

T.A.C. Consumer Public Company Limited
Review report and interim financial statements
For the three-month and six-month periods ended 30 June 2017

Independent Auditor's Report on Review of Interim Financial Information

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

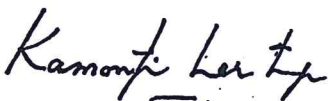
I have reviewed the accompanying statement of financial position of T.A.C. Consumer Public Company Limited as at 30 June 2017, the related statements of comprehensive income for the three-month and six-month periods then ended, the related statements of changes in shareholders' equity and cash flows for the six-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: 10 August 2017

T.A.C. Consumer Public Company Limited

Statement of financial position

As at 30 June 2017


(Unit: Thousand Baht)


	Note	30 June 2017 (Unaudited but reviewed)	31 December 2016 (Audited)
Assets			
Current assets			
Cash and cash equivalents	3	41,230	153,446
Current investments	4	421,352	394,057
Trade and other receivables	5	267,399	222,942
Inventories	6	50,347	39,317
Other current assets		3,760	1,280
Total current assets		784,088	811,042
Non-current assets			
Restricted bank deposits	3	27,000	27,000
Property, plant and equipment	7	93,773	88,661
Intangible assets		2,947	3,225
Deferred tax assets	10	2,647	2,301
Other non-current assets		1,931	2,005
Total non-current assets		128,298	123,192
Total assets		912,386	934,234

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

T.A.C. Consumer
Public Company Limited

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 30 June 2017

(Unit: Thousand Baht)

	Note	30 June 2017 (Unaudited but reviewed)	31 December 2016 (Audited)
Liabilities and shareholders' equity			
Current liabilities			
Trade and other payables	9	215,285	245,300
Current portion of liabilities under financial lease agreements		1,592	1,546
Income tax payable		14,543	14,959
Other current liabilities		2,161	3,248
Total current liabilities		<u>233,581</u>	<u>265,053</u>
Non-current liabilities			
Liabilities under financial lease agreements - net of current portion		2,058	2,331
Provision for long-term employee benefits		12,349	10,782
Total non-current liabilities		<u>14,407</u>	<u>13,113</u>
Total liabilities		<u>247,988</u>	<u>278,166</u>
Shareholders' equity			
Share capital			
Registered			
608,000,000 ordinary shares of Baht 0.25 each		<u>152,000</u>	<u>152,000</u>
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		71,972	63,642
Total shareholders' equity		<u>664,398</u>	<u>656,068</u>
Total liabilities and shareholders' equity		<u>912,386</u>	<u>934,234</u>

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

T.A.C. Consumer
Public Company Limited
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 comprehensive income

For the three-month period ended 30 June 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		329,786	296,515
Other income		<u>1,725</u>	<u>1,857</u>
Total revenues		<u>331,511</u>	<u>298,372</u>
Expenses			
Cost of sales		224,825	205,181
Selling expenses		50,165	42,863
Administrative expenses		<u>17,597</u>	<u>16,135</u>
Total expenses		<u>292,587</u>	<u>264,179</u>
Profit before finance cost and income tax expenses		38,924	34,193
Finance cost		<u>(73)</u>	<u>(145)</u>
Profit before income tax expenses		38,851	34,048
Income tax expenses	10	<u>(7,706)</u>	<u>(6,967)</u>
Profit for the period		<u>31,145</u>	<u>27,081</u>
Other comprehensive income			
Other comprehensive income for the period		<u>-</u>	<u>-</u>
Total comprehensive income for the period		<u>31,145</u>	<u>27,081</u>
Basic earnings per share	11		
Profit (Baht)		<u>0.05</u>	<u>0.04</u>
Weighted average number of ordinary shares (Thousand shares)		<u>608,000</u>	<u>608,000</u>

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**T.A.C. Consumer
Public Company Limited**

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 comprehensive income
For the six-month period ended 30 June 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		613,086	579,737
Other income		<u>5,502</u>	<u>3,096</u>
Total revenues		<u>618,588</u>	<u>582,833</u>
Expenses			
Cost of sales		417,611	401,370
Selling expenses		98,809	82,972
Administrative expenses		<u>30,747</u>	<u>33,875</u>
Total expenses		<u>547,167</u>	<u>518,217</u>
Profit before finance cost and income tax expenses		71,421	64,616
Finance cost		<u>(145)</u>	<u>(291)</u>
Profit before income tax expenses		71,276	64,325
Income tax expenses	10	<u>(14,306)</u>	<u>(13,325)</u>
Profit for the period		<u>56,970</u>	<u>51,000</u>
Other comprehensive income			
Other comprehensive income for the period		<u>-</u>	<u>-</u>
Total comprehensive income for the period		<u>56,970</u>	<u>51,000</u>
Basic earnings per share	11		
Profit (Baht)		<u>0.09</u>	<u>0.08</u>
Weighted average number of ordinary shares (Thousand shares)		<u>608,000</u>	<u>608,000</u>

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

T.A.C. Consumer
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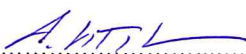
T.A.C. Consumer Public Company Limited
Statement of changes in shareholders' equity
For the six-month period ended 30 June 2017


(Unit: Thousand Baht)

	Note	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		-	-	-	51,000	51,000
Dividend paid	13	-	-	-	(24,318)	(24,318)
Balance as at 30 June 2016		<u>152,000</u>	<u>426,989</u>	<u>8,345</u>	<u>54,384</u>	<u>641,718</u>
Balance as at 1 January 2017		152,000	426,989	13,437	63,642	656,068
Total comprehensive income for the period		-	-	-	56,970	56,970
Dividend paid	13	-	-	-	(48,640)	(48,640)
Balance as at 30 June 2017		<u>152,000</u>	<u>426,989</u>	<u>13,437</u>	<u>71,972</u>	<u>664,398</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

For the six-month period ended 30 June 2017

(Unit: Thousand Baht)

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities		
Profit before tax	71,276	64,325
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:		
Depreciation and amortisation	8,180	5,200
Reversal of allowance for doubtful accounts	-	(20)
Reduction of inventories to net realisable value (reversal)	(3)	1,995
Gain on sales and change in value of investments in trading securities	(2,367)	(1,842)
Loss (gain) from disposals and write-off of equipment and intangible assets	(17)	30
Provision for long-term employee benefits	1,567	1,353
Interest income	(1,130)	(1,200)
Interest expenses	145	290
Profit from operating activities before changes in operating assets and liabilities	77,651	70,131
Operating assets decrease (increase):		
Trade and other receivables	(44,046)	(18,071)
Inventories	(11,027)	(1,644)
Other current assets	(2,480)	4,290
Other non-current assets	74	253
Operating liabilities increase (decrease):		
Trade and other payables	(16,306)	16,482
Other current liabilities	(1,087)	(2,975)
Cash from operating activities	2,779	68,466
Cash received from interest income	719	745
Cash paid for income tax	(15,068)	(6,873)
Net cash from (used in) operating activities	(11,570)	62,338

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

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..... Director

Mr. Chanit Suwanparin

(Unaudited but reviewed)

T.A.C. Consumer Public Company Limited

Cash flow statement (continued)

For the six-month period ended 30 June 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	(24,928)	(338,001)
Acquisitions of plant and equipment	(25,723)	(12,355)
Cash received from disposals of equipment	27	1
Increase in intangible assets	(430)	(31)
Net cash used in investing activities	<u>(51,054)</u>	<u>(380,386)</u>
Cash flows from financing activities		
Repayments of liabilities under finance lease agreements	(952)	(1,822)
Dividend paid	(48,640)	(24,318)
Net cash used in financing activities	<u>(49,592)</u>	<u>(26,140)</u>
Net decrease in cash and cash equivalents	(112,216)	(344,188)
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>41,230</u></u>	<u><u>140,283</u></u>

Supplemental cash flows information

Non-cash transactions

Acquisitions of assets under financial lease agreements	580	846
Acquisitions of equipment that have not been paid	3,568	10,315

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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
Notes to interim financial statements
For the three-month and six-month periods ended 30 June 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, Nongmaidaeng, 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.

T.A.C. Consumer Public Company Limited
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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 transactions

Directors and management's benefits

During the three-month and six-month periods ended 30 June 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 30 June		For the six-month periods ended 30 June	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Short-term employee benefits	10,726	9,560	17,966	18,051
Post-employment benefits	984	897	1,944	1,741
Total	11,710	10,457	19,910	19,792

3. Cash and cash equivalents


	(Unit: Thousand Baht)	
	30 June 2017	31 December 2016
	<u>2017</u>	<u>2016</u>
Cash	20	20
Bank deposits	68,210	180,426
Total	68,230	180,446
Less: Restricted bank deposits	(27,000)	(27,000)
Total cash and cash equivalents	41,230	153,446

As at 30 June 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 8.

T.A.C. Consumer
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.....Director
Mr.Chatchawe Vatanasuk


.....Director
Mr.Chanit Suwanparin

4. Current investments

4.1 As at 30 June 2017 and 31 December 2016, current investments consisted of the following:

	(Unit: Thousand Baht)	
	30 June 2017	31 December 2016
Investments in trading securities - fair value (Note 4.2)	259,423	334,056
Fixed deposits	161,929	60,001
Total current investments	<u>421,352</u>	<u>394,057</u>

As at 30 June 2017, the Company had current investments in 5-month and 12-month fixed deposits totaling Baht 161.9 million, carrying interests between 1.25 and 1.38 percent per annum and due for redemption during July 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 six-month period ended 30 June 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	533,000
Sales during the period - at cost	
Proceeds from sales	(610,000)
Gain on sales	2,213
Total	(607,787)
Gain on change in value	154
Balance as at 30 June 2017	<u>259,423</u>

T.A.C. Consumer
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.....Director
Mr.Chatchawe Vatanasuk


.....Director
Mr.Charit Suwanparin

5. Trade and other receivables

	(Unit: Thousand Baht)	
	30 June 2017	31 December 2016
<u>Trade accounts receivable - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	201,703	204,772
Past due		
Up to 3 months	43,685	13,486
3 - 6 months	16,496	43
6 - 12 months	48	4
Over 12 months	51	61
Total	261,983	218,366
Less: Allowance for doubtful accounts	(18)	(18)
Total trade accounts receivable - unrelated parties - net	261,965	218,348
<u>Other receivables</u>		
Other receivables - unrelated parties	1,617	1,226
Less: Allowance for doubtful accounts	(233)	(233)
Total other receivables - unrelated parties - net	1,384	993
Prepaid expenses	3,249	3,211
Interest receivable	801	390
Total other receivables - net	5,434	4,594
Total trade and other receivables – net	267,399	222,942

T.A.C. Consumer
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.....
Mr.Chatchawe Vatanasuk

..... Director

.....
Mr.Chanit Suwanparin

..... Director

6. Inventories

Movements in the reduction of inventories to net realisable value account during the six-month period ended 30 June 2017 are summarised below.

	(Unit: Thousand Baht)
Balance as at 31 December 2016	1,813
Reversal of reduction of inventory value during the period	<u>(3)</u>
Balance as at 30 June 2017	<u><u>1,810</u></u>

7. Property, plant and equipment

Movements in the property, plant and equipment account during the six-month period ended 30 June 2017 are summarised below.

	(Unit: Thousand Baht)
Net book value as at 31 December 2016	88,661
Acquisitions during the period - at cost	12,594
Disposals and write-off during the period - net book value on disposal/write-off date	(10)
Depreciation for the period	<u>(7,472)</u>
Net book value as at 30 June 2017	<u><u>93,773</u></u>

The Company has mortgaged its land with structures thereon with the net book value as at 30 June 2017 of approximately Baht 17.6 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 8.

8. 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 30 June 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).

T.A.C. Consumer
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Mr.Chatchawe Vatanasuk

Director


Mr.Chanit Suwanparin

Director

(Unaudited but reviewed)

9. Trade and other payables

(Unit: Thousand Baht)

	30 June 2017	31 December 2016
Trade payables - unrelated parties	154,818	146,694
Other payables - unrelated parties	24,888	55,184
Accrued expenses	35,579	43,422
Total trade and other payables	<u>215,285</u>	<u>245,300</u>

10. 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 and six-month periods ended 30 June 2017 and 2016 are made up as follows:

(Unit: Thousand Baht)


	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Current income tax:				
Interim corporate income tax charge	7,880	7,101	14,652	13,953
Deferred tax:				
Relating to origination of temporary differences	(174)	(134)	(346)	(628)
Income tax expenses reported in the statements of comprehensive income	<u>7,706</u>	<u>6,967</u>	<u>14,306</u>	<u>13,325</u>

11. 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.

T.A.C. Consumer
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Mr.Chatchawe Vatanasuk


.....Director
Mr.Chanit Suwanparin

12. 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 and the six-month period ended 30 June 2017, domestic sales represented 87 percent and 89 percent of total sales, respectively (2016: 90 percent and 90 percent of total sales, respectively). 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.

13. Dividend

Dividend	Approved by	Total dividend (Million Baht)	Dividend per share (Baht)
<u>2016</u>			
Dividends for 2015	Annual General Meeting on 21 April 2016	24.32	0.04
Total dividend for 2016		24.32	0.04
<u>2017</u>			
Dividends for 2016	Annual General Meeting on 19 April 2017	48.64	0.08
Total dividend for 2017		48.64	0.08

14. Commitments**14.1 Capital commitments**

As at 30 June 2017, the Company had capital commitments relating to the purchases of equipment amounting to approximately Baht 8.8 million. (31 December 2016: Baht 15.7 million).

T.A.C. Consumer
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Director


.....
Mr.Chanit Suwanparin

Director

14.2 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)	
	30 June 2017	31 December 2016
Payable		
In up to 1 year	5.0	4.2
In over 1 year and up to 4 years	7.2	2.4

15. Fair value hierarchy

As of 30 June 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	259,423

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

16. Event after the reporting period


On 10 August 2017, the meeting of the Board of Directors of the Company passed a resolution to approve an interim dividend payment in respect of the profit for the six-month period ended 30 June 2017 to the Company's shareholders at Baht 0.09 per share, totaling Baht 54.72 million, which will be paid to the shareholders within 5 September 2017. Such dividend will be recorded in the third quarter of 2017.

17. Approval of interim financial statements

These interim financial statements were authorised for issue by the board of directors of the Company on 10 August 2017.

T.A.C. Consumer
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