

T.A.C. Consumer Public Company Limited
Report and financial statements
31 December 2021

Independent Auditor's Report

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

Opinion

I have audited the accompanying financial statements of T.A.C. Consumer Public Company Limited (the Company), which comprise the statement of financial position as at 31 December 2021, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of T.A.C. Consumer Public Company Limited as at 31 December 2021, its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matter and how audit procedures respond for this matter are described below.

Revenue recognition

Sales are significant accounting transactions as the volume of transactions and the amounts recognised in each period are material and directly affect profit or loss of the Company. In addition, the Company's sales transactions are made with local and overseas customers and there is a variety of arrangements and conditions, pertaining to matters such as sales promotions, discounts and special discounts to boost sales. As a result, the Company's recognition of revenue from sales regarding sale promotions and discounts are complex. I therefore focused my audit on the revenue recognition of the Company.

I examined the Company's revenue recognition by assessing and testing the Company's internal controls with respect to the revenue cycle by making inquiries of responsible executives, gaining an understating of the controls and selecting representative samples to test the operation of the designed controls. In addition, I applied a sampling method to select sales transactions occurring during the year and near the end of the accounting period to examine the supporting documents and reviewed credit notes that the Company issued after the period-end. I also performed analytical procedures on disaggregated data to detect possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Company, but does not include the financial statements and my auditor's report thereon. The annual report of the Company is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Company, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entity or business activities within the group to express an opinion on the financial statements, in which the equity method is applied. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

I am responsible for the audit resulting in this independent auditor's report.

S. Ratananurak

Satida Ratananurak
Certified Public Accountant (Thailand) No. 4753

EY Office Limited
Bangkok: 24 February 2022

T.A.C. Consumer Public Company Limited

Statement of financial position


As at 31 December 2021

(Unit: Baht)

	Note	Financial statements		
		in which		
		the equity method		Separate financial statements
is applied				
		2021	2021	2020
Assets				
Current assets				
Cash and cash equivalents	7	136,499,407	136,499,407	203,566,425
Trade and other receivables	8	261,803,433	261,803,433	241,624,361
Inventories	9	57,215,274	57,215,274	34,920,104
Other current financial assets	10	446,629,901	446,629,901	396,463,090
Other current assets		2,454,126	2,454,126	2,864,519
Total current assets		904,602,141	904,602,141	879,438,499
Non-current assets				
Investment in associate	11	28,616,337	30,000,000	-
Property, plant and equipment	12	90,556,496	90,556,496	98,347,463
Right-of-use assets	13	22,419,853	22,419,853	20,842,899
Intangible assets	14	992,838	992,838	56,224
Deferred tax assets	20	13,116,058	13,116,058	8,540,129
Other non-current financial assets		4,305,000	4,305,000	4,281,200
Total non-current assets		160,006,582	161,390,245	132,067,915
Total assets		1,064,608,723	1,065,992,386	1,011,506,414

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 31 December 2021

(Unit: Baht)

	Note	Financial statements in which the equity method is applied		
		2021	2021	2020
Liabilities and shareholders' equity				
Current liabilities				
Trade and other payables	16	236,397,257	236,397,257	214,430,573
Advance received from customers		5,706,996	5,706,996	5,287,741
Current portion of lease liabilities	13	5,625,384	5,625,384	4,991,881
Income tax payable		31,636,732	31,636,732	23,490,568
Other current liabilities		6,495,596	6,495,596	6,321,804
Total current liabilities		285,861,965	285,861,965	254,522,567
Non-current liabilities				
Lease liabilities, net of current portion	13	14,957,681	14,957,681	15,663,158
Provision for long-term employee benefits	17	21,359,031	21,359,031	18,632,301
Total non-current liabilities		36,316,712	36,316,712	34,295,459
Total liabilities		322,178,677	322,178,677	288,818,026
Shareholders' equity				
Share capital				
Registered				
608,000,000 ordinary shares of Baht 0.25 each		152,000,000	152,000,000	152,000,000
Issued and fully paid up				
608,000,000 ordinary shares of Baht 0.25 each		152,000,000	152,000,000	152,000,000
Share premium		426,988,701	426,988,701	426,988,701
Retained earnings				
Appropriated - statutory reserve	18	15,200,000	15,200,000	15,200,000
Unappropriated		148,241,345	149,625,008	128,499,687
Total shareholders' equity		742,430,046	743,813,709	722,688,388
Total liabilities and shareholders' equity		1,064,608,723	1,065,992,386	1,011,506,414

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 comprehensive income
For the year ended 31 December 2021

(Unit: Baht)

	Note	Financial statements		
		in which		
		the equity method		Separate financial statements
is applied				
		2021	2021	2020
Profit or loss:				
Revenues				
Sales and service income		1,341,141,236	1,341,141,236	1,314,737,938
Gain on exchange		7,033,233	7,033,233	-
Other income		4,734,336	4,734,336	2,002,797
Total revenues		1,352,908,805	1,352,908,805	1,316,740,735
Expenses	19			
Cost of sales and services		831,254,537	831,254,537	869,490,793
Selling and distribution expenses		164,305,910	164,305,910	140,915,611
Administrative expenses		88,058,638	88,058,638	72,307,614
Loss on exchange		-	-	134,475
Total expenses		1,083,619,085	1,083,619,085	1,082,848,493
Operating profit		269,289,720	269,289,720	233,892,242
Share of loss from investment in associate	11	(1,383,663)	-	-
Finance income		607,965	607,965	1,988,815
Finance cost		(1,076,888)	(1,076,888)	(1,185,735)
Profit before income tax expenses		267,437,134	268,820,797	234,695,322
Income tax expenses	20	(53,197,775)	(53,197,775)	(46,314,753)
Profit for the year		214,239,359	215,623,022	188,380,569
Other comprehensive income:				
Other comprehensive income for the year		-	-	-
Total comprehensive income for the year		214,239,359	215,623,022	188,380,569
Basic earnings per share	21			
Profit for the year		0.35	0.35	0.31
Weighted average number of ordinary shares (shares)		608,000,000	608,000,000	608,000,000

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

T.A.C. Consumer Public Company Limited
Statement of changes in shareholders' equity
For the year ended 31 December 2021

(Unit: 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 2021	152,000,000	426,988,701	15,200,000	128,499,687	722,688,388
Profit for the year	-	-	-	214,239,359	214,239,359
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	214,239,359	214,239,359
Dividend paid (Note 24)	-	-	-	(194,497,701)	(194,497,701)
Balance as at 31 December 2021	152,000,000	426,988,701	15,200,000	148,241,345	742,430,046

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 changes in shareholders' equity
For the year ended 31 December 2021


(Unit: Baht)

	Separate financial statements				
	Issued and paid up share capital	Share premium	Retained earnings		Total
			Appropriated - statutory reserve	Unappropriated	
Balance as at 1 January 2020	152,000,000	426,988,701	15,200,000	104,277,675	698,466,376
Profit for the year	-	-	-	188,380,569	188,380,569
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	188,380,569	188,380,569
Dividend paid (Note 24)	-	-	-	(164,158,557)	(164,158,557)
Balance as at 31 December 2020	152,000,000	426,988,701	15,200,000	128,499,687	722,688,388
Balance as at 1 January 2021	152,000,000	426,988,701	15,200,000	128,499,687	722,688,388
Profit for the year	-	-	-	215,623,022	215,623,022
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	215,623,022	215,623,022
Dividend paid (Note 24)	-	-	-	(194,497,701)	(194,497,701)
Balance as at 31 December 2021	152,000,000	426,988,701	15,200,000	149,625,008	743,813,709

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

Cash flow statement

For the year ended 31 December 2021

(Unit: Baht)

	Financial statements		
	in which		
	the equity method		
	is applied	Separate financial statements	
	2021	2021	2020
Cash flows from operating activities			
Profit before tax	267,437,134	268,820,797	234,695,322
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:			
Depreciation and amortisation	23,810,908	23,810,908	23,094,832
Increase (decrease) in allowance for expected credit losses	94,055	94,055	(430,179)
Reduction of inventories to net realisable value	1,063,081	1,063,081	(3,941,853)
Share of loss from investments in associate	1,383,663	-	-
(Gain) loss on sales of other current financial assets	(1,101,021)	(1,101,021)	6,290,866
Gain on fair value adjustment of other current financial assets	(6,480,659)	(6,480,659)	(507,541)
Gain on disposals of equipment	(6,554)	(6,554)	-
Loss on write-off of equipment and intangible assets	35	35	47,768
Allowance for impairment loss on property, plant and equipment	6,184,579	6,184,579	562,250
Provision for long-term employee benefits	3,016,158	3,016,158	3,097,344
Unrealised (gain) loss on exchange	(2,020,198)	(2,020,198)	211,426
Finance income	(607,965)	(607,965)	(1,988,815)
Finance cost	1,076,888	1,076,888	1,185,735
Profit from operating activities before changes in operating assets and liabilities	293,850,104	293,850,104	262,317,155
Operating assets decrease (increase):			
Trade and other receivables	(20,520,034)	(20,520,034)	61,157,969
Inventories	(23,358,251)	(23,358,251)	8,653,004
Other current assets	410,393	410,393	8,824,153
Other non-current financial assets	(23,800)	(23,800)	(30,382)
Operating liabilities increase (decrease):			
Trade and other payables	21,128,412	21,128,412	(52,891,861)
Advance received from customers	419,255	419,255	(2,118,675)
Other current liabilities	173,792	173,792	(2,127,857)
Cash from operating activities	272,079,871	272,079,871	283,783,506
Cash paid for long-term employee benefits	(289,428)	(289,428)	(3,040,093)
Interest received	866,721	866,721	2,286,281
Interest paid	-	-	(27,568)
Corporate income tax paid	(49,627,540)	(49,627,540)	(48,552,337)
Net cash from operating activities	223,029,624	223,029,624	234,449,789

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
Cash flow statement (continued)
For the year ended 31 December 2021

(Unit: Baht)

	Financial statements		
	in which		
	the equity method		
	is applied	Separate financial statements	
	2021	2021	2020
Cash flows from investing activities			
Increase in investments in associate	(30,000,000)	(30,000,000)	-
Cash paid for purchase of other current financial assets	(1,362,248,659)	(1,362,248,659)	(1,698,933,864)
Proceed from sales of other current financial assets	1,321,671,877	1,321,671,877	1,837,071,401
Acquisitions of plant and equipment	(16,450,660)	(16,450,660)	(15,752,030)
Proceeds from disposals of equipment	6,556	6,556	-
Increase in intangible assets	(1,005,300)	(1,005,300)	(20,660)
Net cash from (used in) investing activities	(88,026,186)	(88,026,186)	122,364,847
Cash flows from financing activities			
Repayments of lease liabilities	(8,411,027)	(8,411,027)	(5,960,188)
Dividend paid	(193,659,429)	(193,659,429)	(163,382,814)
Net cash used in financing activities	(202,070,456)	(202,070,456)	(169,343,002)
Net increase (decrease) in cash and cash equivalents	(67,067,018)	(67,067,018)	187,471,634
Cash and cash equivalents at beginning of year	203,566,425	203,566,425	16,094,791
Cash and cash equivalents at end of year (Note 7)	136,499,407	136,499,407	203,566,425
Supplemental cash flows information			
Non-cash transactions			
Acquisition of right-of-use assets under lease contracts	7,262,165	7,262,165	3,611,883
Dividend payable	838,272	838,272	775,743

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 financial statements
For the year ended 31 December 2021

1. General information

1.1 Corporate information

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

1.2 COVID-19 pandemic

A new wave of the COVID-19 pandemic has slowed down the economic recovery, 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.

2. Basis of preparation

The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

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

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

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


..... Director
Mr. Chatchawe Vatanasuk


..... Director
Mrs. Chirapan Khotcharit Choosang

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current year

During the year, 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.

3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2022

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2022. 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, for some standards, providing temporary reliefs or temporary exemptions for users.

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

4. Significant accounting policies

4.1 Revenue and expense recognition

a) Sales of goods

Revenue from sales of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting goods returns, discounts and allowances.

When a contract provided a customer with a right to return the goods within a specified period, the Company recognises the amount ultimately expected they will have to return to customers as a refund liability and recognises the right to recover the goods expected to be returned by customers as a right of return asset in the statement of financial position. The right of return asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods.



..... Director
Mr.Chatchawe Vatanasuk



..... Director
Mrs. Chirapan Khotcharit Choosang

b) *License fee*

Revenue from license of cartoon character is recognised systematically over the contract period.

The obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer is presented under the caption of "Advance received from customers" in the statement of financial position, which is recognised as revenue when the Company performs under the contract.

c) Interest income

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

d) Finance cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.3 Inventories

Inventories are valued at the lower of cost (first-in, first-out method) and net realisable value. Cost of finished goods and work in process comprises all production costs and attributable factory overhead.

Raw materials and packing materials are charged to production costs whenever consumed.

The net realisable value of inventory is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

4.4 Investment in associate

Investment in associate is accounted for in the financial statements in which the equity is applied method using the equity method.

Investment in associate is accounted for in the separate financial statements using the cost method.

TAC Consumer
Public Company Limited
บริษัท ที.เอ.ซี. คอนซูเมอร์ จำกัด (มหาชน)


..... Director
Mr.Chatchawe Vatanasuk


..... Director
Mrs. Chirapan Khotcharit Choosang

4.5 Property, plant and equipment and depreciation

Land is stated at cost. Plant and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of plant and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Building	-	20 years
Building improvement	-	3 - 20 years
Machinery and plant equipment	-	5 - 10 years
Furniture and office equipment	-	3 - 5 years
Selling tools and equipment	-	5 years
Motor vehicles	-	5 years

Depreciation is included in determining income. No depreciation is provided on land and assets under installation.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

4.6 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.7 Intangible assets and amortisation

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on the straight-line basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

	T.A.C. ConsUmer	
	Public Company Limited	
	บริษัท ที.เอ.ซี. คอนซูเมอร์ จำกัด (มหาชน)	
Computer software	<u>Useful lives</u>	2 - 5 years

.....
Mr.Chatchawe Vatanasuk Director

.....
Mrs. Chirapan Khotcharit Choosang Director

4.8 Leases

At inception of contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease when the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company as lessee

The Company applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Company recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

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

Depreciation of right-of-use assets are calculated by reference to their costs on the straight-line basis over the shorter of their estimated useful lives and the lease term.

Building and building improvement	5 - 8 years
Machinery plant and equipment	3 - 10 years
Furniture and office equipment	3 - 5 years
Motor vehicles	5 years

If ownership of the leased asset is transferred to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

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


..... Director
Mr. Chatchawe Vatanasuk


..... Director
Mrs. Chirapan Khotcharit Choosang

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Company discounted the present value of the lease payments 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 change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

Leases of property, plant or equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases is depreciated over the useful life of the asset.

Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

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


..... Director
Mr.Chatchawe Vatanasuk


..... Director
Mrs. Chirapan Khotcharit Choosang

4.9 Related party transactions

Related parties comprise individuals or enterprises that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associates, and individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

4.10 Foreign currencies

The financial statements are presented in Baht, which is also the Company's functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

4.11 Impairment of non-financial assets

At the end of each reporting period, the Company performs impairment reviews in respect of the property, plant and equipment, right-of-use assets and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in the profit or loss.

In the assessment of asset impairment if there is any indication that the previously recognised impairment losses may no longer exist or may have decreased, the Company estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the profit or loss.

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


..... Director
Mr. Chatchawe Vatanasuk


..... Director
Mrs. Chirapan Khotcharit Choosang

4.12 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognised as expenses when incurred.

Defined benefit plans

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Company recognises restructuring-related costs.

4.13 Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.14 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

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


..... Director
Mr. Chatchawe Vatanasuk


..... Director
Mrs. Chirapan Khotcharit Choosang

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company recognises deferred tax liabilities for all taxable temporary differences while it recognises deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.15 Financial instruments

The Company initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component, are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). The classification of financial assets at initial recognition 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 at amortised cost

The Company measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

T.A.C. Consumer
Public Company Limited

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



..... Director
Mr.Chatchawe Vatanasuk



..... Director
Mrs. Chirapan Khotcharit Choosang

Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

These financial assets include derivatives, security investments held for trading, equity investments which the Company has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Classification and measurement of financial liabilities

Except for derivative liabilities, at initial recognition the Company's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Company takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Company has transferred substantially all the risks and rewards of the asset, or the Company has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Impairment of financial assets

The Company recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

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


..... Director
Mr.Chatchawe Vatanasuk


..... Director
Mrs. Chirapan Khotcharit Choosang

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Company considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset as credit impaired or default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade receivables and unbilled revenues, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

ECLs are calculated based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

4.16 Derivatives

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes is recognised in profit or loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivative is presented as a derivatives asset in non-current asset or a derivatives liability in non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as derivatives assets in current assets or derivatives liability in current liabilities.


..... Director
Mr. Chatchawe Vatanasuk


..... Director
Mrs. Chirapan Khotcharit Choosang

4.17 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company applies a quoted market price in an active market to measure its assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company measures fair value using valuation techniques that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categories of input to be used in fair value measurement as follows:

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Significant accounting judgements and estimates


The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Reduction of inventories to net realisable value

In determining the net realisable value of inventories, the management needs to make judgement and estimates of loss that may be incurred from substandard or deteriorated inventories, and the effect from the reduction of the selling price of inventories.

Property, plant and equipment and depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimate useful lives and residual values when there are any changes.


..... Director
Mr. Chatchawe Vatanasuk


..... Director
Mrs. Chirapan Khotcharit Choosang

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

6. Related party transactions

During the years, the Company had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

Directors and management's benefits

During the years ended 31 December 2021 and 2020, the Company had employee benefit expenses payable to its directors and management as below.

	(Unit: Million Baht)	
	<u>2021</u>	<u>2020</u>
Short-term employee benefits	45.9	48.6
Post-employment benefits	2.9	2.8
Total	<u>48.8</u>	<u>51.4</u>

7. Cash and cash equivalents

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
Cash	20	20
Bank deposits	136,467	203,407
Cash in private fund	12	139
Total cash and cash equivalents	<u>136,499</u>	<u>203,566</u>

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

Public Company Limited
บริษัท ที.เอ.ซี. คอนซูเมอร์ จำกัด (มหาชน)


..... Director
Mr. Chatchawe Vatanasuk


..... Director
Mrs. Chirapan Khotcharit Choosang

8. Trade and other receivables

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
<u>Trade accounts receivable - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	256,432	229,393
Past due		
Up to 3 months	3,806	4,510
3 - 6 months	622	189
6 - 12 months	425	-
Over 12 months	220	284
Total	<u>261,505</u>	<u>234,376</u>
Less: Allowance for expected credit losses	(227)	(60)
Total trade accounts receivable - unrelated parties - net	<u>261,278</u>	<u>234,316</u>
<u>Other receivables</u>		
Other receivables - unrelated parties	645	7,243
Less: Allowance for expected credit losses	(181)	(254)
Total other receivables - unrelated parties - net	<u>464</u>	<u>6,989</u>
Interest receivable	61	319
Total other receivables - net	<u>525</u>	<u>7,308</u>
Total trade and other receivables - net	<u>261,803</u>	<u>241,624</u>

Set out below is the movements in the allowance for expected credit losses of trade and other receivables.

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
Beginning balance	314	744
Increase (decrease) in allowance for expected credit losses	94	(430)
Ending balance	<u>408</u>	<u>314</u>

T.A.C. Consumer
Public Company Limited

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


..... Director
Mr. Chatchawe Vatanasuk


..... Director
Mrs. Chirapan Khotcharit Choosang

9. Inventories

(Unit: Thousand Baht)

	Cost		Reduce cost to net realisable value		Inventories - net	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Finished goods	59,417	40,654	(15,033)	(14,661)	44,384	25,993
Work in process	259	151	-	-	259	151
Raw and packing materials	14,720	10,232	(2,307)	(1,615)	12,413	8,617
Goods in transit	159	159	-	-	159	159
Total inventories	<u>74,555</u>	<u>51,196</u>	<u>(17,340)</u>	<u>(16,276)</u>	<u>57,215</u>	<u>34,920</u>

During the current year, the Company reduced cost of inventories by Baht 1.1 million (2020: Baht 5.9 million), to reflect the net realisable value. This was included in cost of sales. In the year 2020, the Company reversed the write-down of cost of inventories by Baht 9.9 million, and reduced the amount of inventories recognised as expenses.

10. Other current financial assets

As at 31 December 2021 and 2021, other current financial assets consisted of the following:

(Unit: Thousand Baht)

	<u>2021</u>	<u>2020</u>
Fixed deposits at amortised cost	62,650	1
Debt instrument at fair value through profit or loss		
Investments in mutual fund	383,980	396,462
Total other current financial assets	<u>446,630</u>	<u>396,463</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.

As at 31 December 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 6.5 million. The change in the fair value of such securities is included in profit or loss in the statement of comprehensive income.

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


..... Director
Mr. Chatchawe Vatanasuk


..... Director
Mrs. Chirapan Khotcharit Choosang

11. Investment in associate

11.1 Details of associate

Company's name	Nature of business	Country of incorporation	Shareholding percentage		(Unit: Thousand Baht)			
					Investment			
					Financial statements in which the equity method is applied		Separate financial statements in which the cost method is applied	
2021	2020	2021	2020	2021	2020			
Thai Canatech Innovation Company Limited	Manufacture and distribute herbal extracts	Thailand	30	-	28,616	-	30,000	-
Total					28,616	-	30,000	-

During the current year, the Company has entered into the purchase share agreement for an investment in Thai Canatech Innovation Company Limited at 30 percent of share capital, 15,000 shares or equivalent to Baht 30 million.

11.2 Share of loss from investment in associate

During the year ended 31 December 2021, the Company recognised its share of loss from investment in associate of Baht 1.4 million in the financial statements in which the equity method is applied.

11.3 Summarised financial information about associate

Summarised information about financial position

	(Unit: Thousand Baht)
	2021
Thai Canatech Innovation Company Limited	
Current assets	94
Non-current assets	13,991
Current liabilities	19,178
Net assets	(5,093)
Shareholding percentage (%)	30
Carrying amounts of joint venture based on equity method	(1,527)

Summarised information about comprehensive income

	(Unit: Thousand Baht)
	2021
Thai Canatech Innovation Company Limited	
Selling expenses	565
Administrative expenses	4,047
Loss	4,612
Total comprehensive income	4,612

.....

 Director
 Mr. Chatchawe Vatanasuk

.....

 Director
 Mrs. Chirapan Khotcharit Choosang

12. Property, plant and equipment


(Unit: Thousand Baht)

	Land	Buildings and building improvement	Machinery and plant equipment	Furniture and office equipment	Selling tools and equipment	Motor vehicles	Assets under installation	Total
Cost								
1 January 2020	25,578	38,252	14,097	15,939	48,424	6,186	12,257	160,733
Additions	-	7,536	2,866	2,986	-	-	2,364	15,752
Transfer in (transfer out)	-	-	-	65	210	-	(275)	-
Write-off	-	(223)	(58)	(111)	-	-	-	(392)
31 December 2020	25,578	45,565	16,905	18,879	48,634	6,186	14,346	176,093
Additions	-	6,077	3,396	1,469	1,575	-	3,933	16,450
Transfer in (transfer out)	-	148	2,185	3,701	882	-	(6,916)	-
Disposal/write-off	-	-	(674)	(61)	-	-	-	(735)
31 December 2021	25,578	51,790	21,812	23,988	51,091	6,186	11,363	191,808
Accumulated depreciation								
1 January 2020	-	11,090	6,935	12,044	28,822	1,018	-	59,909
Depreciation for the year	-	3,217	1,884	1,900	9,684	934	-	17,619
Depreciation on write-off	-	(178)	(55)	(111)	-	-	-	(344)
31 December 2020	-	14,129	8,764	13,833	38,506	1,952	-	77,184
Depreciation for the year	-	4,814	2,534	2,142	7,657	910	-	18,057
Depreciation on disposal/write-off	-	-	(674)	(61)	-	-	-	(735)
31 December 2021	-	18,943	10,624	15,914	46,163	2,862	-	94,506
Allowance for impairment loss								
1 January 2020	-	-	-	-	-	-	-	-
31 December 2020	-	-	-	-	-	-	562	562
Increase during the year	-	-	1,797	-	-	-	4,387	6,184
31 December 2021	-	-	1,797	-	-	-	4,949	6,746
Net book value								
31 December 2020	25,578	31,436	8,141	5,046	10,128	4,234	13,784	98,347
31 December 2021	25,578	32,847	9,391	8,074	4,928	3,324	6,414	90,556
Depreciation for the year								
2020 (Baht 4.7 million included in cost of sales, and the balance in selling and administrative expenses)								17,619
2021 (Baht 7.3 million included in cost of sales, and the balance in selling and administrative expenses)								18,057

As at 31 December 2021, certain equipment items have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 49.0 million (2020: Baht 20.7 million).

The Company has mortgaged land with structures thereon with net book value as at 31 December 2021 amounting to approximately Baht 15.7 million (2020: Baht 16.1 million) as collateral for bank overdrafts and credit facilities granted by a commercial bank as discussed in Note 15.

TAC Group
Public Company Limited
บริษัท ที.เอ.ซี. คอนซูเมอร์ จำกัด (มหาชน)


..... Director
Mr. Chatchawe Vatanasuk


..... Director
Mrs. Chirapan Khotcharit Choosang

13. Lease

The Company as lessee, has lease contracts for various items of assets used in its operations. Leases generally have lease terms between 1 - 10 years.

13.1 Right-of-use assets

Movements of right-of-use assets for the years ended 31 December 2021 and 2020 are summarised below.

(Unit: Thousand Baht)

	Building and building improvement	Machinery and plant equipment	Furniture and office equipment	Motor vehicles	Total
As at 1 January 2020	18,917	76	1,093	2,394	22,480
Additions	567	1,779	1,266	-	3,612
Depreciation for the year	(3,283)	(452)	(938)	(576)	(5,249)
As at 31 December 2020	16,201	1,403	1,421	1,818	20,843
Additions	-	-	1,472	5,790	7,262
Depreciation for the year	(3,315)	(594)	(929)	(847)	(5,685)
As at 31 December 2021	12,886	809	1,964	6,761	22,420

13.2 Lease liabilities

Lease liabilities as at 31 December 2021 and 2020 are presented below.

(Unit: Thousand Baht)

	2021	2020
Lease payment	23,085	23,103
Less: Deferred interest expenses	(2,502)	(2,448)
Total	20,583	20,655
Less: Portion due within one year	(5,625)	(4,992)
Lease liabilities - net of current portion	14,958	15,663

T.A.C. Consumer
Public Company Limited

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



Mr. Chatchawe Vatanasuk

Director



Mrs. Chirapan Khotcharit Choosang

Director

Movements in lease liabilities during the years ended 31 December 2021 and 2020 are summarised below.

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
Balance at beginning of year	20,655	21,845
Additions	7,262	3,612
Accretion of interest	1,077	1,158
Repayments	<u>(8,411)</u>	<u>(5,960)</u>
Balance at end of year	<u>20,583</u>	<u>20,655</u>

A maturity analysis of lease payments is disclosed in Note 27 under the liquidity risk.

13.3 Expenses relating to leases that are recognised in profit or loss

The following are the amounts relating to lease contracts recognised in profit or loss for the years ended 31 December 2021 and 2020 are as follows:

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
Depreciation expenses of right-of-use assets	5,685	5,249
Interest expenses on lease liabilities	1,077	1,158
Expense relating to short-term leases	81	76
Expenses relating to leases of low-value assets	228	186

13.4 Others


The Company had total cash outflows for leases for the year ended 31 December 2021 of Baht 7.1 million (2020: Baht 6.7 million), including the cash outflow related to short-term lease and leases of low-value assets.

14. Intangible assets

The net book value of intangible assets, which are computer software, as at 31 December 2021 and 2020 is presented below.

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
Cost	6,720	5,715
Less: Accumulated amortisation	<u>(5,727)</u>	<u>(5,659)</u>
Net book value	<u>993</u>	<u>56</u>


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

.....

 Director
 Mr. Chatchawe Vatanasuk

.....

 Director
 Mrs. Chirapan Khotcharit Choosang

A reconciliation of the net book value of intangible assets for the years 2021 and 2020 is presented below.

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
Net book value at beginning of year	56	262
Acquisitions - at cost	1,005	21
Amortisation for the year	(68)	(227)
Net book value at end of year	<u>993</u>	<u>56</u>

15. Bank overdrafts

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

As at 31 December 2021, the Company had bank overdrafts which had not yet been drawn down amounting to Baht 89.8 million (2020: Baht 119.8 million).

16. Trade and other payables

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
Trade payables - unrelated parties	120,601	128,380
Other payables - unrelated parties	43,416	42,998
Accrued expenses	72,380	43,053
Total trade and other payables	<u>236,397</u>	<u>214,431</u>

17. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire from the Company, was as follows:

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
Provision for long-term employee benefits at beginning year	18,632	18,575
Included in profit or loss:		
Current service cost	2,701	2,819
Interest cost	315	278
Benefit paid during the year	(289)	(3,040)
Provision for long-term employee benefits at end of year	<u>21,359</u>	<u>18,632</u>

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


..... Director
Mr. Chatchawe Vatanasuk


..... Director
Mrs. Chirapan Khotcharit Choosang

The Company does not expect to pay long-term employee benefits during the next year (2020: Baht 2.0 million).

As at 31 December 2021, the weighted average duration of the liabilities for long-term employee benefits is 11 years (2020: 11 years).

Significant actuarial assumptions are summarised below.

	<u>2021</u>	<u>2020</u>
	(% per annum)	(% per annum)
Discount rate	1.61	1.61
Salary increase rate	5.00	5.00
Staff turnover rate (depending on age of employees)	3 - 34	3 - 34

The results of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2021 and 2020 are summarised below.

	(Unit: Million Baht)	
	As at 31 December 2021	
	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(1.5)	1.7
Salary increase rate	1.9	(1.7)
	<u>Increase 20%</u>	<u>Decrease 20%</u>
Staff turnover rate	(2.1)	2.5

	(Unit: Million Baht)	
	As at 31 December 2020	
	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(1.5)	1.7
Salary increase rate	1.7	(1.5)
	<u>Increase 20%</u>	<u>Decrease 20%</u>
Staff turnover rate	(1.8)	2.1

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


..... Director
Mr. Chatchawe Vatanasuk


..... Director
Mrs. Chirapan Khotcharit Choosang

18. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

19. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
Purchases of finished goods and changes in inventories of finished goods and work in process	604,588	653,582
Raw materials and consumables used	179,889	161,361
Advertising and promotion expenses	54,118	55,582
Salaries and wages and other employee benefits	133,530	113,592
Transportation expenses	37,338	35,156
Depreciation and amortisation	23,811	23,095
Consulting fees	7,871	2,571

20. Income tax

20.1 Income tax expenses for the years ended 31 December 2021 and 2020 are made up as follows:

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
Current income tax:		
Current income tax charge	57,774	45,562
Deferred tax:		
Relating to origination and reversal of temporary differences	(4,576)	753
Income tax expenses reported in profit or loss	<u>53,198</u>	<u>46,315</u>

T.A.C. Consumer
Public Company Limited

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



..... Director
Mr. Chatchawe Vatanasuk



..... Director
Mrs. Chirapan Khotcharit Choosang

20.2 The reconciliation between accounting profit and income tax expenses is shown below.

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied	Separate financial statements	
	<u>2021</u>	<u>2021</u>	<u>2020</u>
Accounting profit before tax	267,437	268,821	234,695
Applicable tax rate	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	53,487	53,764	46,939
Effects of:			
Non-deductible expenses	620	343	639
Additional expense deductions allowed	(909)	(909)	(1,263)
Total	(289)	(566)	(624)
Income tax expenses reported in profit or loss	53,198	53,198	46,315

20.3 The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

	Statements of financial position	
	<u>2021</u>	<u>2020</u>
Deferred tax assets		
Allowance for expected credit losses	82	63
Allowance for diminution in inventory value	3,468	3,255
Accrued expenses	3,468	1,291
Allowance for goods returns	46	46
Allowance for impairment of property, plant and equipment	1,349	112
Lease	150	72
Provision for long-term employee benefits	4,272	3,726
Others	308	2
Total	13,143	8,567
Deferred tax liabilities		
Right of return assets	(27)	(27)
Total	(27)	(27)
Deferred tax assets - net	13,116	8,540

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


..... Director
Mr. Chatchawe Vatanasuk


..... Director
Mrs. Chirapan Khotcharit Choosang

21. Earnings per share

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

22. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as Managing Director.

The Company organised into business units based on its products and services and the sales of license of cartoon characters. At present, the Company is engaged in two operating segments, which are the manufacture and distribution of beverage and the sales of license of cartoon characters. Its operations are carried on only in geographical area of Thailand. For the year 2021, the operation of the sales of license of cartoon characters represented 2 percent of total sales (2020: 2 percent of total sales). The Company's distribution channel includes both in domestic and overseas markets. For the year 2021, domestic sales represented 98 percent of total sales (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.


Major customers

For the year 2021, the Company had revenue from one major customer, with revenue of 95 percent of the Company's revenues (2020: 95 percent).

23. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rate of 5 percent of basic salary. The fund, which is managed by AIA Co., Ltd., will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2021 amounting to approximately Baht 3.7 million (2020: Baht 3.1 million) were recognised as expenses.

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


..... Director
Mr. Chatchawe Vatanasuk


..... Director
Mrs. Chirapan Khotcharit Choosang

24. Dividends

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
<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		<u>164.1</u>	
<u>2021</u>			
The final dividend for 2020	Annual General Meeting of the shareholders on 22 April 2021	103.4	0.17
Interim dividends for 2021	Board of Directors' meeting on 13 August 2021	91.1	0.15
Total for 2021		<u>194.5</u>	

25. Commitments

25.1 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 31 December 2021 and 2020, future minimum payments required under these contracts were as follows:

	(Unit: Million Baht)	
	<u>2021</u>	<u>2021</u>
Payable		
In up to 1 year	1.5	4.3
In over 1 year and up to 3 years	-	0.1

25.2 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.

T.A.C. Consumer
Public Company Limited

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



Mr. Chatchawe Vatanasuk

Director



Mrs. Chirapan Khotcharit Choosang

Director

The Company entered into the merchandise sub-license agreements with creators and copyright holders 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 which are summarised below.

Date	Agreement's term	Agreement's period
25 January 2021	2 years	25 January 2021 - 15 January 2023
30 March 2021	2 years	1 April 2021 - 31 March 2023

26. Fair value hierarchy

As at 31 December 2021 and 2020, the Company had the assets that were measured at fair value using different levels of inputs as follows:

	(Unit: Million Baht)	
	2021	2020
	Level 2	Level 2
Financial assets measured at fair value		
Investments in mutual fund	384	396

During the years 2021 and 2020, there were no transfers within the fair value hierarchy.

27. Financial instruments

27.1 Derivatives

	(Unit: Thousand Baht)	
	2021	2020
Derivative assets		
Derivative assets not designated as hedging instruments		
Forward exchange contracts	-	56
Total derivative assets	-	56

Derivatives not designated as hedging instruments

The Company uses forward exchange contracts to manage some of its transaction exposures. The forward exchange contracts are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally within 12 months.


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

.....

 Director
 Mr. Chatchawe Vatanasuk

.....

 Director
 Mrs. Chirapan Khotcharit Choosang

27.2 Financial risk management objectives and policies

The Company's financial instruments, principally comprise cash and cash equivalents, trade and other receivables, other current financial assets, trade and other payables and lease liabilities. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company is exposed to credit risk primarily with respect to trade and other receivables, deposits with banks and financial institutions and other financial instruments. Except for derivatives, the maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position. The Company's maximum exposure relating to derivatives is noted in the liquidity risk topic.

Trade and other receivables

The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade and other receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance obtained from reputable banks and other financial institutions. Credit term provided to customers normally is between 30 days and 60 days.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of customer segments with similar credit risks. The Company classifies customer segments by customer type and rating. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade and other receivables are written-off when there are no movement and past due for more than one year and not subject to enforcement activity.

Financial instruments and cash deposits

The Company manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits may be updated throughout the year subject to approval of the Company's Board of Directors. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

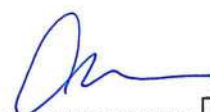
T.A.C. Consumer
Public Company Limited

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



.....Director

Mr.Chatchawe Vatanasuk



.....Director

Mrs. Chirapan Khotcharit Choosang

The credit risk on debt instruments and derivatives is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Market risk

There are two types of market risk comprising foreign currency risk and interest rate risk.

Foreign currency risk

The Company's exposure to the foreign currency risk relates primarily to its purchasing transactions and investment in private fund that are denominated in foreign currencies.

The Company manages its foreign currency risk by hedging purchasing transactions that are expected to occur within a maximum 12-month period for hedges of forecasted sales and purchases and 24-month period for net investment hedges.

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of the derivative to match the terms of the hedged exposure. For hedges of forecast transactions, the derivative covers the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

As at 31 December 2021, the Company had no outstanding of forward exchange contracts outstanding.

Forward exchange contracts outstanding as at 31 December 2020 are summarised below.

2020			
Foreign currency	Sold amount (Thousand)	Contractual exchange rate for	
		amount sold (Baht per 1 foreign currency unit)	Contractual maturity date
US dollar	40	31.4300	7 April 2021

The balances of financial assets denominated in foreign currencies as at 31 December 2021 and 2020 are summarised below.

Foreign currency	Financial assets		Average exchange rate	
	2021 (Million)	2020 (Million)	2021 (Baht per foreign currency unit)	2020
US dollar	2	2	33.1920	29.8674

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

.....
Mr.Chatchawe Vatanasuk Director

.....
Mrs. Chirapan Khotcharit Choosang Director

Foreign currency sensitivity

The following tables demonstrate the sensitivity of the Company's profit before tax to a reasonably possible change in US dollar exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives as at 31 December 2021 and 2020.

Currency	2021		2020	
	Change in	Effect on	Change in	Effect on
	FX rate	profit before tax	FX rate	profit before tax
	(%)	(Thousand Baht)	(%)	(Thousand Baht)
US dollar	+5	3,020	+5	3,144
	-5	(3,020)	-5	(3,144)

Interest rate risk

The Company's exposure to interest rate risk relates primarily to its cash at banks and lease liabilities. Most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rates.

As at 31 December 2021 and 2020, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

	As at 31 December 2021					Effective interest rate (% per annum)
	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	
	Within 1 year	1 - 5 years				
Financial assets						
Cash and cash equivalents	-	-	130	6	136	0.04 - 0.13
Trade and other receivables	-	-	-	262	262	-
Other current financial assets	63	-	-	384	447	0.02 - 0.45
	63	-	130	652	845	
Financial liabilities						
Trade and other payables	236	-	-	-	236	-
Lease liabilities	6	15	-	-	21	4.32 - 7.83
	242	15	-	-	257	

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


..... Director
Mr. Chatchawe Vatanasuk


..... Director
Mrs. Chirapan Khotcharit Choosang

(Unit: Million Baht)

As at 31 December 2020						
Fixed interest rates		Non-		Total	Interest rate (% per annum)	
Within 1 year	1 - 5 years	Floating interest rate	bearing			
Financial assets						
Cash and cash equivalents	62	-	135	7	204	0.04 - 0.55
Trade and other receivables	-	-	-	242	242	-
Other current financial assets	-	-	-	396	396	-
	62	-	135	645	842	
Financial liabilities						
Trade and other payables	-	-	-	214	214	-
Lease liabilities	5	16	-	-	21	3.96 - 11.12
	5	16	-	214	235	

Liquidity risk

The Company manages liquidity risk to meet its business obligations by maintains an adequate level of cash to meet its liquidity requirements. The Company had working capital cover the liquidity needs and its liquidity risk is low.

The table below summarises the maturity profile of the Company's non-derivative financial liabilities and derivative financial instruments as at 31 December 2021 and 2020 based on contractual undiscounted cash flows:

(Unit: Thousand Baht)				
As at 31 December 2021				
	Less than 1 year	1 - 5 years	Over 5 years	Total
Trade and other payables	236,397	-	-	236,397
Lease liabilities	6,666	16,419	-	23,085
Total	243,063	16,419	-	259,482

(Unit: Thousand Baht)				
As at 31 December 2020				
	Less than 1 year	1 - 5 years	Over 5 years	Total
Trade and other payables	214,431	-	-	214,431
Lease liabilities	5,953	16,814	336	23,103
Total	220,384	16,814	336	237,534

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

.....
Mr.Chatchawe Vatanasuk Director

.....
Mrs. Chirapan Khotcharit Choosang Director

27.3 Fair values of financial instruments

Since the majority of the Company's financial instruments are short-term in nature or carrying interest rates closed to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

28. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value.

The Company manages its capital position with reference to its debt-to-equity ratio. As at 31 December 2021, the Company's debt-to-equity ratio was 0.4 :1 (2020: 0.4:1).

29. Event after the reporting period


On 24 February 2022, the meeting of the Board of Directors of the Company No. 1/2022 approved the payment of final dividend for 2021 to the Company's shareholders at Baht 0.18 per share or a total dividend of Baht 109.44 million.

The dividend payment will later be proposed for approval in the Annual General Meeting of the Company's shareholders.

30. Approval of financial statements

These financial statements were authorised for issue by the board of directors of the Company on 24 February 2022.

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


..... Director
Mr. Chatchawe Vatanasuk


..... Director
Mrs. Chirapan Khotcharit Choosang