

T.A.C. Consumer Public Company Limited
Review report and interim financial information
For the three-month period ended
31 March 2022

Independent Auditor's Report on Review of Interim Financial Information

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

I have reviewed the accompanying statement of financial position, in which the equity method is applied, of T.A.C. Consumer Public Company Limited as at 31 March 2022, the related statements of comprehensive income, changes in shareholders' equity and cash flows, in which the equity method is applied, for the three-month period then ended, as well as the condensed notes to the interim financial statements. I have also reviews the separate financial information of T.A.C. Consumer Public Company Limited for the same period (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. Ratanamrak

Satida Ratananurak
Certified Public Accountant (Thailand) No. 4753

EY Office Limited
Bangkok: 12 May 2022

T.A.C. Consumer Public Company Limited
Statement of financial position
As at 31 March 2022

(Unit: Thousand Baht)

	Financial statements				
	Note	in which the equity method is applied		Separate financial statements	
		31 March 2022 (Unaudited but reviewed)	31 December 2021 (Audited)	31 March 2022 (Unaudited but reviewed)	31 December 2021 (Audited)
Assets					
Current assets					
Cash and cash equivalents		137,264	136,499	137,264	136,499
Trade and other receivables	3	244,509	261,804	244,509	261,803
Inventories		56,302	57,215	56,302	57,215
Other current financial assets	4	501,561	446,630	501,561	446,630
Other current assets		4,842	2,454	4,842	2,455
Total current assets		944,478	904,602	944,478	904,602
Non-current assets					
Investment in associate	5	28,285	28,616	30,000	30,000
Property, plant and equipment	6	88,512	90,556	88,512	90,556
Right-of-use assets		22,488	22,420	22,488	22,420
Intangible assets		242	993	242	993
Deferred tax assets		13,086	13,116	13,086	13,116
Other non-current financial assets		4,305	4,305	4,305	4,305
Total non-current assets		156,918	160,006	158,633	161,390
Total assets		1,101,396	1,064,608	1,103,111	1,065,992

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 March 2022

(Unit: Thousand Baht)

	Financial statements				
	in which the equity method is applied		Separate financial statements		
	Note	31 March 2022	31 December 2021	31 March 2022	31 December 2021
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)	
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	8	191,544	236,397	191,544	236,397
Advance received from customers		7,554	5,707	7,554	5,707
Current portion of lease liabilities		5,923	5,625	5,923	5,625
Income tax payable		47,117	31,637	47,117	31,637
Other current liabilities		10,147	6,495	10,147	6,495
Total current liabilities		262,285	285,861	262,285	285,861
Non-current liabilities					
Lease liabilities, net of current portion		14,399	14,958	14,399	14,958
Provision for long-term employee benefits		22,133	21,359	22,133	21,359
Total non-current liabilities		36,532	36,317	36,532	36,317
Total liabilities		298,817	322,178	298,817	322,178
Shareholders' equity					
Share capital					
Registered					
608,000,000 ordinary shares of Baht 0.25 each		152,000	152,000	152,000	152,000
Issued and fully paid up					
608,000,000 ordinary shares of Baht 0.25 each		152,000	152,000	152,000	152,000
Share premium		426,989	426,989	426,989	426,989
Retained earnings					
Appropriated - statutory reserve		15,200	15,200	15,200	15,200
Unappropriated		208,390	148,241	210,105	149,625
Total shareholders' equity		802,579	742,430	804,294	743,814
Total liabilities and shareholders' equity		1,101,396	1,064,608	1,103,111	1,065,992

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

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



Director

Mr. Chatchawe Vatanasuk



Director

Mrs. Chirapan Khotcharit Choosang

(Unaudited but reviewed)

T.A.C. Consumer Public Company Limited
Statement of comprehensive income
For the three-month period ended 31 March 2022


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

	Financial statements			
	in which			
	is applied	Separate financial statements		
Note	2022	2022	2021	
Profit or loss:				
Revenues				
Sales and service income		337,334	337,334	325,248
Gain on exchange		-	-	2,721
Other income		1,449	1,449	610
Total revenues		338,783	338,783	328,579
Expenses				
Cost of sales and services		205,906	205,906	208,478
Selling and distribution expenses		38,023	38,023	44,836
Administrative expenses		18,601	18,601	16,103
Total expenses		262,530	262,530	269,417
Profit from operating activities		76,253	76,253	59,162
Share of loss from investment in associate	5	(331)	-	-
Finance income		204	204	45
Finance cost		(304)	(304)	(266)
Profit before income tax expenses		75,822	76,153	58,941
Income tax expenses	9	(15,673)	(15,673)	(12,250)
Profit for the period		60,149	60,480	46,691
Other comprehensive income:				
Other comprehensive income for the period		-	-	-
Total comprehensive income for the period		60,149	60,480	46,691
Basic earnings per share				
Profit for the period (Baht)		0.10	0.10	0.08
Weighted average number of ordinary shares				
(Thousand shares)		608,000	608,000	608,000

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..... 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 2022

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied				
	Issued and paid up share capital	Share premium	Retained earnings Appropriated - statutory reserve	Unappropriated	Total
Balance as at 1 January 2022	152,000	426,989	15,200	148,241	742,430
Profit for the period	-	-	-	60,149	60,149
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	60,149	60,149
Balance as at 31 March 2022	152,000	426,989	15,200	208,390	802,579

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

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.....Director

Mr. Chatchawe Vatanasuk



.....Director

Mrs. Chirapan Khotcharit Choosang

(Unaudited but reviewed)

T.A.C. Consumer Public Company Limited
Statement of changes in shareholders' equity (continued)
For the three-month period ended 31 March 2022

(Unit: Thousand Baht)

	Separate financial statements				
	Issued and paid up share capital	Share premium	Retained earnings Appropriated - statutory reserve	Unappropriated	Total
Balance as at 1 January 2021	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
Balance as at 31 March 2021	152,000	426,989	15,200	175,191	769,380
Balance as at 1 January 2022	152,000	426,989	15,200	149,625	743,814
Profit for the period	-	-	-	60,480	60,480
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	60,480	60,480
Balance as at 31 March 2022	152,000	426,989	15,200	210,105	804,294

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(Unaudited but reviewed)

T.A.C. Consumer Public Company Limited

Cash flow statement

For the three-month period ended 31 March 2022

(Unit: Thousand Baht)

	Financial statements		
	in which		
	the equity method		Separate financial statements
	is applied		
	2022	2022	2021
Cash flows from operating activities			
Profit before tax	75,822	76,153	58,941
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:			
Depreciation and amortisation	5,434	5,434	6,259
Allowance for expected credit losses	1,050	1,050	50
Reduction of inventories to net realisable value (reversal)	(639)	(639)	399
Gain on sales of other current financial assets	(217)	(217)	(49)
Gain on fair value adjustment of financial assets	(903)	(903)	(2,328)
Loss on write-off of intangible assets	790	790	-
Share of loss from investment in associate	331	-	-
Allowance for impairment loss on property, plant and equipment	-	-	937
Provision for long-term employee benefits	774	774	754
Unrealised (gain) loss on exchange	211	211	(544)
Finance income	(204)	(204)	(44)
Finance cost	304	304	266
Profit from operating activities before changes in operating assets and liabilities	82,753	82,753	64,641
Operating assets decrease (increase):			
Trade and other receivables	16,427	16,426	(11,593)
Inventories	1,552	1,552	4,768
Other current assets	(2,388)	(2,387)	(1,851)
Other non-current financial assets and other non-current assets	-	-	1
Operating liabilities increase (decrease):			
Trade and other payables	(44,833)	(44,833)	(19,071)
Advance received from customers	1,847	1,847	2,539
Other current liabilities	3,652	3,652	458
Cash from operating activities	59,010	59,010	39,892
Cash received from interest income	-	-	(30)
Cash paid for interest expenses	-	-	184
Cash paid for income tax	(163)	(163)	(135)
Net cash from operating activities	58,847	58,847	39,911

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(Unaudited but reviewed)

T.A.C. Consumer Public Company Limited
Cash flow statement (continued)
For the three-month period ended 31 March 2022

(Unit: Thousand Baht)

	Financial statements		
	in which		
	the equity method		
	is applied	Separate financial statements	
	2022	2022	2021
Cash flows from investing activities			
Cash paid for advance payment for shares	-	-	(15,000)
Cash paid for purchase of other current financial assets	(332,000)	(332,000)	(362,422)
Proceed from sales of other current financial assets	278,000	278,000	280,000
Acquisitions of plant and equipment	(2,315)	(2,315)	(5,138)
Increase in intangible assets	(63)	(63)	(24)
Net cash use in investing activities	(56,378)	(56,378)	(102,584)
Cash flows from financing activities			
Repayments of lease liabilities	(1,684)	(1,684)	(1,236)
Dividend paid	(20)	(20)	(7)
Net cash used in financing activities	(1,704)	(1,704)	(1,243)
Net increase (decrease) in cash and cash equivalents	765	765	(63,916)
Cash and cash equivalents at beginning of period	136,499	136,499	203,566
Cash and cash equivalents at end of period	137,264	137,264	139,650
Supplemental cash flows information			
Non-cash transactions			
Receivable from disposal of other current financial assets	-	-	5,000
Acquisition of right-of-use assets under lease contracts	1,119	1,119	-
Dividend payable	818	818	769

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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 2022

1. General information

1.1 Company information

T.A.C. Consumer Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in 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 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 Interim Financial Reporting, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders’ equity and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

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

1.3 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 2021.

The revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2022, do not have any significant impact on the Company’s financial statements.

T.A.C. Consumer
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.....Director
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2. Related party transactionsDirectors and management's benefits

During the three-month periods ended 31 March 2022 and 2021, 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>2022</u>	<u>2021</u>
Short-term employee benefits	10,852	10,631
Post employee benefits	741	717
Total	<u>11,593</u>	<u>11,348</u>

3. Trade and other receivables

	(Unit: Thousand Baht)	
	31 March 2022	31 December 2021
	<u>2022</u>	<u>2021</u>
<u>Trade accounts receivable - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	238,934	256,432
Past due		
Up to 3 months	5,004	3,806
3 - 6 months	533	622
6 - 12 months	282	425
Over 12 months	243	220
Total	<u>244,996</u>	<u>261,505</u>
Less: Allowance for expected credit losses	(1,281)	(227)
Total trade accounts receivable - unrelated parties - net	<u>243,715</u>	<u>261,278</u>
<u>Other receivables</u>		
Other receivables - unrelated parties	706	645
Less: Allowance for expected credit losses	(177)	(181)
Other receivables - unrelated parties - net	<u>529</u>	<u>464</u>
Interest receivable	265	61
Total other receivables - net	<u>794</u>	<u>525</u>
Total trade and other receivables - net	<u>244,509</u>	<u>261,803</u>

TAC Consumer
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.....Director
Mrs. Chirapan Khotcharit Choosang

4. Other current financial assets

Other current financial assets consisted of the following:

	(Unit: Thousand Baht)	
	31 March 2022	31 December 2021
Fixed deposits at amortised cost	62,650	62,650
Financial assets at fair value through profit or loss		
Investments in mutual fund	438,911	383,980
Total other current financial assets	<u>501,561</u>	<u>446,630</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 March 2022, the Company assessed the fair value of such investments by referring to the value quoted by the asset management company in which the fair value increased Baht 0.9 million. The change in the fair value of such securities is included in profit or loss in the statement of comprehensive income.

5. Investment in associate**5.1 Details of investment in associate**

Company's name	Investment			
	Financial statements in which the equity method is applied		Separate financial statements in which the cost method is applied	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
	2022	2021	2022	2021
Thai Canatech Innovation Company Limited	28,285	28,616	30,000	30,000
Total	<u>28,285</u>	<u>28,616</u>	<u>30,000</u>	<u>30,000</u>

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..... Director
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5.2 Share of loss from investment in associate

During the three-month period ended 31 March 2022, the Company recognised its share of loss from investment in associate in the financial statements in which the equity method is applied as follows:

Associates	(Unit: Thousand Baht)
	Financial statements in which the equity method is applied
	For the three-month periods ended 31 March 2022
Thai Canatech Innovation Company Limited	331
Total	331

6. Property, plant and equipment

Movements in the property, plant and equipment account during the three-month period ended 31 March 2022 are summarised below.

	(Unit: Thousand Baht)
Net book value as at 1 January 2022	90,556
Acquisitions during the period - at cost	2,315
Depreciation for the period	(4,359)
Net book value as at 31 March 2022	88,512

The Company has mortgaged its land with structures thereon with the net book value as at 31 March 2022 of approximately Baht 15.6 million (31 December 2021: Baht 15.7 million) as collateral for bank overdrafts and credit facilities granted by a commercial bank as discussed in Note 7.


7. Bank overdrafts

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

As at 31 March 2022, the Company had bank overdrafts which had not yet been drawn down amounting to Baht 89.8 million (31 December 2021: Baht 89.8 million).

T.A.C. Consumer
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(Unaudited but reviewed)

8. Trade and other payables

(Unit: Thousand Baht)

	31 March 2022	31 December 2021
Trade payables - unrelated parties	104,049	120,601
Other payables - unrelated parties	43,845	43,416
Accrued expenses	43,650	72,380
Total trade and other payables	<u>191,544</u>	<u>236,397</u>

9. 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 2022 and 2021 are made up as follows:

(Unit: Thousand Baht)

For the three-month periods
ended 31 March

	<u>2022</u>	<u>2021</u>
Current income tax		
Interim corporate income tax charge	15,643	12,779
Deferred tax:		
Relating to origination and reversal of temporary differences	30	(529)
Income tax expenses reported in the statements of comprehensive income	<u>15,673</u>	<u>12,250</u>

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10. 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 periods ended 31 March 2022, domestic sales represented 98 percent of total sales, respectively (2021: 99 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.

11. Commitments

11.1 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 2022	31 December 2021
Payable		
In up to 1 year	5.1	1.5
In over 1 year and up to 3 years	0.1	-

11.2 Merchandise sub-license commitments

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

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(Unaudited but reviewed)

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

12. Fair value hierarchy

As at 31 March 2022 and 31 December 2021, the Company had the following financial assets that were measured at fair value.

	(Unit: Million Baht)	
	31 March 2022	31 December 2021
	Level 2	
Financial assets measured at fair value		
Investments in mutual fund	439	384

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

13. Event after the reporting period


On 21 April 2022, the Annual General Meeting of the Company's shareholders passed the resolution to approve dividend payment in respect of the profit for the year 2021 to the Company's shareholders at Baht 0.18 per share, totaling Baht 109.44 million, which paid to the shareholders in 19 May 2022. Such dividend will be recorded in the second quarter of 2022.

14. Approval of interim financial statements

These interim financial statements were authorised for issue by the Board of Directors of the Company on 12 May 2022.

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