

T.A.C. Consumer Public Company Limited  
Review report and interim financial information  
For the three-month period ended  
31 March 2021



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## **Independent Auditor's Report on Review of Interim Financial Information**

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

I have reviewed the accompanying statement of financial position of T.A.C. Consumer Public Company Limited as at 31 March 2021, the related statements of comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, as well as the condensed notes to the 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.

*S. Ratananurak*

Satida Ratananurak  
Certified Public Accountant (Thailand) No. 4753

EY Office Limited  
Bangkok: 13 May 2021

T.A.C. Consumer Public Company Limited

Statement of financial position

As at 31 March 2021

(Unit: Thousand Baht)

	<u>Note</u>	<u>31 March 2021</u>	<u>31 December 2020</u>
		(Unaudited but reviewed)	(Audited)
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	3	139,650	203,566
Trade and other receivables	4	258,052	241,624
Inventories	5	29,753	34,920
Other current financial assets	6	476,781	396,463
Other current assets		<u>4,716</u>	<u>2,865</u>
<b>Total current assets</b>		<u>908,952</u>	<u>879,438</u>
<b>Non-current assets</b>			
Advance payment for shares	7	15,000	-
Property, plant and equipment	8	97,516	98,347
Right-of-use assets		19,631	20,843
Intangible assets		65	56
Deferred tax assets		9,069	8,540
Other non-current financial assets		<u>4,281</u>	<u>4,282</u>
<b>Total non-current assets</b>		<u>145,562</u>	<u>132,068</u>
<b>Total assets</b>		<u>1,054,514</u>	<u>1,011,506</u>

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

  
.....Director  
Mr. Chatchawe Vatanasuk

  
.....Director  
Mrs. Chirapan Khotcharit Choosang


T.A.C. Consumer Public Company Limited  
Statement of financial position (continued)  
As at 31 March 2021

(Unit: Thousand Baht)

	<u>Note</u>	<u>31 March 2021</u> (Unaudited but reviewed)	<u>31 December 2020</u> (Audited)
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities</b>			
Trade and other payables	10	195,353	214,431
Advance received from customers		7,827	5,288
Current portion of lease liabilities		4,874	4,992
Income tax payable		36,134	23,490
Other current liabilities		6,779	6,321
<b>Total current liabilities</b>		<u>250,967</u>	<u>254,522</u>
<b>Non-current liabilities</b>			
Lease liabilities, net of current portion		14,781	15,663
Provision for long-term employee benefits		19,386	18,632
<b>Total non-current liabilities</b>		<u>34,167</u>	<u>34,295</u>
<b>Total liabilities</b>		<u>285,134</u>	<u>288,817</u>
<b>Shareholders' equity</b>			
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		15,200	15,200
Unappropriated		175,191	128,500
<b>Total shareholders' equity</b>		<u>769,380</u>	<u>722,689</u>
<b>Total liabilities and shareholders' equity</b>		<u>1,054,514</u>	<u>1,011,506</u>

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

  
.....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 31 March 2021**

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

	<u>Note</u>	<u>2021</u>	<u>2020</u>
<b>Profit or loss:</b>			
<b>Revenues</b>			
Sales and service income		325,248	328,161
Gain on exchange		2,721	4,965
Other income		610	324
<b>Total revenues</b>		<u>328,579</u>	<u>333,450</u>
<b>Expenses</b>			
Cost of sales and services		208,478	217,986
Selling and distribution expenses		44,836	41,749
Administrative expenses		16,103	20,828
<b>Total expenses</b>		<u>269,417</u>	<u>280,563</u>
<b>Profit from operating activities</b>		59,162	52,887
Interest income		45	713
Finance cost		(266)	(299)
<b>Profit before income tax expenses</b>		58,941	53,301
Income tax expenses	11	(12,250)	(10,662)
<b>Profit for the period</b>		<u>46,691</u>	<u>42,639</u>
<b>Other comprehensive income:</b>			
<b>Other comprehensive income for the period</b>		<u>-</u>	<u>-</u>
<b>Total comprehensive income for the period</b>		<u>46,691</u>	<u>42,639</u>
<b>Basic earnings per share</b>	12		
Profit for the period (Baht)		<u>0.08</u>	<u>0.07</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.

  
.....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  
For the three-month period ended 31 March 2021

(Unit: Thousand Baht)

	Issued and paid up share capital	Share premium	Retained earnings		Total
			Appropriated - statutory reserve	Unappropriated	
<b>Balance as at 1 January 2020</b>	152,000	426,989	15,200	104,277	698,466
Profit for the period	-	-	-	42,639	42,639
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	42,639	42,639
Dividend paid (Note 14)	-	-	-	(85,120)	(85,120)
<b>Balance as at 31 March 2020</b>	<u>152,000</u>	<u>426,989</u>	<u>15,200</u>	<u>61,796</u>	<u>655,985</u>
<b>Balance as at 1 January 2021</b>	152,000	426,989	15,200	128,500	722,689
Profit for the period	-	-	-	46,691	46,691
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	46,691	46,691
<b>Balance as at 31 March 2021</b>	<u>152,000</u>	<u>426,989</u>	<u>15,200</u>	<u>175,191</u>	<u>769,380</u>

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

  
..... Director  
Mr. Chatchawe Vatanasuk

  
..... Director  
Mrs. Chirapan Khotcharit Choosang

(Unaudited but reviewed)

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

**Cash flow statement**

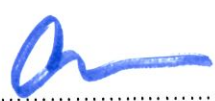
**For the three-month period ended 31 March 2021**

(Unit: Thousand Baht)

	<u>2021</u>	<u>2020</u>
<b>Cash flows from operating activities</b>		
Profit before tax	58,941	53,301
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:		
Depreciation and amortisation	6,259	5,488
Allowance for expected credit losses	50	73
Reduction of inventories to net realisable value	399	-
Gain (loss) on sales of other current financial assets	(49)	6,756
Gain on fair value adjustment of financial assets	(2,328)	(4,625)
Gain on disposals of equipment	-	57
Allowance for impairment loss on property, plant and equipment	937	562
Provision for long-term employee benefits	754	774
Unrealised (gain) loss on exchange	(544)	(99)
Finance income	(44)	(713)
Finance cost	266	299
Profit from operating activities before changes in operating assets and liabilities	64,641	61,873
Operating assets decrease (increase):		
Trade and other receivables	(11,593)	49,969
Inventories	4,768	(4,295)
Other current assets	(1,851)	1,595
Other non-current financial assets and other non-current assets	1	7
Operating liabilities increase (decrease):		
Trade and other payables	(19,071)	(50,771)
Advance received from customers	2,539	192
Other current liabilities	458	1,799
Cash from operating activities	39,892	60,369
Cash received from interest income	(30)	462
Cash paid for interest expenses	184	-
Cash paid for income tax	(135)	(279)
<b>Net cash from operating activities</b>	<u>39,911</u>	<u>60,552</u>

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

  
..... Director  
Mr. Chatchawe Vatanasuk

  
..... Director  
Mrs. Chirapan Khotcharit Choosang

(Unaudited but reviewed)

**T.A.C. Consumer Public Company Limited**  
**Cash flow statement (continued)**  
**For the three-month period ended 31 March 2021**

(Unit: Thousand Baht)

	<u>2021</u>	<u>2020</u>
<b>Cash flows from investing activities</b>		
Cash paid for advance payment for shares	(15,000)	-
Cash paid for purchase of other current financial assets	(362,422)	(355,003)
Proceed from sales of other current financial assets	280,000	315,000
Acquisitions of plant and equipment	(5,138)	(4,934)
Increase in intangible assets	(24)	-
<b>Net cash used in investing activities</b>	<u>(102,584)</u>	<u>(44,937)</u>
<b>Cash flows from financing activities</b>		
Increase in short-term loans from financial institution	-	49,448
Repayments of lease liabilities	(1,236)	(1,462)
Dividend paid	(7)	-
<b>Net cash from (used in) financing activities</b>	<u>(1,243)</u>	<u>47,986</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	(63,916)	63,601
Cash and cash equivalents at beginning of period	<u>203,566</u>	<u>16,095</u>
<b>Cash and cash equivalents at end of period (Note 4)</b>	<u><u>139,650</u></u>	<u><u>79,696</u></u>
 <b>Supplemental cash flows information</b>		
Non-cash transactions		
Receivable from disposal of other current financial assets	5,000	-
Dividend payable	769	85,120

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

  
..... 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 period ended 31 March 2021**

**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, Nongmadaeng, 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.

  
.....Director  
Mr.Chatchawe Vatanasuk

  
.....Director  
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#### 1.4 New financial reporting standards

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

During the period, the Company has adopted the 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 adoption of these financial reporting standards 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 2022

The Federation of Accounting Professions issued amendments to Thai Financial Reporting Standard 16 Leases that provide temporary exemptions from the impact of interest rate benchmark reform for a lessee, provided that all specified conditions are to be met.

The management of the Company believes that adoption of these amendments will not have any significant impact on the Company's financial statements.

#### 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 2020.

  
.....Director  
Mr.Chatchawe Vatanasuk

  
.....Director  
Mrs. Chirapan Khotcharit Choosang

**2. Related party transactions**Directors and management's benefits

During the three-month periods ended 31 March 2021 and 2020, the Company had employee benefit expenses payable to its directors and management as below.

(Unit: Thousand Baht)

For the three-month periods  
ended 31 March

	<u>2021</u>	<u>2020</u>
Short-term employee benefits	10,631	13,324
Post employee benefits	717	698
Total	<u>11,348</u>	<u>14,022</u>

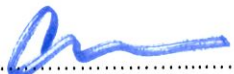
**3. Cash and cash equivalents**

(Unit: Thousand Baht)

	31 March <u>2021</u>	31 December <u>2020</u>
Cash	45	20
Bank deposits	139,500	203,407
Cash in private fund	105	139
Total cash and cash equivalents	<u>139,650</u>	<u>203,566</u>

As at 31 March 2021, bank deposits in savings accounts carried interests between 0.04 and 0.13 percent per annum (31 December 2020: savings accounts between 0.04 and 0.55 percent per annum).

  
..... Director  
Mr. Chatchawe Vatanasuk

  
..... Director  
Mrs. Chirapan Khotcharit Choosang



(Unaudited but reviewed)

4. Trade and other receivables

(Unit: Thousand Baht)

	31 March 2021	31 December 2020
<b><u>Trade accounts receivable - unrelated parties</u></b>		
Aged on the basis of due dates		
Not yet due	241,462	229,393
Past due		
Up to 3 months	3,462	4,510
3 - 6 months	52	189
6 - 12 months	26	-
Over 12 months	267	284
Total	245,269	234,376
Less: Allowance for expected credit losses	(120)	(60)
Total trade accounts receivable - unrelated parties - net	245,149	234,316
<b><u>Other receivables</u></b>		
Other receivables - unrelated parties	12,968	7,243
Less: Allowance for expected credit losses	(244)	(254)
Other receivables - unrelated parties - net	12,724	6,989
Interest receivable	179	319
Total other receivables - net	12,903	7,308
Total trade and other receivables - net	258,052	241,624


5. Inventories

Movements in the reduction of inventories to net realisable value account during the three-month period ended 31 March 2021 are summarised below.

(Unit: Thousand Baht)

<b>Balance as at 31 December 2020</b>	16,276
Add: Reduction of inventory during the period	399
<b>Balance as at 31 March 2021</b>	16,675

  
.....Director  
Mr.Chatchawe Vatanasuk

  
.....Director  
Mrs. Chirapan Khotcharit Choosang

**6. Other current financial assets**

Other current financial assets consisted of the following:

	(Unit: Thousand Baht)	
	31 March 2021	31 December 2020
Fixed deposits at amortised cost	62,423	1
Financial assets at fair value through profit or loss		
Investments in mutual fund	414,358	396,462
Total other current financial assets	<u>476,781</u>	<u>396,463</u>

As at 31 March 2021, the Company had 7-month and 12-month fixed deposits totaling Baht 62.4 million, carrying interests between 0.20 and 0.63 percent per annum and due for redemption during October 2021 to March 2022.

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 31 March 2021, 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 2.3 million. The change in the fair value of such securities is included in profit or loss in the statement of comprehensive income.

**7. Advance payment for shares**

During the current period, the Company has entered into the purchase share agreement for an investment in Thai Tana Tech Innovation Company Limited at 30 percent of share capital, 15,000 shares or equivalent to Baht 30 million. The Company paid advance payment for share of Baht 15 million in March 2021 and made the final payment of Baht 15 million in April 2021.

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



**8. Property, plant and equipment**

Movements in the property, plant and equipment account during the three-month period ended 31 March 2021 are summarised below.

	(Unit: Thousand Baht)
<b>Net book value as at 1 January 2021</b>	98,347
Acquisitions during the period - at cost	5,138
Depreciation for the period	(5,032)
Allowance for impairment increased during the period	(937)
<b>Net book value as at 31 March 2021</b>	<u>97,516</u>

The Company has mortgaged its land with structures thereon with the net book value as at 31 March 2021 of approximately Baht 16.0 million (31 December 2020: Baht 16.1 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 31 March 2021, the Company had bank overdrafts which had not yet been drawn down amounting to Baht 119.8 million (31 December 2020: Baht 119.8 million).

**10. Trade and other payables**

	(Unit: Thousand Baht)	
	31 March	31 December
	2021	2020
Trade payables - unrelated parties	122,639	128,380
Other payables - unrelated parties	43,679	42,998
Accrued expenses	29,035	43,053
<b>Total trade and other payables</b>	<u>195,353</u>	<u>214,431</u>

  
 .....Director  
 Mr. Chatchawe Vatanasuk

  
 .....Director  
 Mrs. Chirapan Khotcharit Choosang

**11. 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 periods ended 31 March 2021 and 2020 are made up as follows:

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
<b>Current income tax</b>		
Interim corporate income tax charge	12,779	10,477
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	<u>(529)</u>	<u>185</u>
<b>Income tax expenses reported in the statements of comprehensive income</b>	<u>12,250</u>	<u>10,662</u>

**12. 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.

**13. 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 period ended 31 March 2021, domestic sales represented 99 percent of total sales, respectively (2020: 98 percent of total sales).

Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss and assets in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned reportable operating segments and geographical area.

  
.....Director  
Mr.Chatchawe Vatanasuk

  
.....Director  
Mrs. Chirapan Khotcharit Choosang

**14. Dividend**

On 25 March 2020, the meeting of the Board of Directors of the Company No. 3/2563 approved the payment of interim dividend for 2019 to the Company's shareholders at Baht 0.14 per share or a total dividend of Baht 85.12 million. The dividend payment was made on 24 April 2020.

**15. Commitments****15.1 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.

Future minimum payments required under these contracts were as follows:

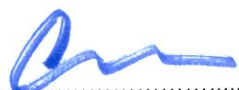
	(Unit: Million Baht)	
	31 March 2021	31 December 2020
Payable		
In up to 1 year	4.5	4.3
In over 1 year and up to 3 years	0.1	0.1

**15.2 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.

  
.....Director  
Mr.Chatchawe Vatanasuk

  
.....Director  
Mrs. Chirapan Khotcharit Choosang



**16. Fair value hierarchy**

As at 31 March 2021 and 31 December 2020, the Company had the following financial assets that were measured at fair value.

	(Unit: Million Baht)	
	31 March 2021	31 December 2020
	<hr/> Level 2 <hr/>	
<b>Financial assets measured at fair value</b>		
Investments in mutual fund	414	396

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

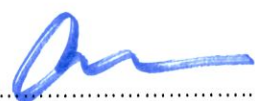
**17. Event after the reporting period**

On 22 April 2021, the Annual General Meeting of the Company's shareholders passed the resolution to approve dividend payment in respect of the profit for the year 2020 to the Company's shareholders at Baht 0.17 per share, totaling Baht 103.36 million, which paid to the shareholders in 13 May 2021. Such dividend will be recorded in the second quarter of 2021.

**18. Approval of interim financial statements**

These interim financial statements were authorised for issue by the Board of Directors of the Company on 13 May 2021.

  
.....Director  
Mr.Chatchawe Vatanasuk

  
.....Director  
Mrs. Chirapan Khotcharit Choosang