and paid-up share capital	Share premium on ordinary shares	Surplus on business combination under common control	Appropriated to legal reserve	Unappropriated (deficit)	Equity attributable to owners of the parent	Non-controlling interests	Total equity
(in thousand Baht)									
Nine-month period ended 30 September 2021									
Balance at 1 January 2021		300,000	959,977	148,324	30,000	(227,176)	1,211,125	1	1,211,126
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners of the parent									
Disposal of discount on purchases of fixed assets from companies under common control		-	-	409	-	-	409	-	409
Total contributions by and distributions to owners of the parent		-	-	409	-	-	409	-	409
Changes in ownership interests in subsidiaries									
Acquisition of a subsidiary with Non-controlling interests	4	-	-	-	-	-	-	33,930	33,930
Total changes in ownership interests in subsidiaries		-	-	-	-	-	-	33,930	33,930
Total transactions with owners, recorded directly in equity		-	-	409	-	-	409	33,930	34,339
Comprehensive income for the period									
Profit (loss)		-	-	-	-	(100,894)	(100,894)	2,253	(98,641)
Other comprehensive income		-	-	-	-	-	-	-	-
Total comprehensive income (expense) for the period		-	-	-	-	(100,894)	(100,894)	2,253	(98,641)
Balance at 30 September 2021		300,000	959,977	148,733	30,000	(328,070)	1,110,640	36,184	1,146,824

The accompanying notes form an integral part of the interim financial statements.

Zen Corporation Group Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

	Separate financial statements				
			Retained earnings		
	Issued and paid-up share capital	Share premium on ordinary shares	Appropriated to legal reserve <i>(in thousand Baht)</i>	Unappropriated	Total equity
Nine-month period ended 30 September 2020					
Balance at 31 December 2019 - as reported	300,000	959,977	30,000	169,673	1,459,650
Impact of changes in accounting policies	-	-	-	(5,966)	(5,966)
Balance at 1 January 2020	300,000	959,977	30,000	163,707	1,453,684
Transactions with owners, recorded directly in equity					
<i>Contributions by and distributions to owners</i>					
Dividends	-	-	-	(60,000)	(60,000)
<i>Total contributions by and distributions to owners</i>	-	-	-	(60,000)	(60,000)
Comprehensive income for the period					
Loss	-	-	-	(19,624)	(19,624)
Other comprehensive income	-	-	-	-	-
Total comprehensive income (expense) for the period	-	-	-	(19,624)	(19,624)
Balance at 30 September 2020	300,000	959,977	30,000	84,083	1,374,060

The accompanying notes form an integral part of the interim financial statements.

Zen Corporation Group Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

	Separate financial statements				
			Retained earnings (deficit)		
	Issued and paid-up share capital	Share premium on ordinary shares	Appropriated to legal reserve	Unappropriated (deficit)	Total equity
			(in thousand Baht)		
Nine-month period ended 30 September 2021					
Balance at 1 January 2021	300,000	959,977	30,000	10,046	1,300,023
Comprehensive income for the period					
Loss	-	-	-	(17,463)	(17,463)
Other comprehensive income	-	-	-	-	-
Total comprehensive income (expense) for the period	-	-	-	(17,463)	(17,463)
Balance at 30 September 2021	300,000	959,977	30,000	(7,417)	1,282,560

The accompanying notes form an integral part of the interim financial statements.

Zen Corporation Group Public Company Limited and its Subsidiaries

Statement of cash flows (Unaudited)

	Consolidated financial statements		Separate financial statements	
	Nine-month period ended		Nine-month period ended	
	30 September		30 September	
	2021	2020	2021	2020
	(in thousand Baht)			
<i>Cash flows from operating activities</i>				
Loss for the period	(98,641)	(79,642)	(17,463)	(19,624)
<i>Adjustments to reconcile profit (loss) to cash receipts (payments)</i>				
Tax income	(27,725)	(27,120)	(7,295)	(4,857)
Finance costs	28,110	26,812	5,812	7,381
Depreciation and amortisation	274,628	297,586	26,761	26,220
Reversal of provision for decommissioning costs	(589)	(684)	-	(1,183)
Provision for employee benefits	5,251	5,753	2,404	2,892
Provision for loyalty programmes	996	617	4,657	-
Share of loss of associate accounted for using equity method, net of tax	1,604	1,036	-	-
Reversal of impairment loss on assets	(4,803)	(4,478)	-	(395)
Impairment loss on receivables	-	2,653	-	-
Reversal of loss on inventories devaluation and deteriorate	(2,330)	(1,913)	-	-
Loss (gain) on disposal of property, plant and equipment and intangible assets	7,316	15,566	(54)	1,358
Gain on disposal of right-of-use assets	(7,551)	(5,261)	-	-
Differences on a granted concession	(75,276)	666	(2,381)	-
Recognition of deferred income	(54,024)	(62,827)	(306)	-
Dividend income	-	-	(11,800)	-
Interest income	(445)	(848)	(9,306)	(9,225)
	46,521	167,916	(8,971)	2,567
<i>Changes in operating assets and liabilities</i>				
Trade and other current receivables	14,568	53,390	(5,830)	6,587
Inventories	(6,427)	23,700	-	-
Other current assets	7,650	(923)	1,308	3,110
Other non-current assets	(3,163)	(3,973)	(4,777)	(6,247)
Trade and other current payables	(51,225)	(14,440)	(8,255)	6,005
Retention payables	(11,883)	(3,157)	(1,044)	11
Accrued expenses	(10,179)	(55,444)	(5,592)	(13,897)
Other current liabilities	(12,095)	1,254	(8,961)	8,924
Deferred income	44,283	61,674	319	-
Other non-current liabilities	(692)	(1,649)	-	-
Net cash generated from (used in) operating	17,358	228,348	(41,803)	7,060
Provisions for employee benefit paid	(3,935)	-	(3,177)	-
Taxes paid	(254)	(2,742)	(204)	4,091
Net cash from (used in) operating activities	13,169	225,606	(45,184)	11,151

The accompanying notes form an integral part of the interim financial statements.

Zen Corporation Group Public Company Limited and its Subsidiaries

Statement of cash flows (Unaudited)

	Consolidated		Separate	
	financial statements		financial statements	
	Nine-month period ended		Nine-month period ended	
	30 September		30 September	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
<i>Cash flows from investing activities</i>				
Proceeds from decreasing in share capital of a subsidiary	-	-	-	225,000
Acquisition of a subsidiary, net of cash acquired	(40,100)	-	-	-
Acquisition of interest in associate	(3,375)	(4,125)	-	-
Proceeds from sale of property, plant and equipment	5,645	23,649	59	91
Acquisition of property, plant and equipment and intangible assets	(32,165)	(45,610)	(4,123)	(10,355)
Short-term loans to related parties	-	-	(1,432,771)	(1,123,598)
Proceeds from repayment of short-term loans to related parties	-	-	1,351,215	1,127,402
Decommissioning costs paid	(1,710)	-	-	-
Dividends received	-	-	11,800	-
Interest received	382	587	8,670	9,078
Net cash from (used in) investing activities	(71,323)	(25,499)	(65,150)	227,618
<i>Cash flows from financing activities</i>				
Proceeds from short-term borrowings from financial institutions	50,000	90,000	50,000	90,000
Proceeds from short-term borrowings from related parties	-	-	79,279	328,130
Repayment of short-term borrowings from financial institutions	(50,000)	(90,000)	(50,000)	(90,000)
Repayment of short-term borrowings from related parties	-	-	(79,162)	(452,195)
Payment of lease liabilities	(77,245)	(151,311)	(9,692)	(11,419)
Dividends paid to owners of the Company	-	(60,000)	-	(60,000)
Interest paid	(28,110)	(26,812)	(5,812)	(7,536)
Net cash used in financing activities	(105,355)	(238,123)	(15,387)	(203,020)
Net increase (decrease) in cash and cash equivalents	(163,509)	(38,016)	(125,721)	35,749
Cash and cash equivalents at 1 January	268,540	363,311	158,474	221,442
Cash and cash equivalents at 30 September	105,031	325,295	32,753	257,191
<i>Non-cash transactions</i>				
Increase in right-of-use assets	151,400	95,720	-	1,774
Decrease in right-of-use assets	(102,865)	(15,300)	(634)	-
Decrease in lease liabilities from rent concessions	(75,276)	(41,476)	(2,381)	(30)

The accompanying notes form an integral part of the interim financial statements.

Zen Corporation Group Public Company Limited and its Subsidiaries
Notes to the condensed interim financial statements
For the three-month and nine-month periods ended 30 September 2021 (Unaudited)

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Zen Corporation Group Public Company Limited and its Subsidiaries
Notes to the condensed interim financial statements
For the three-month and nine-month periods ended 30 September 2021 (Unaudited)

These notes form an integral part of the interim financial statements.

The interim financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language financial statements and were approved and authorised for issue by the Board of Directors on 9 November 2021.

1 Basis of preparation of the interim financial statements

The condensed interim financial statements are presented in the same format as the annual financial statements together with notes to the interim financial statements on a condensed basis (“interim financial statements”) in accordance with Thai Accounting Standard (TAS) No. 34 *Interim Financial Reporting*, guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission. The interim financial statements focus on new activities, events and circumstances to avoid repetition of information previously reported in annual financial statements. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Company and its subsidiaries for the year ended 31 December 2020.

In preparing these interim financial statements, judgements and estimates are made by management in applying the Group’s accounting policies. Actual results may differ from these estimates. The accounting policies, methods of computation and the key sources of estimation uncertainty were the same as those that described in the financial statements for the year ended 31 December 2020, except for those described in note 2 and 3.

2 Change in accounting policy

COVID-19-related rent concessions

From 1 January 2021, the Group has adopted the amendment to TFRS 16 *COVID-19-related rent concessions* which provides an option for lessees not to assess whether eligible COVID-19 related rent concessions are lease modification. The Group has applied the option to all lease contracts and there is no impact on lease liabilities and retained earnings at 1 January 2021.

In 2021, the Group and the Company received COVID-19-related rent concessions resulting in a decrease in lease payment for the three-month period ended 30 September 2021, amounting to Baht 34.5 million and Baht 1.8 million, respectively, and for the nine-month period ended 30 September 2021, amounting to Baht 75.3 million and Baht 2.4 million, respectively.

3 Impact of COVID-19 pandemic

COVID-19 pandemic is still on going, while vaccines for COVID-19 are being rolled out during 2021. Due to uncertainty of the situation in 2020, the Group applied accounting guidance on temporary accounting relief measures for additional accounting options in response to impact from the situation of COVID-19 in preparing the financial statements for the year ended 31 December 2020 by excluding COVID-19 situation in impairment of assets, lease modifications and deferred tax assets. As the accounting guidance already expired on 31 December 2020, the Group considered the impact of the expiration of this accounting guidance which have no material impact on the financial statements in 2021, except COVID-19-related rent concessions (see note 2).

Zen Corporation Group Public Company Limited and its Subsidiaries
Notes to the condensed interim financial statements
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4 Acquisition of a subsidiary

At the Board of Director Meeting of the Company held on 12 March 2021, the Board of Directors approved Zen & Spicy Co., Ltd. ("ZPC"), a subsidiary of the Company, invest with a group of people in Zen and Kosum Interfoods Co., Ltd. ("ZKC") which is the newly established company, in order to operate the business of manufacturing and retailing of seasoning and other food products. ZKC registered with the Department of Business Development on 25 March 2021, with the authorised share capital of Baht 4.9 million (49,001 ordinary shares, par value at Baht 100 per share).

At the Board of Director Meeting of ZPC held on 25 March 2021, the Board of Directors approved ZPC invest in ZKC by purchasing shares from the existing shareholders and increase the share capital in ZKC of 51,000 shares, amounting to a total of Baht 50.1 million (included share premium on ordinary shares), 51% of authorised share capital, and ZPC has already paid in April 2021. Later, ZKC registered to increase in authorised share capital with the Department of Business Development on 28 April 2021, then the Group obtained control in ZKC.

Taking control of ZKC will enable the Group to achieve the variety of food service businesses to expand into the food and retail business. It covers the manufacturing of seasoning and ready-to-cook and ready-to-eat food. The acquisition is expected to provide the Group to become the main business which generate more sales volume.

Identifiable assets acquired and liabilities assumed

	Fair value <i>(in thousand Baht)</i>
Cash and cash equivalents	10,000
Property, plant and equipment	58,966
Intangible assets	8,423
Lease liabilities	(1,166)
Deferred tax liabilities	(4,478)
Non-current provisions for employee benefits	(2,500)
Total identifiable net assets	69,245
<i>Less Non-controlling interests (49 %)</i>	<i>33,930</i>
Total identifiable net assets received	35,315
Goodwill arising from the acquisition	14,785
Purchase consideration transferred	50,100
Net cash acquired with the subsidiary	10,000
Cash paid	50,100
Net cash outflows	40,100

Management has appointed an independent valuation to assess the fair value of the above business. The fair value of assets acquired and liabilities assumed have been provisionally determined at the acquisition date. Determination of fair value of assets acquired and liabilities assumed and the allocation of the purchase price have not been completed as of the date of approval of these interim financial statements.

The Group is continuing its review of these matters during the measurement period. If new information obtained within one year from the acquisition date about facts and circumstances that existed at the acquisition date identifies adjustments to the above provisional fair values.

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5 Related parties

Relationships with associate and subsidiaries that have material changes are described in note 6. Relationships with key management and other related parties, as well as, pricing policies for particular types of transactions with related parties have no material changes during the three-month and nine-month periods ended 30 September 2021.

Significant transactions with related parties Three-month period ended 30 September	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Subsidiaries				
Purchases of goods	-	-	-	122
Purchases of fixed assets	-	-	-	84
Sales of fixed assets	-	-	-	150
Interest income	-	-	3,794	2,578
Interest expense	-	-	18	229
Management fee income and others	-	-	46,064	51,739
Other expenses	-	-	44	29
Associate				
Sales of goods	650	319	-	-
Franchise fee income	106	74	-	-
Sales of fixed assets and other assets	67	78	-	-
Other income	80	87	-	-
Other expenses	20	-	20	-
Other related parties				
Rental expense	190	504	-	-
Key management personnel				
Key management personnel compensation				
Short-term employee benefit	7,642	8,241	6,951	8,241
Post-employment benefits	651	299	651	299
Total	8,293	8,540	7,602	8,540

Zen Corporation Group Public Company Limited and its Subsidiaries
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<i>Significant transactions with related parties</i> <i>Nine-month period ended 30 September</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Subsidiaries				
Purchases of goods	-	-	449	300
Sales of goods	-	-	169	-
Purchases of fixed assets	-	-	8	2,092
Sales of fixed assets	-	-	5	152
Interest income	-	-	8,894	8,493
Interest expense	-	-	45	939
Dividend income	-	-	11,800	-
Management fee income and others	-	-	167,735	127,442
Other income	-	-	-	97
Other expenses	-	-	262	96
Associate				
Sales of goods	1,607	777	-	-
Franchise fee income	447	173	-	-
Sales of fixed assets and other assets	177	235	-	-
Other income	247	466	-	-
Other expenses	20	-	20	-
Other related parties				
Rental expense	935	1,211	-	-
Key management personnel				
Key management personnel compensation				
Short-term employee benefit	25,434	19,840	24,280	19,840
Post-employment benefits	1,955	896	1,955	896
Total	27,389	20,736	26,235	20,736

Balances as at 30 September 2021 and 31 December 2020 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
	<i>(in thousand Baht)</i>			
Trade accounts receivable				
Subsidiaries	-	-	28,275	22,767
Associate	72	415	-	-
Total	72	415	28,275	22,767
Other current receivables				
Subsidiaries	-	-	332	37
Associate	-	2	-	2
Total	-	2	332	39
Loans to				
Subsidiaries	-	-	354,888	273,332
Total	-	-	354,888	273,332

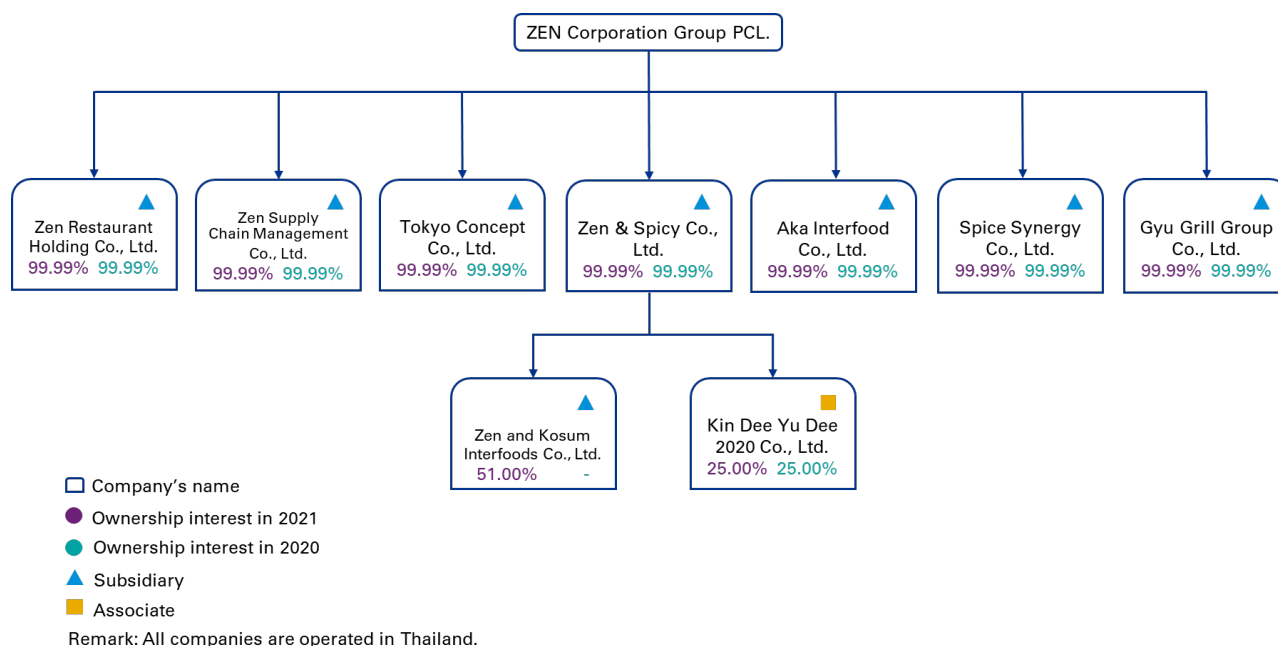
Zen Corporation Group Public Company Limited and its Subsidiaries
Notes to the condensed interim financial statements
For the three-month and nine-month periods ended 30 September 2021 (Unaudited)

	Consolidated financial statements		Separate financial statements	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
	<i>(in thousand Baht)</i>			
<i>Prepaid expense</i>				
Other related parties	3	-	-	-
Total	3	-	-	-
<i>Refundable deposits</i>				
Other related parties	2,667	2,667	-	-
Total	2,667	2,667	-	-
<i>Accrued interest income</i>				
Subsidiaries	-	-	1,336	763
Total	-	-	1,336	763
<i>Trade accounts payable</i>				
Subsidiaries	-	-	407	7,969
Other related parties	251	235	-	-
Total	251	235	407	7,969
<i>Other current payables</i>				
Subsidiaries	-	-	7	47
Total	-	-	7	47
<i>Deposits for materials</i>				
Associate	270	190	-	-
Total	270	190	-	-
<i>Advance deposit received</i>				
Associate	-	47	-	-
Total	-	47	-	-
<i>Accrued interest expenses</i>				
Subsidiaries	-	-	3	3
Total	-	-	3	3
<i>Borrowings from</i>				
Subsidiaries	-	-	3,689	3,572
Total	-	-	3,689	3,572

All short-term loans to and short-term borrowing with all related parties are unsecured and have repayment terms at call.

Zen Corporation Group Public Company Limited and its Subsidiaries
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6 Investments in subsidiaries and an associate



Material movements for the nine-month period ended 30 September 2021

Subsidiary

Purchase investment in ZKC

Note

4

Consolidated financial statements
(in thousand Baht)

50,100

Associate

Purchase investment in Kin Dee Yu Dee 2020 Co., Ltd.

3,375

Increase in investment in an associate

During the year ended 31 December 2020, a subsidiary has entered into an associate agreement with a local company for the purchase of 25% of the associate's total issued shares. At the Board of Director Meeting held on 8 May 2020, the Board of Directors approved a Subsidiary increase the investment in Kin Dee Yu Dee 2020 Co., Ltd. (the "Associate") of Baht 4.5 million, amounting to a total of Baht 7.5 million. The Associate registered to increase in authorised share capital with the Department of Business Development, Ministry of Commerce in July 2020. A Subsidiary subscribed in the Associate's capital increase in existing proportion of a Subsidiary's shareholding in the Associate (25%). Later, the Company fully paid these paid-up share capital in February 2021.

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Notes to the condensed interim financial statements
For the three-month and nine-month periods ended 30 September 2021 (Unaudited)

7 Property, plant and equipment

<i>For the nine-month period ended 30 September 2021</i>	Consolidated financial statements <i>(in thousand Baht)</i>	Separate financial statements
Acquisitions - at cost	88,173	782
Disposals - net book value	(12,927)	(5)
Transfer from right-of-use assets - net book value	634	634
Reversal of impairment loss on assets	(4,803)	-

Right-of-use assets

<i>For the nine-month period ended 30 September 2021</i>	Consolidated financial statements <i>(in thousand Baht)</i>	Separate financial statements
Additions - at cost	151,400	-
Disposals - net book value	(102,231)	-
Transfer to property, plant and equipment - net book value	(634)	(634)

The Group leases the spaces for 3 years, with extension options at the end of lease term and the rental is variable payments depending on the lease term. The rental is payable monthly as specified in the contract.

8 Segment information and disaggregation of revenue

Business segment

Management considers that the Group operates in a single line of main business, namely restaurant, and has, therefore, only one reportable segment.

Geography

The Group is mostly managed and operates principally in Thailand. There are no material revenues derived from, or assets located in, foreign countries.

In the following table, revenue is disaggregated by primary major products and timing of revenue recognition.

<i>For the three-month period ended 30 September</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Major products and services lines				
Revenue from sales of goods	332,165	645,214	-	-
Franchise fee income	14,289	18,457	-	-
Management fee income and others	-	-	46,064	52,122
Total	346,454	663,671	46,064	52,122
Timing of revenue recognition				
At a point in time	344,498	661,911	-	-
Over time	1,956	1,760	46,064	52,122
Total	346,454	663,671	46,064	52,122

Zen Corporation Group Public Company Limited and its Subsidiaries
Notes to the condensed interim financial statements
For the three-month and nine-month periods ended 30 September 2021 (Unaudited)

	Consolidated financial statements		Separate financial statements	
<i>For the nine-month period ended 30 September</i>	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Major products and services lines				
Revenue from sales of goods	1,397,696	1,575,320	-	-
Franchise fee income	45,675	49,560	-	-
Management fee income and others	-	-	167,735	127,825
Total	1,443,371	1,624,880	167,735	127,825
Timing of revenue recognition				
At a point in time	1,437,822	1,617,644	-	-
Over time	5,549	7,236	167,735	127,825
Total	1,443,371	1,624,880	167,735	127,825

9 Financial instruments

Carrying amounts and fair values

The carrying amounts and fair values of financial current assets and financial current liabilities are taken to approximate the carrying values due to the relatively short-term maturity of these financial assets and liabilities.

10 Commitments with non-related parties

	Consolidated financial statements	Separate financial statements
<i>At 30 September 2021</i>	<i>(in thousand Baht)</i>	
Capital commitments		
Leasehold improvements	8,913	-
Office equipments	1,049	45
Intangible assets	5,544	5,503
Total	15,506	5,548
Other commitments		
Short-term lease commitments	10,368	1,283
Purchase orders for goods and supplies	68,011	352
Bank guarantees	1,100	-
Service agreements	282,558	-
Other agreements	63,769	49,817
Total	425,806	51,452

The Group has the Marketing Support Agreement with 2 local companies for promotion and distribution of certain products of such companies in the group's and franchisees' restaurants for the period from 1 July 2019 to 31 December 2024. In consideration thereof, the Group is committed to perform promotion activities and comply with certain conditions as indicated in the agreement.