

T.A.C. Consumer Public Company Limited and its subsidiary
Review report and interim financial information
For the three-month period ended 31 March 2023



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Independent Auditor's Report on Review of Interim Financial Information

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

I have reviewed the accompanying consolidated statement of financial position of T.A.C. Consumer Public Company Limited and its subsidiary as at 31 March 2023, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, as well as the condensed notes to the interim consolidated financial statements. I have also reviewed 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

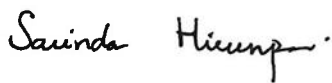
I conducted my review in accordance with Thai Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting 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.

Emphasis of matter

I draw attention to the Note 5 to the interim financial statements regarding the acquisition of Blush Beauty (Thai) Limited's business from their former shareholders in March 2023. At present, the subsidiary is in the process of assessing the fair value of identifiable assets acquired at the acquisition date. The assessment process is ongoing and mainly relates to the identification and valuation of intangible assets and certain tangible assets. The assessment shall be completed within measurement period of 12 months from the acquisition date pursuant to the period allowed by Thai Financial Reporting Standard No. 3 "Business Combinations". During the measurement period, the subsidiary will make further retrospective adjustment of the provisional amounts recognised at the acquisition date when it obtains complete accounting information for reporting in the financial statements. My conclusion is not modified in respect of this matter.



Sarinda Hirunprasurtwutti
Certified Public Accountant (Thailand) No. 4799

EY Office Limited
Bangkok: 11 May 2023

T.A.C. Consumer Public Company Limited and its subsidiary

Statement of financial position

As at 31 March 2023

(Unit: Thousand Baht)

	Note	Financial statements			
		Consolidated	in which the equity		Separate financial statements
		financial statements	method is applied		
	31 March 2023	31 December 2022	31 March 2023	31 December 2022	
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		164,279	150,804	152,992	150,804
Trade and other receivables	3	292,350	310,089	291,229	310,089
Inventories		59,760	50,334	53,346	50,334
Other current financial assets	4	450,607	504,148	450,607	504,148
Other current assets		12,745	5,900	5,850	5,900
Total current assets		979,741	1,021,275	954,024	1,021,275
Non-current assets					
Investment in subsidiary	5	-	-	35,600	-
Investment in associate	6	24,808	27,252	30,000	30,000
Property, plant and equipment	7	102,671	93,932	101,919	93,932
Right-of-use assets		19,700	18,649	17,052	18,649
Intangible assets		16,058	225	194	225
Deferred tax assets		11,021	12,866	11,021	12,866
Other non-current financial assets		4,727	4,502	4,502	4,502
Total non-current assets		178,985	157,426	200,288	160,174
Total assets		1,158,726	1,178,701	1,154,312	1,181,449

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

T.A.C. Consumer Public Company Limited and its subsidiary

Statement of financial position (continued)

As at 31 March 2023

(Unit: Thousand Baht)

	Financial statements				
	Consolidated	in which the equity		Separate financial statements	
	financial statements	method is applied			
	<u>Note</u>	<u>31 March 2023</u>	<u>31 December 2022</u>	<u>31 March 2023</u>	<u>31 December 2022</u>
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)	
Liabilities and shareholders' equity					
Current liabilities					
Short-term loan from financial institution	9	-	30,000	-	30,000
Trade and other payables	10	246,060	299,624	242,050	299,624
Advance received from customers		8,648	6,228	8,624	6,228
Current portion of lease liabilities		7,203	6,466	6,322	6,466
Income tax payable		38,580	28,766	38,580	28,766
Other current liabilities		8,612	6,098	8,487	6,098
Total current liabilities		309,103	377,182	304,063	377,182
Non-current liabilities					
Lease liabilities, net of current portion		12,223	11,899	10,385	11,899
Provision for long-term employee benefits		27,789	26,726	27,789	26,726
Total non-current liabilities		40,012	38,625	38,174	38,625
Total liabilities		349,115	415,807	342,237	415,807

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

T.A.C. Consumer Public Company Limited and its subsidiary

Statement of financial position (continued)

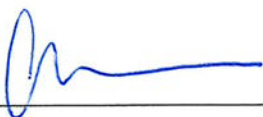
As at 31 March 2023

(Unit: Thousand Baht)

	Financial statements			
	Consolidated	in which the equity		Separate financial statements
	financial statements	method is applied		
Note	31 March 2023	31 December 2022	31 March 2023	31 December 2022
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity (continued)				
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	211,206	168,705	217,886	171,453
Equity attributable to owners of the Company	805,395	762,894	812,075	765,642
Non-controlling interests of the subsidiary	4,216	-	-	-
Total shareholders' equity	809,611	762,894	812,075	765,642
Total liabilities and shareholders' equity	1,158,726	1,178,701	1,154,312	1,181,449

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






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

(Unaudited but reviewed)

T.A.C. Consumer Public Company Limited and its subsidiary

Statement of comprehensive income

For the three-month period ended 31 March 2023

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

	Financial statements			
	Consolidated	in which the equity	Separate financial statements	
	financial statements	method is applied	2023	2022
Note	2023	2022	2023	2022
Profit or loss:				
Revenues				
Sales and service income	379,899	337,334	377,605	337,334
Other income	1,714	1,449	1,709	1,449
Total revenues	381,613	338,783	379,314	338,783
Expenses				
Cost of sales and services	259,803	205,906	258,764	205,906
Selling and distribution expenses	28,659	38,023	27,532	38,023
Administrative expenses	36,261	18,601	34,467	18,601
Total expenses	324,723	262,530	320,763	262,530
Profit from operating activities	56,890	76,253	58,551	76,253
Share of loss from investment				
in associate	6	(2,444)	(331)	-
Finance income		218	204	218
Finance cost		(298)	(304)	(304)
Profit before income tax expenses	54,366	75,822	58,482	76,153
Income tax expenses	11	(12,049)	(15,673)	(15,673)
Profit for the period	42,317	60,149	46,433	60,480
Other comprehensive income:				
Other comprehensive income				
for the period	-	-	-	-
Total comprehensive income				
for the period	42,317	60,149	46,433	60,480

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

(Unaudited but reviewed)

T.A.C. Consumer Public Company Limited and its subsidiary

Statement of comprehensive income (continued)

For the three-month period ended 31 March 2023

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

	Financial statements			
	Consolidated	in which the equity	Separate financial statements	
	financial statements	method is applied	2023	2022
	2023	2022	2023	2022
Profit attributable to:				
Equity holders of the Company	42,501	60,149	46,433	60,480
Non-controlling interests of the subsidiary	(184)	-		
Total	42,317	60,149		
Earnings per share				
Basic earnings per share				
Profit attributable to equity holders of the Company (Baht)	0.07	0.10	0.08	0.10
Weighted average number of ordinary shares (Thousand shares)	608,000	608,000	608,000	608,000

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

(Unaudited but reviewed)

T.A.C. Consumer Public Company Limited and its subsidiary

Statement of changes in shareholders' equity

For the three-month period ended 31 March 2023

(Unit: Thousand Baht)

	Consolidated financial statements/ Financial statements in which the equity method is applied						
	Issued and paid up share capital	Share premium	Retained earnings		Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiary	Total
			Appropriated - statutory reserve	Unappropriated			
Balance as at 1 January 2022	152,000	426,989	15,200	148,241	742,430	-	742,430
Profit for the period	-	-	-	60,149	60,149	-	60,149
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	60,149	60,149	-	60,149
Balance as at 31 March 2022	<u>152,000</u>	<u>426,989</u>	<u>15,200</u>	<u>208,390</u>	<u>802,579</u>	<u>-</u>	<u>802,579</u>
Balance as at 1 January 2023	152,000	426,989	15,200	168,705	762,894	-	762,894
Non-controlling interests of the subsidiary							
increase from business acquisition	-	-	-	-	-	4,400	4,400
Profit for the period	-	-	-	42,501	42,501	(184)	42,317
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	42,501	42,501	4,216	42,501
Balance as at 31 March 2023	<u>152,000</u>	<u>426,989</u>	<u>15,200</u>	<u>211,206</u>	<u>805,395</u>	<u>4,216</u>	<u>809,611</u>

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

(Unaudited but reviewed)

T.A.C. Consumer Public Company Limited and its subsidiary

Statement of changes in shareholders' equity (continued)

For the three-month period ended 31 March 2023

(Unit: Thousand Baht)

	Separate financial statements				Total
	Issued and paid up share capital	Share premium	Retained earnings		
			Appropriated - statutory reserve	Unappropriated	
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	<u>152,000</u>	<u>426,989</u>	<u>15,200</u>	<u>210,105</u>	<u>804,294</u>
Balance as at 1 January 2023	152,000	426,989	15,200	171,453	765,642
Profit for the period	-	-	-	46,433	46,433
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	46,433	46,433
Balance as at 31 March 2023	<u>152,000</u>	<u>426,989</u>	<u>15,200</u>	<u>217,886</u>	<u>812,075</u>

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

(Unaudited but reviewed)

T.A.C. Consumer Public Company Limited and its subsidiary**Cash flow statement****For the three-month period ended 31 March 2023**

(Unit: Thousand Baht)

	Financial statements			
	Consolidated	in which the equity	Separate financial statements	
	<u>financial statements</u>	<u>method is applied</u>	<u>2023</u>	<u>2022</u>
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Cash flows from operating activities				
Profit before tax	54,366	75,822	58,482	76,153
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	5,743	5,434	5,531	5,434
Allowance for expected credit losses (reversal)	(157)	1,050	(157)	1,050
Reversal of inventories reduction to netrealisable value	(983)	(639)	(983)	(639)
Gain on sales of other current financial assets	(825)	(217)	(825)	(217)
Gain on fair value adjustment of financial assets	(634)	(903)	(634)	(903)
Loss on disposal/write-off of assets	95	790	93	790
Share of loss from investment in associate	2,444	331	-	-
Provision for long-term employee benefits	1,063	774	1,063	774
Unrealised gain on exchange	41	211	41	211
Finance income	(218)	(204)	(218)	(204)
Finance cost	298	304	287	304
Profit from operating activities before changes in operating assets and liabilities	61,233	82,753	62,680	82,753
Operating assets decrease (increase):				
Trade and other receivables	18,073	16,427	19,194	16,426
Inventories	(8,443)	1,552	(2,029)	1,552
Other current assets	(6,845)	(2,388)	50	(2,387)
Other non-current financial assets	(225)	-	-	-
Operating liabilities increase (decrease):				
Trade and other payables	(53,553)	(44,833)	(57,563)	(44,833)
Advance received from customers	2,420	1,847	2,396	1,847
Other current liabilities	2,514	3,652	2,389	3,652
Cash from operating activities	15,174	59,010	27,117	59,010
Cash paid for income tax	(390)	(163)	(390)	(163)
Net cash from operating activities	14,784	58,847	26,727	58,847

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

(Unaudited but reviewed)

T.A.C. Consumer Public Company Limited and its subsidiary**Cash flow statement (continued)****For the three-month period ended 31 March 2023**

(Unit: Thousand Baht)

	Financial statements			
	Consolidated	in which the equity	Separate financial statements	
	financial statements	method is applied	2023	2022
	2023	2022	2023	2022
Cash flows from investing activities				
Increase in investment in subsidiary	-	-	(35,600)	-
Cash paid for purchase of other current financial assets	(359,000)	(332,000)	(359,000)	(332,000)
Proceed from sales of other current financial assets	414,000	278,000	414,000	278,000
Acquisitions of plant and equipment	(12,651)	(2,315)	(11,938)	(2,315)
Proceed from disposal of equipment	17	-	37	-
Increase in intangible assets	(16,000)	(63)	-	(63)
Net cash from (used in) investing activities	26,366	(56,378)	7,499	(56,378)
Cash flows from financing activities				
Repayments of Short-term loan from financial institution	(30,000)	-	(30,000)	-
Cash received from non-controlling interests of the subsidiary	4,400	-	-	-
Repayments of lease liabilities	(2,064)	(1,684)	(2,027)	(1,684)
Dividend paid	(11)	(20)	(11)	(20)
Net cash used in financing activities	(27,675)	(1,704)	(32,038)	(1,704)
Net increase in cash and cash equivalents	13,475	765	2,188	765
Cash and cash equivalents at beginning of period	150,804	136,499	150,804	136,499
Cash and cash equivalents at end of period	164,279	137,264	152,992	137,264
Supplemental cash flows information				
Non-cash transactions				
Acquisition of right-of-use assets				
under lease contracts	2,805	1,119	82	1,119
Transfer right-of-use assets to equipment	1	-	1	-
Dividend payable	841	818	841	818

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

T.A.C. Consumer Public Company Limited and its subsidiary
Notes to consolidated interim financial statements
For the three-month period ended 31 March 2023

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 beverage. The registered office of the Company is at 9/231-233, 23rd Floor, UM Tower, Ramkhamhaeng Road, Suanluang, Bangkok, and its branch address is at 99/112 and 99/114, Moo 1, Nongbondaeng, 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 Basis of consolidation

- a) The interim consolidated financial statements include the financial statements of T.A.C. Consumer Public Company Limited (“the Company”) and its subsidiary company (“the subsidiary”) (collectively as “the Group”) as follows:

Company’s name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2023</u>	<u>2022</u>
			Percent	Percent
Health Inspired Planet Co., Ltd.	Distribution of dietary supplement, skin care and beauty product	Thai	89	-

During the current period, there has been change in the composition of the Group structure as described in Note 5 to the financial statements.

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiary is fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiary are prepared using the same significant accounting policies as the Company.
- e) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.
- f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

1.4 Significant accounting policies

- a) 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 2022, except the change in the following accounting policy:

Business combination

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at the acquisition date fair value, the amount of any non-controlling interests in the acquiree and the acquisition date fair value of the Group's previously held equity interest in the acquiree, in a business combination achieved in stages.

For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

The Group measures the identifiable assets acquired and the liabilities assumed at acquisition date fair value, and classifies and designates them in accordance with the contractual terms, economic circumstances, and pertinent conditions as at the acquisition date.

Any contingent consideration to be transferred by the Group will be recognised at fair value at the acquisition date. A contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. A contingent consideration classified as an asset or liability is measured at fair value, with changes in fair value recognised in profit or loss.

Goodwill is initially recorded at cost, which equals the excess of cost of the business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of the business combination, the excess is immediately recognised as a gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Group's cash-generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Group estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

- b) The revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2023, do not have any significant impact on the Group's financial statements.

2. Related party transactions

Directors and management's benefits

During the three-month period ended 31 March 2023 and 2022, the Group had employee benefit expenses payable to its directors and management as below.

(Unit: Thousand Baht)

	Financial statements		Separate financial statements	
	Consolidated financial statements	in which the equity method is applied		
For the three-month periods ended 31 March				
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Short-term employee benefits	11,352	10,852	11,352	10,852
Post-employment benefits	804	741	804	741
Total	<u>12,156</u>	<u>11,593</u>	<u>12,156</u>	<u>11,593</u>

3. Trade and other receivables

(Unit: Thousand Baht)

	Financial statements		Separate financial statements	
	Consolidated financial statements	in which the equity method is applied	31 March 2023	31 December 2022
<u>Trade accounts receivable - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	288,025	292,769	287,011	292,769
Past due				
Up to 3 months	2,330	14,631	2,301	14,631
3 - 6 months	943	539	943	539
6 - 12 months	523	1,092	523	1,092
Over 12 months	1,156	524	1,156	524
Total	292,977	309,555	291,934	309,555
Less: Allowance for expected credit losses	(1,516)	(1,668)	(1,516)	(1,668)
Total trade accounts receivable - unrelated parties - net	291,461	307,887	290,418	307,887
<u>Other receivables</u>				
Other receivables - unrelated parties	759	2,294	681	2,294
Less: Allowance for expected credit losses	(220)	(224)	(220)	(224)
Other receivables - unrelated parties - net	539	2,070	461	2,070
Interest receivable	350	132	350	132
Total other receivables - net	889	2,202	811	2,202
Total trade and other receivables - net	292,350	310,089	291,229	310,089

4. Other current financial assets

Other current financial assets consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements		Financial statements in which the equity method is applied		Separate financial statements	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022	31 March 2023	31 December 2022
Fixed deposits at amortised cost	62,858	62,858	62,858	62,858	62,858	62,858
Financial assets at fair value through profit or loss						
Investments in mutual fund	387,749	441,290	387,749	441,290	387,749	441,290
Total other current financial assets	450,607	504,148	450,607	504,148	450,607	504,148

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 2023, 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 by Baht 0.6 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 subsidiary

Details of investment in subsidiary, which were presented in the separate financial statements are as follows:

Company's name	Paid-up capital		Shareholding percentage		Cost	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022	31 March 2023	31 December 2022
	(Million Baht)	(Million Baht)	(Percent)	(Percent)	(Thousand Baht)	(Thousand Baht)
Health Inspired Planet Co., Ltd.	40	-	89	-	35,600	-
Total					35,600	-

On 15 December 2022, the meeting of the Company's Board of Directors passed its resolutions to approve the establishment of a subsidiary for expand the Company's business. The subsidiary's registration was completed on 18 January 2023, which the Company invested at Baht 35.6 million or equivalent to 89% of its registered shares.

On 23 January 2023, the subsidiary has entered into sales and purchase agreement with Blush Beauty (Thai) Limited (“seller”) to acquire trademark and distribution of dietary supplement, skin care and beauty product business at the contract value of Baht 16 million. As a result of the agreement, on 1 March 2023, the subsidiary acquired trademark, products’ formulas, and inventory from the seller, including engaged seller’s managements as advisors to transfer know-how to operate business, and provide business consult and advice during start-up phase. At present, the subsidiary is in the process of assessing the fair value of the assets acquired at the acquisition date, in order to allocate costs of the business acquisition to the identifiable items, it is to be completed within the period of twelve months from the acquisition date allowed under TFRS 3 (revised 2019) Business Combinations. As of 31 March 2023, the subsidiary paid all of the purchase price and recorded the business acquisition amount including under intangible assets in the consolidated statement of financial position.

6. Investment in associate

6.1 Details of investment in associate

(Unit: Thousand Baht)

Company's name	Investment				
	Consolidated financial statements	Financial statements in which the equity method is applied		Separate financial statements in which the cost method is applied	
		31 March 2023	31 December 2022	31 March 2023	31 December 2022
Thai Canatech Innovation Company Limited	24,808	27,252	30,000	30,000	
Total	24,808	27,252	30,000	30,000	

6.2 Share of loss from investment in associate

During the three-month period ended 31 March 2023 and 2022, the Company recognised its share of loss from investment in associate in the financial statements as follows:

(Unit: Thousand Baht)

Associates	Financial statements in which the equity method is applied	
	For the three-month period ended 31 March	
	2023	2022
Thai Canatech Innovation Company Limited	2,444	331
Total	2,444	331

7. Property, plant and equipment

Movements in the property, plant and equipment account during the three-month period ended 31 March 2023 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
	<u> </u>	<u> </u>
Net book value as at 1 January 2023	93,932	93,932
Acquisitions during the period - at cost	12,673	11,938
Disposals during the period - net book value at disposal date	(112)	(130)
Transfers from right-of-use assets - net book value	1	1
Depreciation for the period	<u>(3,823)</u>	<u>(3,822)</u>
Net book value as at 31 March 2023	<u>102,671</u>	<u>101,919</u>

The Company has mortgaged its land with structures thereon with the net book value as at 31 March 2023 of approximately Baht 15.2 million (31 December 2022: Baht 15.2 million) as collateral for bank overdrafts and credit facilities granted by a commercial bank as discussed in Note 8.

8. Bank overdrafts

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

As at 31 March 2023, the Company had bank overdrafts which had not yet been drawn down amounting to Baht 89.8 million (31 December 2022: Baht 89.8 million).

9. Short-term loan from financial institution

As at 31 December 2022, the Company had short-term loans from financial institution in form of unsecured promissory note of Baht 30 million. The carrying interest is at 2.55 percent per annum. The Company repaid such loan in January 2023.

(Unaudited but reviewed)

10. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Financial statements in which the equity method is applied		Separate financial statements	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022	31 March 2023	31 December 2022
	Trade payables - unrelated parties	162,392	171,447	158,563	171,447	158,563
Other payables - unrelated parties	53,710	62,561	53,653	62,561	53,653	62,561
Accrued expenses	29,958	65,616	29,834	65,616	29,834	65,616
Total trade and other payables	246,060	299,624	242,050	299,624	242,050	299,624

11. Income tax

Interim corporate income tax is calculated on profit before income tax for the period, using the estimated effective tax rate for the year.

Income tax expenses for the three-month period ended 31 March 2023 and 2022 are made up as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Financial statements in which the equity method is applied		Separate financial statements	
	For the three-month periods ended 31 March				2023	2022
	2023	2022	2023	2022	2023	2022
Current income tax:						
Interim corporate income tax charge	10,204	15,643	10,204	15,643	10,204	15,643
Deferred tax:						
Relating to origination and reversal of temporary differences	1,845	30	1,845	30	1,845	30
Income tax expenses reported in the statements of comprehensive income	12,049	15,673	12,049	15,673	12,049	15,673

12. Segment information

The Group is organised into business units based on its products and services. During the current period, the Group has not changed the organisation of their reportable segments.

Revenue and profit information presented by type of the service of the Group for the three-month periods ended 31 March 2023 and 2022 can be set out below.

(Unit: Thousand Baht)

	For the three-month periods ended 31 March									
	Manufacture and distribution of beverage		Distribution of dietary supplement and beauty product		Total reportable segment		Eliminations		Consolidated	
	<u>2566</u>	<u>2565</u>	<u>2566</u>	<u>2565</u>	<u>2566</u>	<u>2565</u>	<u>2566</u>	<u>2565</u>	<u>2566</u>	<u>2565</u>
Revenue										
Revenue from external customers	377,605	337,334	2,294	-	379,899	337,334	-	-	379,899	337,334
Total revenue	<u>377,605</u>	<u>337,334</u>	<u>2,294</u>	<u>-</u>	<u>379,899</u>	<u>337,334</u>	<u>-</u>	<u>-</u>	<u>379,899</u>	<u>337,334</u>
Operating results										
Segment operating profit	118,841	131,428	1,255	-	120,096	131,428	-	-	120,096	131,428
Other income									1,714	1,449
Selling and distribution expenses									(28,659)	(38,023)
Administrative expenses									(36,261)	(18,601)
Share of loss from investment in associated company									(2,444)	(331)
Finance income									218	204
Finance cost									(298)	(304)
Profit before income tax expense									<u>54,366</u>	<u>75,822</u>
Income tax expense									(12,049)	(15,673)
Profit for the period									<u>42,317</u>	<u>60,149</u>

The Group has another segment i.e., sales of license of cartoon characters. However, at present the operation of the sales of license of cartoon characters is insignificant therefore, the Group includes its operation within manufacture and distribution of beverage segment.

13. Commitments and contingent liabilities**13.1 Operating lease commitments**

The Group 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)

	Financial statements		Separate	
	Consolidated financial statements	in which the equity method is applied	financial statements	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
Payable				
In up to 1 year	12.3	1.9	4.9	1.9
In over 1 year and up to 3 years	0.4	-	-	-

13.2 Merchandise sub-license commitments

On 19 October 2022, 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 2023 to 31 December 2027.

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. The agreement is for a period of 2 years, from 1 April 2023 to 31 March 2025.

14. Fair value hierarchy

As at 31 March 2023 and 31 December 2022, the Company had the following financial assets that were measured at fair value.

(Unit: Million Baht)

	Financial statements in which the equity method is applied		Separate financial statements	
	Consolidated financial statements	in which the equity method is applied	31 March 2023	31 December 2022
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
	Level 2			
Financial assets measured at fair value				
Investments in mutual fund	388	441	388	441

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

15. Events after the reporting period

15.1 On 21 April 2023, the Extraordinary General Meeting 1/2566 of the subsidiary's shareholders passed the resolution to approve increase of its share capital by issuing new 100,000 shares at Bath 100 per share or equal to Baht 10 million and offer new issuing shares to existing shareholders at the same portion. The Company subscribed new issuing shares to maintain the Company's portion.

15.2 On 27 April 2023, the Annual General Meeting of the Company's shareholders passed the resolution to approve dividend payment in respect of the profit for the year 2022 to the Company's shareholders at Baht 0.19 per share, totaling Baht 115.52 million, which will be paid to the shareholders on 23 May 2023. Such dividend will be recorded in the second quarter of 2023.

16. Approval of interim financial statements

These interim financial statements were authorised for issue by the Board of Directors of the Company on 11 May 2023.