

T.A.C. Consumer Public Company Limited
Review report and interim financial statements
For the three-month and six-month periods ended
30 June 2019



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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, in which the equity method is applied, of T.A.C. Consumer Public Company Limited as at 30 June 2019, the related statements of comprehensive income, in which the equity method is applied, for the three-month and six-month periods then ended, the related statements of changes in shareholders' equity and cash flows, in which the equity method is applied, for the six-month period then ended, as well as the condensed notes to the financial statements. I have also reviewed the separate financial information of T.A.C. Consumer Public Company Limited for the same periods. 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: 13 August 2019

T.A.C. Consumer Public Company Limited
Statement of financial position
As at 30 June 2019

(Unit: Thousand Baht)

	Financial statements				
	in which the equity method is applied		Separate financial statements		
	Note	30 June 2019	31 December 2018	30 June 2019	31 December 2018
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)	
Assets					
Current assets					
Cash and cash equivalents	3	18,836	79,997	18,836	79,997
Current investments	4	491,535	392,024	491,535	392,024
Trade and other receivables	5	293,471	317,794	293,471	317,794
Inventories	6	38,568	63,399	38,568	63,399
Other current assets		2,057	3,710	2,057	3,710
Total current assets		844,467	856,924	844,467	856,924
Non-current assets					
Investment in joint venture	7	829	3,219	842	6,125
Property, plant and equipment	8	110,776	89,832	110,776	89,832
Intangible assets		444	759	444	759
Deferred tax assets		2,536	3,101	2,536	3,101
Other non-current assets		4,280	7,677	4,280	7,677
Total non-current assets		118,865	104,588	118,878	107,494
Total assets		963,332	961,512	963,345	964,418

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
Mrs. Chirapan Khotcharit Choosang

T.A.C. Consumer Public Company Limited
Statement of financial position (continued)
As at 30 June 2019


(Unit: Thousand Baht)

	Financial statements				
	in which the equity method is applied		Separate financial statements		
	Note	30 June 2019 (Unaudited but reviewed)	31 December 2018 (Audited)	30 June 2019 (Unaudited but reviewed)	31 December 2018 (Audited)
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	10	249,740	269,619	249,740	269,619
Current portion of liabilities under financial lease agreements		2,021	2,147	2,021	2,147
Income tax payable		16,417	12,366	16,417	12,366
Other current liabilities		4,348	4,206	4,348	4,206
Total current liabilities		272,526	288,338	272,526	288,338
Non-current liabilities					
Liabilities under financial lease agreements - net of current portion		2,191	2,773	2,191	2,773
Provision for long-term employee benefits	11	10,170	13,263	10,170	13,263
Total non-current liabilities		12,361	16,036	12,361	16,036
Total liabilities		284,887	304,374	284,887	304,374
Shareholders' equity					
Share capital					
Registered					
608,000,000 ordinary shares of Baht 0.25 each		152,000	152,000	152,000	152,000
Issued and fully paid up					
608,000,000 ordinary shares of Baht 0.25 each		152,000	152,000	152,000	152,000
Share premium		426,989	426,989	426,989	426,989
Retained earnings					
Appropriated - statutory reserve		15,200	15,200	15,200	15,200
Unappropriated		84,256	62,949	84,269	65,855
Total shareholders' equity		678,445	657,138	678,458	660,044
Total liabilities and shareholders' equity		963,332	961,512	963,345	964,418

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
Mrs. Chirapan Khotcharit Choosang

(Unaudited but reviewed)

T.A.C. Consumer Public Company Limited
Statement of comprehensive income
For the three-month period ended 30 June 2019


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

	Financial statements				
	Note	in which the equity method is applied		Separate financial statements	
		2019	2018	2019	2018
Revenues					
Sales and service income		402,353	324,551	402,353	324,551
Other income		1,830	4,039	1,830	4,039
Total revenues		404,183	328,590	404,183	328,590
Expenses					
Cost of sales and services		277,144	229,136	277,144	229,136
Selling and distribution expenses		56,858	55,284	56,858	55,284
Administrative expenses		18,298	17,167	18,298	17,167
Impairment loss on investment in joint venture	7	-	-	5,283	-
Total expenses		352,300	301,587	357,583	301,587
Profit before share of profit (loss) from investment in joint venture, finance cost and income tax expenses		51,883	27,003	46,600	27,003
Share of profit (loss) from investment in joint venture	7	2	(218)	-	-
Profit before finance cost and income tax expenses		51,885	26,785	46,600	27,003
Finance cost		(90)	(124)	(90)	(124)
Profit before income tax expenses		51,795	26,661	46,510	26,879
Income tax expenses	12	(9,211)	(5,231)	(9,211)	(5,231)
Profit for the period		42,584	21,430	37,299	21,648
Other comprehensive income					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial gain		-	3,253	-	3,253
Less: Income tax effect	12	-	(651)	-	(651)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		-	2,602	-	2,602
Other comprehensive income for the period		-	2,602	-	2,602
Total comprehensive income for the period		42,584	24,032	37,299	24,250
Basic earnings per share					
Profit for the period (Baht)	13	0.07	0.04	0.06	0.04
Weighted average number of ordinary shares (Thousand shares)					
		608,000	608,000	608,000	608,000

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
Mrs. Chirapan Khotcharit Choosang


(Unaudited but reviewed)

T.A.C. Consumer Public Company Limited
Statement of comprehensive income
For the six-month period ended 30 June 2019


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

	Financial statements			
	in which the equity method is applied		Separate financial statements	
Note	2019	2018	2019	2018
Revenues				
Sales and service income	755,349	606,575	755,349	606,575
Other income	3,540	5,300	3,540	5,300
Total revenues	758,889	611,875	758,889	611,875
Expenses				
Cost of sales and services	525,703	438,983	525,703	438,983
Selling and distribution expenses	99,646	93,785	99,646	93,785
Administrative expenses	37,031	32,678	37,031	32,678
Impairment loss on investment in joint venture	7	-	5,283	-
Total expenses	662,380	565,446	667,663	565,446
Profit before share of loss from investment in joint venture, finance cost and income tax expenses	96,509	46,429	91,226	46,429
Share of loss from investment in joint venture	7	(2,390)	-	-
Profit before finance cost and income tax expenses	94,119	46,211	91,226	46,429
Finance cost	(186)	(263)	(186)	(263)
Profit before income tax expenses	93,933	45,948	91,040	46,166
Income tax expenses	12	(17,906)	(17,906)	(8,994)
Profit for the period	76,027	36,954	73,134	37,172
Other comprehensive income				
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>				
Actuarial gain	-	3,253	-	3,253
Less: Income tax effect	12	(651)	-	(651)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax	-	2,602	-	2,602
Other comprehensive income for the period	-	2,602	-	2,602
Total comprehensive income for the period	76,027	39,556	73,134	39,774
Basic earnings per share				
Profit for the period (Baht)	13	0.13	0.06	0.12
Weighted average number of ordinary shares (Thousand shares)		608,000	608,000	608,000

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


..... Director
Mr. Chatchawe Vatanasuk

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


..... Director
Mrs. Chirapan Khotcharit Choosang

(Unaudited but reviewed)


T.A.C. Consumer Public Company Limited
Statement of changes in shareholders' equity
For the six-month period ended 30 June 2019


(Unit: Thousand Baht)

	Financial statements in which the equity method is applied				
	Issued and paid up share capital	Share premium	Retained earnings		Total
			Appropriated - statutory reserve	Unappropriated	
Balance as at 1 January 2018	152,000	426,989	15,200	70,992	665,181
Profit for the period	-	-	-	36,954	36,954
Other comprehensive income for the period	-	-	-	2,602	2,602
Total comprehensive income for the period	-	-	-	39,556	39,556
Dividend paid (Note 15)	-	-	-	(54,720)	(54,720)
Balance as at 30 June 2018	<u>152,000</u>	<u>426,989</u>	<u>15,200</u>	<u>55,828</u>	<u>650,017</u>
Balance as at 1 January 2019	152,000	426,989	15,200	62,949	657,138
Profit for the period	-	-	-	76,027	76,027
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	76,027	76,027
Dividend paid (Note 15)	-	-	-	(54,720)	(54,720)
Balance as at 30 June 2019	<u>152,000</u>	<u>426,989</u>	<u>15,200</u>	<u>84,256</u>	<u>678,445</u>

T.A.C. Consumer
Public Company Limited

บริษัท ที.เอ.ซี. คอนซูเมอร์ จำกัด (มหาชน)


..... Director
Mr. Chatchawe Vatanasuk


..... Director
Mrs. Chirapan Khotcharit Choosang

(Unaudited but reviewed)

T.A.C. Consumer Public Company Limited
Statement of changes in shareholders' equity (continued)
For the six-month period ended 30 June 2019


(Unit: Thousand Baht)

	Separate financial statements				
	Issued and paid up share capital	Share premium	Retained earnings		
			Appropriated - statutory reserve	Unappropriated	Total
Balance as at 1 January 2018	152,000	426,989	15,200	70,992	665,181
Profit for the period	-	-	-	37,172	37,172
Other comprehensive income for the period	-	-	-	2,602	2,602
Total comprehensive income for the period	-	-	-	39,774	39,774
Dividend paid (Note 15)	-	-	-	(54,720)	(54,720)
Balance as at 30 June 2018	152,000	426,989	15,200	56,046	650,235
Balance as at 1 January 2019	152,000	426,989	15,200	65,855	660,044
Profit for the period	-	-	-	73,134	73,134
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	73,134	73,134
Dividend paid (Note 15)	-	-	-	(54,720)	(54,720)
Balance as at 30 June 2019	152,000	426,989	15,200	84,269	678,458

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
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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 2019

(Unit: Thousand Baht)


	Financial statements			
	in which the equity method is applied		Separate financial statements	
	2019	2018	2019	2018
Cash flows from operating activities				
Profit before tax	93,933	45,948	91,040	46,166
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	9,028	9,434	9,028	9,434
Allowance for doubtful accounts	-	2,875	-	2,875
Reduction of inventories to net realisable value	520	363	520	363
Gain on sales and change in value of investments in trading securities	(837)	(2,219)	(837)	(2,219)
Impairment loss on investment in joint venture	-	-	5,283	-
Share of loss from investment in joint venture	2,390	218	-	-
Gain on disposals of equipment	(1,369)	-	(1,369)	-
Loss on write-off of equipment	54	-	54	-
Provision for long-term employee benefits	2,931	1,457	2,931	1,457
Unrealised (gain) loss on exchange	3,144	(830)	3,144	(830)
Interest income	(959)	(1,177)	(959)	(1,177)
Interest expenses	186	263	186	263
Profit from operating activities before changes in operating assets and liabilities	109,021	56,332	109,021	56,332
Operating assets decrease (increase):				
Trade and other receivables	24,252	62,232	24,252	62,232
Inventories	24,311	18,222	24,311	18,222
Other current assets	1,653	(994)	1,653	(994)
Other non-current assets	3,397	652	3,397	652
Operating liabilities increase (decrease):				
Trade and other payables	(19,879)	(53,967)	(19,879)	(53,967)
Other current liabilities	142	(912)	142	(912)
Cash from operating activities	142,897	81,565	142,897	81,565
Cash paid for long-term employee benefits	(6,024)	-	(6,024)	-
Cash received from interest income	1,001	1,055	1,001	1,055
Cash paid for income tax	(13,290)	(15,324)	(13,290)	(15,324)
Net cash from operating activities	124,584	67,296	124,584	67,296

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
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..... Director
Mrs. Chirapan Khotcharit Choosang

(Unaudited but reviewed)

T.A.C. Consumer Public Company Limited
Cash flow statement (continued)
For the six-month period ended 30 June 2019

(Unit: Thousand Baht)

	Financial statements		Separate financial statements	
	in which the equity method is applied			
	2019	2018	2019	2018
Cash flows from investing activities				
Increase in current investments	(101,789)	(4,925)	(101,789)	(4,925)
Increase in investment in joint venture	-	(6,375)	-	(6,375)
Acquisitions of plant and equipment	(29,561)	(9,129)	(29,561)	(9,129)
Cash received from disposals of equipment	1,728	-	1,728	-
Increase in intangible assets	(6)	(183)	(6)	(183)
Net cash used in investing activities	(129,628)	(20,612)	(129,628)	(20,612)
Cash flows from financing activities				
Repayments of liabilities under finance lease agreements	(1,397)	(1,459)	(1,397)	(1,459)
Dividend paid	(54,720)	(54,720)	(54,720)	(54,720)
Net cash used in financing activities	(56,117)	(56,179)	(56,117)	(56,179)
Net decrease in cash and cash equivalents	(61,161)	(9,495)	(61,161)	(9,495)
Cash and cash equivalents at beginning of period	79,997	88,665	79,997	88,665
Cash and cash equivalents at end of period (Note 3)	18,836	79,170	18,836	79,170

Supplemental cash flows information


Non-cash transactions

Assets acquired under financial lease agreements	503	976	503	976
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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
Mrs. Chirapan Khotcharit Choosang

T.A.C. Consumer Public Company Limited

Notes to interim financial statements

For the three-month and six-month periods ended 30 June 2019

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 beverages, 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 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

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

During the period, the Company has adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements. However, the new standard involves changes to key principles, which are summarised below.

บริษัท ที.เอ.ซี. คอนซูเมอร์ จำกัด (มหาชน)


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TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes the following accounting standards together with related interpretations.

TAS 11 (revised 2017)	Construction Contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

This standard does not have any significant impact on the Company's financial statements.

(b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2020

The Federation of Accounting Professions issued a number of new financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. These new standards involve changes to key principles, which are summarised below.

Financial reporting standards related to financial instruments

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

Financial Reporting Standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting Standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

TAC Constimer
Public Company Limited
บริษัท ที.เอ.ซี. คอนซิวเมอร์ จำกัด (มหาชน)


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These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

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

TFRS 16 Leases

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

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


The management of the Company is currently evaluating the impact of this standard on the financial statements in the year when it is adopted.

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 2018.




..... Director
Mr.Chatchawe Vatanasuk


..... Director
Mrs. Chirapan Khotcharit Choosang

2. Related party transactionsDirectors and management's benefits

During the three-month and six-month periods ended 30 June 2019 and 2018, 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>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Short-term employee benefits	10,636	9,648	21,864	18,553
Post employee benefits	897	809	1,873	1,882
Total	<u>11,533</u>	<u>10,457</u>	<u>23,737</u>	<u>20,435</u>

3. Cash and cash equivalents

(Unit: Thousand Baht)

	30 June	31 December
	<u>2019</u>	<u>2018</u>
Cash	20	20
Bank deposits	18,796	79,763
Cash in private fund	20	214
Total cash and cash equivalents	<u>18,836</u>	<u>79,997</u>

As at 30 June 2019, bank deposits in savings accounts carried interests between 0.13 and 0.40 percent per annum (31 December 2018: savings accounts and fixed deposits between 0.13 and 1.00 percent per annum).

4. Current investments


4.1 As at 30 June 2019 and 31 December 2018, current investments consisted of the following:

(Unit: Thousand Baht)

	30 June	31 December
	<u>2019</u>	<u>2018</u>
Investments in trading securities (Note 4.2)	269,997	228,400
Current investments in private fund (Note 4.3)	55,840	59,810
Fixed deposits	165,698	103,814
Total current investments	<u>491,535</u>	<u>392,024</u>

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


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Mr. Chatchawe Vatanasuk


..... Director
Mrs. Chirapan Khotcharit Choosang

(Unaudited but reviewed)

As at 30 June 2019, the Company had current investments in 6-month and 12-month fixed deposits totaling Baht 165.7 million, carrying interests between 1.00 and 1.63 percent per annum and due for redemption during July 2019 to March 2020 (31 December 2018: Baht 103.8 million, carrying interests between 1.00 and 1.38 percent per annum).

- 4.2 Movements in the current investments in trading securities during the six-month period ended 30 June 2019 are summarised below.

	(Unit: Thousand Baht)
Balance as at 31 December 2018 - fair value	228,400
Cash paid for investments in trading securities during the period - at cost	1,014,000
Sales during the period - at cost	
Proceeds from sales	(974,095)
Gain on sales	1,695
Total	(972,400)
Loss on change in value	(3)
Balance as at 30 June 2019 - fair value	<u>269,997</u>

- 4.3 Movements in the current investments in private fund during the six-month period ended 30 June 2019 are summarised below.


	(Unit: Thousand Baht)
Balance as at 31 December 2018 - fair value	59,810
Loss on change in value	(855)
Unrealised loss on exchange	(3,115)
Balance as at 30 June 2019 - fair value	<u>55,840</u>

The Company had set up a private fund for its investments which is managed by an asset management company. The investments include convertible bonds and trust securities of foreign companies or corporates. These investments are classified as trading securities.

As at 30 June 2019, the Company assessed the fair value of such investments by referring to the value quoted by the asset management company in which the fair value decreased Baht 0.9 million. The change in the fair value of such securities is included in profit or loss in the statement of comprehensive income.

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..... Director
Mr. Chatchawe Vatanasuk


..... Director
Mrs. Chirapan Khotcharit Choosang

(Unaudited but reviewed)

5. Trade and other receivables

(Unit: Thousand Baht)

	30 June 2019	31 December 2018
<u>Trade accounts receivable - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	267,204	282,617
Past due		
Up to 3 months	8,719	9,304
3 - 6 months	1,219	4,214
6 - 12 months	114	-
Over 12 months	1	44
Total trade accounts receivable - unrelated parties	<u>277,257</u>	<u>296,179</u>
<u>Other receivables</u>		
Other receivables - unrelated parties	2,110	1,606
Less: Allowance for doubtful accounts	(219)	(219)
Other receivables - unrelated parties - net	1,891	1,387
Prepaid expenses	13,806	19,669
Interest receivable	517	559
Total other receivables - net	<u>16,214</u>	<u>21,615</u>
Total trade and other receivables - net	<u>293,471</u>	<u>317,794</u>

6. Inventories


Movements in the reduction of inventories to net realisable value account during the six-month period ended 30 June 2019 are summarised below.

(Unit: Thousand Baht)

Balance as at 31 December 2018	2,815
Reduction of inventory value during the period	520
Balance as at 30 June 2019	<u>3,335</u>

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..... Director
Mrs. Chirapan Khotcharit Choosang

7. Investment in joint venture

7.1 Details of investment in joint venture


Investment in joint venture represents investment in entity which is jointly controlled by the Company and other company. Details of this investment are as follows:

(Unit: Thousand Baht)

Joint venture	Nature of business	Investment									
		Shareholding percentage		Financial statements in which the equity method is applied		Separate financial statements in which cost method is applied					
						Cost		Allowance for impairment loss on investment		Investment in joint venture - net	
		30 June 2019	31 December 2018	30 June 2019	31 December 2018	30 June 2019	31 December 2018	30 June 2019	31 December 2018	30 June 2019	31 December 2018
Siam Gateway Company Limited	Distribution and packing services through export channels	49	49	829	3,219	6,125	6,125	(5,283)	-	842	6,125
Total				829	3,219	6,125	6,125	(5,283)	-	842	6,125

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Mrs. Chirapan Khotcharit Choosang Director

On 26 April 2018, the Meeting of the Board of Directors of the Company No. 3/2561 passed a resolution to approve in principle for the Company to have a joint investment with NPPG (Thailand) Public Company Limited to establish a limited company "Siam Gateway Company Limited" in Thailand to engage in packing and distribution of beverages, with an initial registered share capital of Baht 50 million. On 30 May 2018, Siam Gateway Company Limited registered its establishment with the Ministry of Commerce and called up share capital at 25 percent of the registered share capital or equivalent to Baht 12.5 million. The Company paid for its investment of Baht 6.4 million or equivalent to 51 percent of the paid-up share capital.

On 7 August 2018, the Meeting of the Board of Directors of Siam Gateway Company Limited passed a resolution to change the shareholding structure, in which the Company reduced its shareholding from 51 percent to 49 percent of the registered share capital, and NPPG (Thailand) Public Company Limited holds 49 percent, with 2 percent being held by an individual. On 18 October 2018, Siam Gateway Company Limited registered with the Ministry of Commerce for the change of its shareholding structure.

As the business operation of Siam Gateway Company Limited was not as initially planned, the Company therefore considered recording an allowance for impairment loss on investment of Baht 5.3 million in the current period.

On 5 August 2019, the Extraordinary General Meeting of shareholders of Siam Gateway Company Limited passed a resolution to approve the change in its shareholding structure, whereby NPPG (Thailand) Public Company Limited is to purchase all ordinary shares from other shareholders at the net book value of the shareholders' equity as at 30 June 2019 of Baht 1.8 million, or Baht 0.18 per share. The process is expected to be completed within 30 September 2019.

On 13 August 2019, the Meeting of the Board of Directors of the Company passed a resolution to approve the disposal of 4,899,998 ordinary shares that the Company holds in Siam Gateway Company Limited to NPPG (Thailand) Public Company Limited, at a total price of Baht 0.9 million.

7.2 Share of profit (loss) from investment in joint venture

During the three-month and six-month periods ended 30 June 2019 and 2018, the Company recognised its share of profit (loss) from investment in joint venture in the financial statements in which the equity method is applied as follows:

(Unit: Thousand Baht)

Joint venture	Financial statements in which the equity method is applied			
	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	2019	2018	2019	2018
Siam Gateway Company Limited	2	(218)	(2,390)	(218)
Total	2	(218)	(2,390)	(218)

Mr.Chatchawe Vatanasuk

Director

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Mrs. Chirapan Khotcharit Choosang

Director

8. Property, plant and equipment

Movements in the property, plant and equipment account during the six-month period ended 30 June 2019 are summarised below.

	(Unit: Thousand Baht)
Net book value as at 31 December 2018	89,832
Acquisitions during the period - at cost	30,064
Disposals during the period - net book value on disposal date	(359)
Write-off during the period - net book value on write-off date	(54)
Depreciation for the period	(8,707)
Net book value as at 30 June 2019	110,776

The Company has mortgaged its land with structures thereon with the net book value as at 30 June 2019 of approximately Baht 16.8 million (31 December 2018: Baht 17.0 million) as collateral for bank overdrafts and credit facilities granted by a commercial bank as discussed in Note 9.

9. Bank overdrafts

The bank overdrafts are secured by the mortgage of land with structures thereon.


As at 30 June 2019, the Company had bank overdrafts which had not yet been drawn down amounting to Baht 119.8 million (31 December 2018: Baht 119.8 million).

10. Trade and other payables

	(Unit: Thousand Baht)	
	30 June 2019	31 December 2018
Trade payables - unrelated parties	164,362	186,730
Other payables - unrelated parties	34,905	37,812
Accrued expenses	50,473	45,077
Total trade and other payables	249,740	269,619

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11. Provision for long-term employee benefits

Movements in the provision for long-term employee benefits during the six-month period ended 30 June 2019 are as follows:

	(Unit: Thousand Baht)
Defined benefit obligation as at 31 December 2018	13,263
Current service cost	1,967
Interest cost	119
Past service costs	845
Benefits paid during the period	<u>(6,024)</u>
Defined benefit obligation as at 30 June 2019	<u>10,170</u>

On 5 April 2019, The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law is effective from 5 May 2019. This change is considered a post-employment benefits plan amendment and the Company has additional long-term employee benefit liabilities of Baht 0.8 million as a result. The Company reflected the effect of the change by recognising past service costs as expenses in profit or loss in the statement of comprehensive income for the current period.

12. Income tax

Interim corporate income tax is 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 2019 and 2018 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>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Current income tax				
Interim corporate income tax charge	9,679	6,011	17,340	9,946
Deferred tax:				
Relating to origination and reversal of temporary differences	<u>(468)</u>	<u>(780)</u>	<u>566</u>	<u>(952)</u>
Income tax expenses reported in the statements of comprehensive income	<u>9,211</u>	<u>5,231</u>	<u>17,906</u>	<u>8,994</u>

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The amounts of income tax relating to each component of other comprehensive income for the three-month and six-month periods ended 30 June 2019 and 2018 are as follows:

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied and Separate financial statements			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Deferred tax relating to actuarial gain	-	651	-	651
Income tax charged directly to other comprehensive income	-	651	-	651

13. 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.


14. Segment information

The Company is organised into business units based on its products and services. During the year 2018, the Company expanded its business to the sales of license of cartoon characters. At present, the Company is engaged in two operating segments, which are the manufacture and distribution of beverages and the sales of license of cartoon characters. Its operations are carried on only in geographical area of Thailand. However, at present the operation of the sales of license of cartoon characters is insignificant. The Company's distribution channel includes both domestic and overseas markets. During the three-month and six-month periods ended 30 June 2019, domestic sales represented 96 percent and 96 percent of total sales, respectively (2018: 99 percent and 96 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 segments and geographical area.

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15. Dividend

Dividend	Approved by	Total dividend (Million Baht)	Dividend per share (Baht)
<u>2018</u>			
Dividends for 2017	Annual General Meeting of shareholders on 19 April 2018	54.72	0.09
Total dividend for 2018		54.72	0.09
<u>2019</u>			
Dividends for 2018	Annual General Meeting of shareholders on 23 April 2019	54.72	0.09
Total dividend for 2019		54.72	0.09

16. Commitments**16.1 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 2019	31 December 2018
Payable		
In up to 1 year	4.4	6.7
In over 1 year and up to 4 years	1.3	4.4

16.2 Merchandise sub-license commitments

On 19 October 2017, the Company entered into a merchandise sub-license agreement with an overseas company. Under the terms of the agreement, the Company is granted the privilege to sell licenses of the characters. The Company agrees to pay royalty fee at the percentage of gross license fee receipts as specified in the agreement. The agreement is for a period of 5 years, from 1 January 2018 to 31 December 2022.

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17. Fair value hierarchy

As of 30 June 2019, the Company had the following assets that were measured at fair value.

	(Unit: Thousand Baht)
	Financial statements in which the equity method is applied and Separate financial statements
	<u>Level 2</u>
Financial assets measured at fair value	
Investments in trading securities - Debt instruments	269,997
Current investments in private fund	55,840

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

18. Events after the reporting period


On 13 August 2019, 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 2019 to the Company's shareholders at Baht 0.10 per share, totaling Baht 60.80 million, which will be paid to the shareholders within 10 September 2019. Such dividend will be recorded in the third quarter of 2019.

19. Approval of interim financial statements

These interim financial statements were authorised for issue by the board of directors of the Company on 13 August 2019.

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