

T.A.C. Consumer Public Company Limited
Review report and interim financial statements
For the three-month period ended 31 March 2017

T.A.C. Consumer
Public Company Limited
บริษัท ที.เอ.ซี. คอนซูเมอร์ จำกัด (มหาชน)







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working world

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Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of T.A.C. Consumer Public Company Limited

I have reviewed the accompanying statement of financial position of T.A.C. Consumer Public Company Limited as at 31 March 2017, the related statements of comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, as well as the condensed notes to the financial statements. 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.

Kamontip Lertwitworatep

Certified Public Accountant (Thailand) No. 4377

EY Office Limited

Bangkok: 11 May 2017

T.A.C. Consumer Public Company Limited

Statement of financial position

As at 31 March 2017

(Unit: Thousand Baht)

	Note	31 March 2017 (Unaudited but reviewed)	31 December 2016 (Audited)
Assets			
Current assets			
Cash and cash equivalents	3	45,509	153,446
Current investments	4	476,292	394,057
Trade and other receivables	5	222,423	222,942
Inventories		46,795	39,317
Other current assets		2,725	1,280
Total current assets		793,744	811,042
Non-current assets			
Restricted bank deposits	3	27,000	27,000
Property, plant and equipment	6	85,520	88,661
Intangible assets		2,881	3,225
Deferred tax assets	9	2,473	2,301
Other non-current assets		1,786	2,005
Total non-current assets		119,660	123,192
Total assets		913,404	934,234

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

T.A.C. Consumer
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บริษัท ที.เอ.ซี. คอนซูเมอร์ จำกัด (มหาชน)



.....Director

Mr. Chatchawe Vatanasuk



.....Director

Mr. Chanit Suwanparin

T.A.C. Consumer Public Company Limited
Statement of financial position (continued)


As at 31 March 2017

(Unit: Thousand Baht)

	Note	31 March 2017 (Unaudited but reviewed)	31 December 2016 (Audited)
Liabilities and shareholders' equity			
Current liabilities			
Trade and other payables	8	189,987	245,300
Current portion of liabilities under financial lease agreements		1,503	1,546
Income tax payable		21,631	14,959
Other current liabilities		4,836	3,248
Total current liabilities		217,957	265,053
Non-current liabilities			
Liabilities under financial lease agreements - net of current portion		1,988	2,331
Provision for long-term employee benefits		11,566	10,782
Total non-current liabilities		13,554	13,113
Total liabilities		231,511	278,166
Shareholders' equity			
Share capital			
Registered			
608,000,000 ordinary shares of Baht 0.25 each		152,000	152,000
Issued and fully paid up			
608,000,000 ordinary shares of Baht 0.25 each		152,000	152,000
Share premium		426,989	426,989
Retained earnings			
Appropriated - statutory reserve		13,437	13,437
Unappropriated		89,467	63,642
Total shareholders' equity		681,893	656,068
Total liabilities and shareholders' equity		913,404	934,234

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


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..........Director

Mr. Chatchawe Vatanasuk

..........Director

Mr. Chanit Suwanparin

(Unaudited but reviewed)

T.A.C. Consumer Public Company Limited

Statement of comprehensive income

For the three-month period ended 31 March 2017

(Unit: Thousand Baht, except earnings per share expressed in Baht)

	<u>Note</u>	<u>2017</u>	<u>2016</u>
Profit or loss:			
Revenues			
Sales		283,300	283,222
Other income		3,777	1,239
Total revenues		<u>287,077</u>	<u>284,461</u>
Expenses			
Cost of sales		192,786	196,189
Selling expenses		48,644	40,109
Administrative expenses		13,150	17,740
Total expenses		<u>254,580</u>	<u>254,038</u>
Profit before finance cost and income tax expenses		32,497	30,423
Finance cost		(72)	(146)
Profit before income tax expenses		32,425	30,277
Income tax expenses	9	(6,600)	(6,358)
Profit for the period		<u>25,825</u>	<u>23,919</u>
Other comprehensive income			
Other comprehensive income for the period		-	-
Total comprehensive income for the period		<u><u>25,825</u></u>	<u><u>23,919</u></u>
Basic earnings per share	10		
Profit (Baht)		<u>0.04</u>	<u>0.04</u>
Weighted average number of ordinary shares (Thousand shares)		<u>608,000</u>	<u>608,000</u>

**T.A.C. Consumer
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The accompanying notes are an integral part of the financial statements
บริษัท ที.เอ.ซี. คอนซูเมอร์ จำกัด (มหาชน)



Director

Mr. Chatchawe Vatanasuk



Director

Mr. Chanit Suwanparin

(Unaudited but reviewed)

T.A.C. Consumer Public Company Limited

Statement of changes in shareholders' equity


For the three-month period ended 31 March 2017


(Unit: Thousand Baht)

	Issued and paid up share capital	Share premium	Retained earnings		Total
			Appropriated - statutory reserve	Unappropriated	
Balance as at 1 January 2016	152,000	426,989	8,345	27,702	615,036
Total comprehensive income for the period	-	-	-	23,919	23,919
Balance as at 31 March 2016	<u>152,000</u>	<u>426,989</u>	<u>8,345</u>	<u>51,621</u>	<u>638,955</u>
Balance as at 1 January 2017	152,000	426,989	13,437	63,642	656,068
Total comprehensive income for the period	-	-	-	25,825	25,825
Balance as at 31 March 2017	<u>152,000</u>	<u>426,989</u>	<u>13,437</u>	<u>89,467</u>	<u>681,893</u>

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

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.....Director
Mr. Chatchawe Vatanasuk


.....Director
Mr. Chanit Suwanparin

(Unaudited but reviewed)

T.A.C. Consumer Public Company Limited

Cash flow statement


For the three-month period ended 31 March 2017

(Unit: Thousand Baht)

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities		
Profit before tax	32,425	30,277
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:		
Depreciation and amortisation	4,010	2,393
Allowance for doubtful accounts	-	23
Reduction of inventories to net realisable value	-	1,950
Gain on sales and change in value of investments in trading securities	(1,307)	(783)
Loss (gain) on disposals and write-off of equipment	(13)	2
Provision for long-term employee benefits	784	676
Interest income	(521)	(420)
Interest expenses	72	146
Profit from operating activities before changes in operating assets and liabilities	35,450	34,264
Operating assets decrease (increase):		
Trade and other receivables	716	(9,252)
Inventories	(7,478)	(5,413)
Other current assets	(1,445)	3,882
Other non-current assets	219	213
Operating liabilities increase (decrease):		
Trade and other payables	(38,155)	17,132
Other current liabilities	1,588	(367)
Cash from (used in) operating activities	(9,105)	40,459
Cash received from interest income	324	1
Cash paid for income tax	(100)	(7)
Net cash from (used in) operating activities	<u>(8,881)</u>	<u>40,453</u>

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

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(Unaudited but reviewed)

T.A.C. Consumer Public Company Limited

Cash flow statement (continued)

For the three-month period ended 31 March 2017

	(Unit: Thousand Baht)	
	<u>2017</u>	<u>2016</u>
Cash flows from investing activities		
Increase in restricted bank deposits	-	(30,000)
Increase in current investments	(80,928)	(329,001)
Acquisitions of equipment	(17,688)	(2,734)
Proceeds from disposals of equipment	<u>18</u>	<u>1</u>
Net cash used in investing activities	<u>(98,598)</u>	<u>(361,734)</u>
Cash flows from financing activities		
Repayments of liabilities under finance lease agreements	<u>(458)</u>	<u>(884)</u>
Net cash used in financing activities	<u>(458)</u>	<u>(884)</u>
Net decrease in cash and cash equivalents	(107,937)	(322,165)
Cash and cash equivalents at beginning of period	<u>153,446</u>	<u>484,471</u>
Cash and cash equivalents at end of period (Note 3)	<u><u>45,509</u></u>	<u><u>162,306</u></u>


Supplemental cash flows information


Non-cash transactions

Acquisitions of assets under financial lease agreements	-	567
Acquisitions of equipment that have not been paid	119	2,481

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.....Director
Mr. Chatchawe Vatanasuk


.....Director
Mr. Chanit Suwanparin

T.A.C. Consumer Public Company Limited
Notes to interim financial statements
For the three-month period ended 31 March 2017

1. General information

1.1 Company information

T.A.C. Consumer Public Company Limited (“the Company”) was incorporated as a limited company under Thai laws and registered the change of its status to a public limited company under the Public Limited Companies Act on 26 August 2015. The Company operates in Thailand and its principal activity is the manufacture and distribution of beverage, with the registered office address at 9/231-233, 23rd Floor, UM Tower, Ramkhamhaeng Road, Suanluang, Bangkok, and its factory address is at 99/112 Moo 1, Nongmadaeng, Banbueng, Chonburi.

1.2 Basis for the preparation of interim financial statements


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


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

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

1.3 New financial reporting standards

During the period, the Company has adopted the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which are effective for fiscal years beginning on or after 1 January 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements.


.....Director
Mr.Chatchawe Vatanasuk


.....Director
Mr.Chanit Suwanparin

1.4 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2016.

2. Related party transactionsDirectors and management's benefits

During the three-month periods ended 31 March 2017 and 2016, the Company had employee benefit expenses payable to its directors and management as below.

(Unit: Thousand Baht)

For the three-month periods
ended 31 March

	<u>2017</u>	<u>2016</u>
Short-term employee benefits	7,240	8,491
Post-employment benefits	960	844
Total	<u>8,200</u>	<u>9,335</u>

3. Cash and cash equivalents


(Unit: Thousand Baht)


	31 March 2017	31 December 2016
Cash	20	20
Bank deposits	72,489	180,426
Total	72,509	180,446
Less: Restricted bank deposits	(27,000)	(27,000)
Total cash and cash equivalents	<u>45,509</u>	<u>153,446</u>

As at 31 March 2017, bank deposits in savings accounts and fixed deposits carried interests between 0.13 and 0.65 percent per annum (31 December 2016: between 0.13 and 1.50 percent per annum).

Restricted bank deposits are deposits pledged with the bank to secure bank overdrafts and credit facilities as discussed in Note 7.

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4. Current investments

4.1 As at 31 March 2017 and 31 December 2016, current investments consisted of the following:

	(Unit: Thousand Baht)	
	31 March 2017	31 December 2016
Investments in trading securities - fair value (Note 4.2)	314,363	334,056
Fixed deposits	161,929	60,001
Total current investments	<u>476,292</u>	<u>394,057</u>

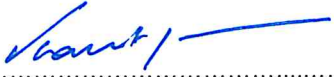
As at 31 March 2017, the Company had current investments in 5-month and 12-month fixed deposits totaling Baht 161.93 million, carrying interests between 1.25 and 1.38 percent per annum and due for redemption during June 2017 to March 2018 (31 December 2016: Baht 60 million, carrying interests between 1.25 and 1.50 percent per annum).

4.2 Movements in the current investments in trading securities during the three-month period ended 31 March 2017 are summarised below.

	(Unit: Thousand Baht)
Balance as at 31 December 2016	334,056
Cash paid for current investments in trading securities during the period - at cost	260,000
Sales during the period - at cost	
Proceeds from sales	(281,000)
Gain on sales	453
Total	(280,547)
Gain on change in value	854
Balance as at 31 March 2017	<u>314,363</u>


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Director
 Mr.Chanit Suwanparin

5. Trade and other receivables

	(Unit: Thousand Baht)	
	31 March 2017	31 December 2016
<u>Trade accounts receivable - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	183,760	204,772
Past due		
Up to 3 months	31,319	13,486
3 - 6 months	1,331	43
6 - 12 months	21	4
Over 12 months	51	61
Total	216,482	218,366
Less: Allowance for doubtful accounts	(18)	(18)
Total trade accounts receivable - unrelated parties - net	216,464	218,348
<u>Other receivables</u>		
Other receivables - unrelated parties	1,821	1,226
Less: Allowance for doubtful accounts	(233)	(233)
Total other receivables - unrelated parties - net	1,588	993
Prepaid expenses	3,784	3,211
Interest receivable	587	390
Total other receivables - net	5,959	4,594
Total trade and other receivables – net	222,423	222,942


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6. Property, plant and equipment

Movements in the property, plant and equipment account during the three-month period ended 31 March 2017 are summarised below.

	(Unit: Thousand Baht)
Net book value as at 31 December 2016	88,661
Acquisitions during the period - at cost	530
Disposals and write-off during the period - net book value on disposal/write-off date	(5)
Depreciation for the period	(3,666)
Net book value as at 31 March 2017	<u>85,520</u>

The Company has mortgaged its land with structures thereon with the net book value as at 31 March 2017 of approximately Baht 17.7 million (31 December 2016: Baht 17.8 million) as collateral for bank overdrafts and credit facilities granted by a commercial bank as discussed in Note 7.

7. Bank overdrafts


The bank overdrafts are secured by the pledge of the Company's bank deposits and the mortgage of land with structures thereon.

As at 31 March 2017, the Company had bank overdrafts which had not yet been drawn down amounting to Baht 134.8 million (31 December 2016: Baht 134.8 million).

8. Trade and other payables

	(Unit: Thousand Baht)	
	31 March 2017	31 December 2016
Trade payables - unrelated parties	139,653	146,694
Other payables - unrelated parties	21,889	55,184
Accrued expenses	28,445	43,422
Total trade and other payables	<u>189,987</u>	<u>245,300</u>

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9. Income tax

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

Income tax expenses for the three-month periods ended 31 March 2017 and 2016 are made up as follows:

	(Unit: Thousand Baht)	
	<u>2017</u>	<u>2016</u>
Current income tax:		
Current income tax charge	6,772	6,852
Deferred tax:		
Relating to origination of temporary differences	<u>(172)</u>	<u>(494)</u>
Income tax expenses reported in the statement of comprehensive income	<u>6,600</u>	<u>6,358</u>

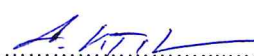
10. Earnings per share


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

11. Segment information

The Company is organised into business units based on its products. During the current period, the Company has not changed the organisation of its reportable operating segment. The Company is principally engaged in one reportable operating segment in the manufacture and distribution of beverage. Its operations are carried on only in Thailand, through the distribution channel both in domestic and overseas markets. During the three-month period ended 31 March 2017, domestic sales represented 91 percent of total sales (2016: 90 percent of total sales). Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss and assets in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment and geographical area.

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12. Commitments**12.1 Capital commitments**

As at 31 March 2017, the Company had capital commitments relating to the purchases of equipment amounting to approximately Baht 17.2 million. (31 December 2016: Baht 15.7 million).

12.2 Operating lease commitments

The Company has entered into several operating lease agreements in respect of the lease of office building space and equipment and other related service contracts. The terms of the agreements are generally between 1 and 4 years.

Future minimum payments required under these non-cancellable operating lease and service contracts were as follows:

	(Unit: Million Baht)	
	31 March 2017	31 December 2016
Payable		
In up to 1 year	6.0	4.2
In over 1 year and up to 4 years	8.0	2.4

13. Fair value hierarchy

As of 31 March 2017, the Company had the following assets that were measured at fair value.

	(Unit: Thousand Baht)
	<u>Level 2</u>
Financial assets measured at fair value	
Held for trade investments - Debt instruments	314,363


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


14. Event after the reporting period

On 19 April 2017, the Annual General Meeting of the Company's shareholders passed the resolution to approve dividend payment in respect of the profit for the year 2016 to the Company's shareholders at Baht 0.08 per share, totaling Baht 48.64 million, which will be paid to the shareholders within 17 May 2017. Such dividend will be recorded in the second quarter of 2017.

15. Approval of interim financial statements

These interim financial statements were authorised for issue by the board of directors of the Company on 11 May 2017.


..... Director
Mr.Chatchawe Vatanasuk


..... Director
Mr.Chanit Suwanparin