

T.A.C. Consumer Public Company Limited
Review report and interim financial information
For the three-month and nine-month periods ended
30 September 2020

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 September 2020, the related statements of comprehensive income for the three-month and nine-month periods then ended, changes in shareholders' equity and cash flows for the nine-month period then ended, as well as the condensed notes to the interim financial statements (collectively "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.

Emphasis of Matter

I draw attention to Note 1.4 to the interim financial statements. Due to the impact of the COVID-19 outbreak, in preparing the interim financial information for the three-month and nine-month periods ended 30 September 2020, the Company has adopted the Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the Covid-19 Pandemic announced by the Federation of Accounting Professions. My conclusion is not modified in respect of this matter.

S. Ratananurak

Satida Ratananurak
Certified Public Accountant (Thailand) No. 4753

EY Office Limited
Bangkok: 5 November 2020

T.A.C. Consumer Public Company Limited
Statement of financial position
As at 30 September 2020

(Unit: Thousand Baht)

	Note	30 September 2020 (Unaudited but reviewed)	31 December 2019 (Audited)
Assets			
Current assets			
Cash and cash equivalents	4	136,298	16,095
Current investments		-	540,584
Trade and other receivables	5	262,359	311,972
Inventories	6	39,350	39,631
Other current financial assets	7	398,254	-
Other current assets		1,440	2,378
Total current assets		837,701	910,660
Non-current assets			
Property, plant and equipment	8	96,619	104,311
Right-of-use assets		21,952	-
Intangible assets		56	262
Deferred tax assets		10,050	9,293
Other non-current financial assets		4,264	-
Other non-current assets		230	4,250
Total non-current assets		133,171	118,116
Total assets		970,872	1,028,776

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 September 2020

(Unit: Thousand Baht)

	Note	30 September 2020 (Unaudited but reviewed)	31 December 2019 (Audited)
Liabilities and shareholders' equity			
Current liabilities			
Trade and other payables	10	228,388	266,547
Advance received from customers		5,184	7,406
Current portion of long-term financial lease liabilities		1,266	1,318
Current portion of lease liabilities		3,695	-
Income tax payable		11,862	26,481
Other current liabilities		11,858	8,449
Total current liabilities		<u>262,253</u>	<u>310,201</u>
Non-current liabilities			
Long-term financial lease liabilities, net of current portion		1,294	1,534
Lease liabilities, net of current portion		15,467	-
Provision for long-term employee benefits		20,415	18,575
Total non-current liabilities		<u>37,176</u>	<u>20,109</u>
Total liabilities		<u>299,429</u>	<u>330,310</u>
Shareholders' equity			
Share capital	11		
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		15,200	15,200
Unappropriated		77,254	104,277
Total shareholders' equity		<u>671,443</u>	<u>698,466</u>
Total liabilities and shareholders' equity		<u>970,872</u>	<u>1,028,776</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

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 September 2020

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

	Note	Financial statements in which the equity method is applied			Separate financial statements	
		2019	2020	2019	2019	
Revenues						
Sales and service income		367,641	345,143		367,641	
Gain on disposal of investment in joint venture		76	-		63	
Interest income		840	272		840	
Gain on exchange		-	1,722		-	
Other income		2,221	378		2,221	
Total revenues		<u>370,778</u>	<u>347,515</u>		<u>370,765</u>	
Expenses						
Cost of sales and services		252,985	234,048		252,985	
Selling and distribution expenses		46,968	36,473		46,968	
Administrative expenses		17,420	18,696		17,420	
Loss on exchange		242	-		242	
Total expenses		<u>317,615</u>	<u>289,217</u>		<u>317,615</u>	
Profit from operating activities		53,163	58,298		53,150	
Finance cost		(105)	(293)		(105)	
Profit before income tax expenses		53,058	58,005		53,045	
Income tax expenses	12	(11,691)	(11,283)		(11,691)	
Profit for the period		<u>41,367</u>	<u>46,722</u>		<u>41,354</u>	
Other comprehensive income						
Other comprehensive income for the period		-	-		-	
Total comprehensive income for the period		<u>41,367</u>	<u>46,722</u>		<u>41,354</u>	
Basic earnings per share	13					
Profit for the period (Baht)		<u>0.07</u>	<u>0.08</u>		<u>0.07</u>	
Weighted average number of ordinary shares (Thousand shares)		<u>608,000</u>	<u>608,000</u>		<u>608,000</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

Mrs. Chirapan Khotcharit Choosang

(Unaudited but reviewed)

T.A.C. Consumer Public Company Limited
Statement of comprehensive income
For the nine-month period ended 30 September 2020

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

	Note	Financial statements in which the equity method is applied		
		2019	2020	2019
Revenues				
Sales and service income		1,122,990	994,747	1,122,990
Gain on disposal of investment in joint venture		76	-	-
Interest income		1,799	1,458	1,799
Gain on exchange		-	3,189	-
Other income		4,802	1,387	4,802
Total revenues		<u>1,129,667</u>	<u>1,000,781</u>	<u>1,129,591</u>
Expenses				
Cost of sales and services		778,688	663,476	778,688
Selling and distribution expenses		146,614	109,421	146,614
Administrative expenses		51,358	56,813	51,358
Loss on exchange		3,335	-	3,335
Loss on disposal of investment in joint venture		-	-	5,220
Total expenses		<u>979,995</u>	<u>829,710</u>	<u>985,215</u>
Profit from operating activities		149,672	171,071	144,376
Share of loss from investment in joint venture		(2,390)	-	-
Finance cost		(291)	(906)	(291)
Profit before income tax expenses		146,991	170,165	144,085
Income tax expenses	12	(29,597)	(33,029)	(29,597)
Profit for the period		<u>117,394</u>	<u>137,136</u>	<u>114,488</u>
Other comprehensive income				
Other comprehensive income for the period		<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period		<u>117,394</u>	<u>137,136</u>	<u>114,488</u>
Basic earnings per share	13			
Profit for the period (Baht)		<u>0.19</u>	<u>0.23</u>	<u>0.19</u>
Weighted average number of ordinary shares (Thousand shares)		<u>608,000</u>	<u>608,000</u>	<u>608,000</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)



Mr. Chatchawe Vatanasuk

Director



Mrs. Chirapan Khotcharit Choosang

Director

(Unaudited but reviewed)

T.A.C. Consumer Public Company Limited
Statement of changes in shareholders' equity
For the nine-month period ended 30 September 2020

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied				
	Issued and paid up share capital	Share premium	Appropriated - statutory reserve	Retained earnings Unappropriated	Total
Balance as at 1 January 2019	152,000	426,989	15,200	62,949	657,138
Profit for the period	-	-	-	117,394	117,394
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	117,394	117,394
Dividend paid (Note 15)	-	-	-	(115,520)	(115,520)
Balance as at 30 September 2019	152,000	426,989	15,200	64,823	659,012

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 changes in shareholders' equity (continued)
For the nine-month period ended 30 September 2020

(Unit: Thousand Baht)

	Separate financial statements				
	Issued and paid up share capital	Share premium	Retained earnings		Total
			Appropriated - statutory reserve	Unappropriated	
Balance as at 1 January 2019	152,000	426,989	15,200	65,855	660,044
Profit for the period	-	-	-	114,488	114,488
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	114,488	114,488
Dividend paid (Note 15)	-	-	-	(115,520)	(115,520)
Balance as at 30 September 2019	<u>152,000</u>	<u>426,989</u>	<u>15,200</u>	<u>64,823</u>	<u>659,012</u>
Balance as at 1 January 2020	152,000	426,989	15,200	104,277	698,466
Profit for the period	-	-	-	137,136	137,136
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	137,136	137,136
Dividend paid (Note 15)	-	-	-	(164,159)	(164,159)
Balance as at 30 September 2020	<u>152,000</u>	<u>426,989</u>	<u>15,200</u>	<u>77,254</u>	<u>671,443</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
Mrs. Chirapan Khotcharit Choosang

(Unaudited but reviewed)

T.A.C. Consumer Public Company Limited

Cash flow statement

For the nine-month period ended 30 September 2020

(Unit: Thousand Baht)

	Financial statements		
	in which the equity		
	method is applied	Separate financial statements	
	2019	2020	2019
Cash flows from operating activities			
Profit before tax	146,991	170,165	144,085
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:			
Depreciation and amortisation	13,833	17,165	13,833
Allowance for expected credit losses (reversal)	-	(428)	-
Reduction of inventories to net realisable value (reversal)	6,010	(5,355)	6,010
Gain on sale and change in value of current investments	(2,652)	-	(2,652)
(Gain) loss on disposal of investment in joint venture	(76)	-	5,220
Share of loss from investment in joint venture	2,390	-	-
Loss on sales of other current financial assets	-	6,456	-
Gain on change in value of investments	-	(398)	-
Gain on disposals of equipment	(1,369)	-	(1,369)
Loss on write-off of equipment	54	2	54
Allowance for impairment loss on property, plant and equipment	-	562	-
Provision for long-term employee benefits	3,857	2,323	3,857
Unrealised (gain) loss on exchange	3,413	(2,753)	3,413
Interest income	(1,799)	(1,458)	(1,799)
Interest expenses	291	906	291
Profit from operating activities before changes in operating assets and liabilities	170,943	187,187	170,943
Operating assets decrease (increase):			
Trade and other receivables	34,481	49,642	34,481
Inventories	(1,725)	5,636	(1,725)
Other current assets	(264)	938	(264)
Other non-current financial assets and other non-current assets	3,403	(244)	3,403
Operating liabilities increase (decrease):			
Trade and other payables	28,076	(39,003)	28,076
Advance received from customers	(3,813)	(2,222)	(3,813)
Other current liabilities	2,861	3,409	2,861
Cash from operating activities	233,962	205,343	233,962
Cash paid for long-term employee benefits	(6,024)	(483)	(6,024)
Cash received from interest income	1,991	1,858	1,991
Cash paid for interest expenses	-	(27)	-
Cash paid for income tax	(32,317)	(48,405)	(32,317)
Net cash from operating activities	197,612	158,286	197,612

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

Mr. Chatchawe Vatanasuk

T.A.C. Consumer
Public Company Limited

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

Director

Mrs. Chirapan Khotcharit Choosang

Director

(Unaudited but reviewed)

T.A.C. Consumer Public Company Limited
Cash flow statement (continued)
For the nine-month period ended 30 September 2020

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied		Separate financial statements	
	2019	2020	2019	2020
Cash flows from investing activities				
Increase in current investments	(103,459)	-	(103,459)	-
Cash paid for purchase of other current financial assets	-	(1,365,663)	-	-
Proceed from sales of other current financial assets	-	1,504,687	-	-
Acquisitions of plant and equipment	(31,494)	(9,349)	(31,494)	-
Cash received from disposals of equipment	1,728	-	1,728	-
Increase in intangible assets	(31)	-	(31)	-
Net cash from (used in) investing activities	(133,256)	129,675	(133,256)	-
Cash flows from financing activities				
Repayments of liabilities under financial lease agreements	(2,447)	-	(2,447)	-
Repayments of lease liabilities	-	(4,443)	-	-
Dividend paid	(114,973)	(163,315)	(114,973)	-
Net cash used in financing activities	(117,420)	(167,758)	(117,420)	-
Net increase (decrease) in cash and cash equivalents	(53,064)	120,203	(53,064)	-
Cash and cash equivalents at beginning of period	79,997	16,095	79,997	-
Cash and cash equivalents at end of period (Note 4)	26,933	136,298	26,933	-
Supplemental cash flows information				
Non-cash transactions				
Receivable from disposal of investment in joint venture	905	-	905	-
Assets acquired under financial lease agreements	503	-	503	-
Dividend payable	547	844	547	844

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 nine-month periods ended 30 September 2020

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, Nongmairuad, Banbueng, Chonburi.

1.2 Coronavirus disease 2019 Pandemic

The Coronavirus disease 2019 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the Company operates. The Company's management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

1.3 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.

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


.....Director
Mr.Chatchawe Vatanasuk


.....Director
Mrs. Chirapan Khotcharit Choosang

1.4 New financial reporting standards

a) New financial reporting standards that became effective in the current period

During the period, the Company has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2020. 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.

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

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.

These standards do not have any significant impact on the Company's financial statements.

T.A.C. Consumer
Public Company Limited

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



Mr. Chatchawe Vatanasuk

Director



Mrs. Chirapan Khotcharit Choosang

Director

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.

The Company adopted these financial reporting standards using the modified retrospective method of initial adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 2 to the financial statements.

Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the Covid-19 Pandemic

The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the Covid-19 Pandemic. Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On 22 April 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between 1 January 2020 and 31 December 2020.

The Company has elected to apply the following temporary relief measures on accounting alternatives:

- Not to take into account forward-looking information when determining expected credit losses, in cases where the Company uses a simplified approach to determine expected credit losses. The relief measure affects the valuation of trade and other receivables and administrative expenses accounts.
- Not to consider the COVID-19 situation as an indication that an asset may be impaired in accordance with TAS 36, Impairment of Assets. The relief measure may affect the valuation of property, plant and equipment and administrative expenses accounts.

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



.....Director

Mr.Chatchawe Vatanasuk



.....Director

Mrs. Chirapan Khotcharit Choosang

b) Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2021

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2021. 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 management of the Company is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

1.5 Significant accounting policies

The interim financial statements are prepared by using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2019 except the changes in accounting policies related to financial instruments and leases.

1.5.1 Financial instruments

Classification and measurement

Financial assets that are debt instruments are measured at fair value through profit or loss, fair value through other comprehensive income, or amortised cost. Classification is driven by the Company's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets that are equity instruments are measured at fair value through profit or loss.

Financial liabilities are classified and measured at amortised cost.

Impairment of financial assets

The Company recognises an allowance for expected credit losses on its financial assets measured at amortised cost without requiring a credit-impaired event to have occurred prior to the recognition. The Company accounts for changes in expected credit losses in stages, with differing methods of determining allowance for credit losses and the effective interest rate applied at each stage. An exception from this approach is that for trade receivables or contract assets that do not contain a significant financing component, the Company applies a simplified approach to determine the lifetime expected credit losses.

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

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



.....Director

Mr.Chatchawe Vatanasuk



.....Director

Mrs. Chirapan Khotcharit Choosang

1.5.2 Leases

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised through initial measurement, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

Unless the Company is reasonably certain that it will obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of the lease payments to be made over the lease term, discounted by the interest rate implicit in the lease or the Company's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or reassessment.

Short-term leases and Leases of low-value assets

Payments under leases that, have a lease term of 12 months or less at the commencement date, or are leases of low-value assets, are recognised as expenses on a straight-line basis over the lease term.

2. **Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards**

As described in Note 1.4 to the financial statements, during the current period, the Company has adopted financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards is recognised as an adjustment to retained earnings as at 1 January 2020. Therefore, the comparative information was not restated.

T.A.C. Consumer
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Mrs. Chirapan Khotcharit Choosang

(Unaudited but reviewed)

The impacts on the beginning balance of the statement of financial position of 2020 from changes in accounting policies due to the adoption of these standards are presented as follows:

(Unit: Thousand Baht)

	The impacts of			1 January 2020
	31 December 2019	Financial reporting standards related to financial instruments	TFRS 16	
Statement of financial position				
Assets				
Current assets				
Current investments	540,584	(540,584)	-	-
Other current financial assets	-	540,584	-	540,584
Non-current assets				
Property, plant and equipment	104,311	-	(3,487)	100,824
Right-of-use assets	-	-	22,106	22,106
Other non-current financial assets	-	4,250	-	4,250
Other non-current assets	4,250	(4,250)	-	-
Liabilities				
Current liabilities				
Current portion of long-term financial lease liabilities	1,318	-	(1,318)	-
Current portion of lease liabilities	-	-	4,258	4,258
Non-current liabilities				
Long-term financial lease liabilities, net of current portion	1,534	-	(1,534)	-
Lease liabilities, net of current portion	-	-	17,587	17,587

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

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



Director

Mr. Chatchawe Vatanasuk



Director

Mrs. Chirapan Khotcharit Choosang

2.1 Financial instruments

The classifications, measurement basis and carrying values of financial assets in accordance with TFRS 9 as at 1 January 2020, and with the carrying amounts under the former basis, are as follows:

(Unit: Thousand Baht)

	Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9			
		Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total
Financial assets as at 1 January 2020					
Cash and cash equivalents	16,095	-	-	16,095	16,095
Trade and other receivables	311,972	-	-	311,972	311,972
Other current financial assets	540,584	374,216	-	166,368	540,584
Other non-current financial assets	4,250	-	-	4,250	4,250
Total financial assets	872,901	374,216	-	498,685	872,901

As at 1 January 2020, the Company has not designated any financial liabilities at fair value through profit or loss.

2.2 Leases

Upon initial application of TFRS 16 the Company recognised lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate at 1 January 2020. For leases previously classified as finance leases, the Company recognised the carrying amount of the right-of-use assets and lease liabilities based on the carrying amounts of the lease assets and lease liabilities immediately before the date of initial application of TFRS 16.

(Unit: Thousand Baht)

Operating lease commitments as at 31 December 2019	7,750
Less: Short-term leases and leases of low-value assets	(529)
Add: Option to extend lease term	15,602
Less: Contracts reassessed as service agreements	(2,016)
Less: Deferred interest expenses	(1,814)
Increase in lease liabilities due to TFRS 16 adoption	18,993
Liabilities under finance lease agreements as at 31 December 2019	2,852
Lease liabilities as at 1 January 2020	21,845



.....Director
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T.A.C. CONSULTANTS
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บริษัท ที.เอ.ซี. คอนซัลตัน จำกัด (มหาชน)



.....Director
Mrs. Chirapan Khotcharit Choosang

(Unaudited but reviewed)

(Unit: Thousand Baht)

Comprise of:

Current lease liabilities	4,258
Non-current lease liabilities	17,587
	<u>21,845</u>

The adjustments of right-of-use assets due to TFRS 16 adoption as at 1 January 2020 are summarised below.

(Unit: Thousand Baht)

Buildings and building improvement	18,917
Machinery and plant equipment	76
Furniture and office equipment	862
Motor vehicles	2,251
Total right-of-use assets	<u>22,106</u>

3. Related party transactions

Directors and management's benefits

During the three-month and nine-month periods ended 30 September 2020 and 2019, the Company had employee benefit expenses payable to its directors and management as below.

(Unit: Thousand Baht)

	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Short-term employee benefits	12,776	12,878	38,866	34,742
Post employee benefits	707	919	2,112	2,792
Total	<u>13,483</u>	<u>13,797</u>	<u>40,978</u>	<u>37,534</u>

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



.....Director
Mrs. Chirapan Khotcharit Choosang

4. Cash and cash equivalents

	(Unit: Thousand Baht)	
	30 September 2020	31 December 2019
Cash	44	20
Bank deposits	136,235	15,946
Cash in private fund	19	129
Total cash and cash equivalents	<u>136,298</u>	<u>16,095</u>

As at 30 September 2020, bank deposits in savings accounts carried interests between 0.04 and 0.55 percent per annum (31 December 2019: savings accounts between 0.04 and 0.50 percent per annum).

5. Trade and other receivables

	(Unit: Thousand Baht)	
	30 September 2020	31 December 2019
<u>Trade accounts receivable - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	241,718	295,378
Past due		
Up to 3 months	9,685	5,834
6 - 12 months	-	284
Over 12 months	285	1
Total	<u>251,688</u>	<u>301,497</u>
Less: Allowance for expected credit losses	(26)	(200)
Total trade accounts receivable - unrelated parties - net	<u>251,662</u>	<u>301,297</u>
<u>Other receivables</u>		
Other receivables - unrelated parties	8,634	1,292
Less: Allowance for expected credit losses	(290)	(544)
Other receivables - unrelated parties - net	<u>8,344</u>	<u>748</u>
Prepaid expenses	2,136	9,310
Interest receivable	217	617
Total other receivables - net	<u>10,697</u>	<u>10,675</u>
Total trade and other receivables - net	<u>262,359</u>	<u>311,972</u>



 Mr. Chatchawe Vatanasuk

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.....
 Director



 Mrs. Chirapan Khotcharit Choosang

6. Inventories

Movements in the reduction of inventories to net realisable value account during the nine-month period ended 30 September 2020 are summarised below.

(Unit: Thousand Baht)

Balance as at 31 December 2019	20,218
Add: Reduction of inventory during the period	4,512
Less: Reversal of the reduction of inventory during the period	(9,867)
Balance as at 30 September 2020	<u>14,863</u>

7. Other current financial assets

As at 30 September 2020, other current financial assets consisted of the following:

(Unit: Thousand Baht)

Fixed deposits at amortised cost	62,115
Financial assets at fair value through profit or loss	
Investments in mutual fund	<u>336,139</u>
Total other current financial assets	<u>398,254</u>

As at 30 September 2020, the Company had 7-month and 12-month fixed deposits totaling Baht 62.1 million, carrying interests between 0.40 and 0.75 percent per annum and due for redemption during December 2020 to March 2021 (31 December 2019: Baht 166.4 million, carrying interests between 1.00 and 1.75 percent per annum).

Movements in the investments in other current financial assets during the nine-month period ended 30 September 2020 are summarised below.

(Unit: Thousand Baht)

Balance as at 1 January 2020	540,584
Purchase during the period - at cost	
Cash paid for investments	1,365,663
Sales during the period - at cost	
Proceeds from sales	(1,504,687)
Loss on sales	(6,456)
Total	(1,511,143)
Gain on change in value of investments	398
Unrealised gain on exchange	<u>2,752</u>
Balance as at 30 September 2020	<u>398,254</u>

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..... Director
Mrs. Chirapan Khotcharit Choosang

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.

As at 30 September 2020, 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 increased Baht 0.4 million. The change in the fair value of such securities is included in profit or loss in the statement of comprehensive income.

8. Property, plant and equipment

Movements in the property, plant and equipment account during the nine-month period ended 30 September 2020 are summarised below.

	(Unit: Thousand Baht)
Net book value as at 1 January 2020	104,311
Adjustment from TFRS 16 adoption - net book value	<u>(3,487)</u>
Net book value as at 1 January 2020 - as adjusted	100,824
Acquisitions during the period - at cost	9,349
Write-off during the period - net book value at write-off date	(2)
Depreciation for the period	(12,990)
Allowance for impairment increased during the period	<u>(562)</u>
Net book value as at 30 September 2020	<u><u>96,619</u></u>

The Company has mortgaged its land with structures thereon with the net book value as at 30 September 2020 of approximately Baht 16.2 million (31 December 2019: Baht 16.5 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 the Company's land with structures thereon.

As at 30 September 2020, the Company had bank overdrafts which had not yet been drawn down amounting to Baht 119.8 million (31 December 2019: Baht 119.8 million).


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.....Director

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(Unaudited but reviewed)

10. Trade and other payables

(Unit: Thousand Baht)

	30 September 2020	31 December 2019
Trade payables - unrelated parties	142,927	183,308
Other payables - unrelated parties	35,354	23,777
Accrued expenses	50,107	59,462
Total trade and other payables	<u>228,388</u>	<u>266,547</u>

11. Share capital

On 23 March 2020, the Meeting of the Board of Directors of the Company No. 2/2563 passed a resolution to approve the share repurchase project (Treasury Stock) with the maximum amount of Baht 50 million for 18 million shares repurchased, representing 3% of the total issued share capital. The repurchase period is from 8 April 2020 to 7 October 2020.

As at 30 September 2020, no shares were repurchased by the Company.

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 nine-month periods ended 30 September 2020 and 2019 are made up as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Current income tax				
Interim corporate income tax charge	11,496	12,980	33,786	30,320
Deferred tax:				
Relating to origination and reversal of temporary differences	<u>(213)</u>	<u>(1,289)</u>	<u>(757)</u>	<u>(723)</u>
Income tax expenses reported in the statements of comprehensive income	<u>11,283</u>	<u>11,691</u>	<u>33,029</u>	<u>29,597</u>

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.


.....Director
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.....Director
Mrs. Chirapan Khotcharit Choosang

14. Segment information

The Company is organised into business units based on its products and services. 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 nine-month periods ended 30 September 2020, domestic sales represented 98 percent and 98 percent of total sales, respectively (2019: 97 percent and 97 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.

15. Dividend

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
<u>2019</u>			
Dividends for 2018	Annual General Meeting of the shareholders on 23 April 2019	54.7	0.09
Interim dividends for 2019	Board of Directors' meeting on 13 August 2019	60.8	0.10
Total for 2019		115.5	
<u>2020</u>			
Interim dividends for 2020	Board of Directors' meeting on 25 March 2020	85.1	0.14
Interim dividends for 2020	Board of Directors' meeting on 6 August 2020	79.0	0.13
Total for 2020		164.1	

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.....Director
Mrs. Chirapan Khotcharit Choosang

16. Commitments**16.1 Operating lease commitments**

The Company has entered into several operating lease agreements in respect of the lease of equipment which are short-term leases and leases of low-value assets and other related service contracts. The terms of the agreements are generally between 1 and 3 years.

As of 30 September 2020, future minimum payments required under these contracts were as follows:

(Unit: Million Baht)

Payable	
In up to 1 year	4.7
In over 1 year and up to 3 years	0.1

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.

On 1 September 2019, the Company entered into a merchandise sub-license agreement with a creator and copyright holder in Thailand. 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 2 years, from 1 September 2019 to 31 August 2021.

17. Fair value hierarchy

As at 30 September 2020, the Company had the following financial assets that were measured at fair value.

(Unit: Thousand Baht)

 Level 2

Financial assets measured at fair value

Investments in mutual fund	336,139
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During the current period, there were no transfers within the fair value hierarchy.

18. Approval of interim financial statements

These interim financial statements were authorised for issue by the Board of Directors of the Company on 5 November 2020.


 Director
 Mr. Chatchawe Vatanasuk


 Director
 Mrs. Chirapan Khotcharit Choosang