

**REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION  
BY THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

**TO THE BOARD OF DIRECTORS  
TAOKAENOI FOOD & MARKETING PUBLIC COMPANY LIMITED**

We have reviewed the consolidated statement of financial position of Taokaenoi Food & Marketing Public Company Limited and its subsidiaries and the separate statement of financial position of Taokaenoi Food & Marketing Public Company Limited as at June 30, 2021, and the related consolidated and separate statements of profit or loss and other comprehensive income for the three-month and six-month periods ended June 30, 2021, and the consolidated and separate statements of changes in shareholders' equity and the consolidated and separate statements of cash flows for the six-month period ended June 30, 2021, and the condensed notes to the financial statements. The Company's management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review.

**Scope of Review**

We conducted our 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 us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the aforementioned interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting".

**BANGKOK**  
August 14, 2021

Choopong Surachutikarn  
Certified Public Accountant (Thailand)  
Registration No. 4325  
**DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.**

TAOKAENOI FOOD & MARKETING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT JUNE 30, 2021

UNIT : THOUSAND BAHT

	NOTES	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		As at June 30, 2021 “Unaudited but reviewed”	As at December 31, 2020	As at June 30, 2021 “Unaudited but reviewed”	As at December 31, 2020
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	4.1	231,198	208,580	214,531	189,530
Trade and other current receivables	5	546,301	436,288	614,281	486,694
Short-term loans to a subsidiary	21	-	-	105,674	99,500
Inventories	6	962,817	1,258,708	937,388	1,222,707
Other current financial assets	7	282,643	274,650	282,643	271,820
Other current assets		14,605	23,454	9,271	13,841
Total Current Assets		<u>2,037,564</u>	<u>2,201,680</u>	<u>2,163,788</u>	<u>2,284,092</u>
<b>NON-CURRENT ASSETS</b>					
Investment in subsidiaries	8	-	-	137,462	137,462
Investment property		39,745	39,745	39,745	39,745
Property, plant and equipment	9	998,421	982,908	964,547	942,818
Right-of-use assets	10	115,784	87,684	100,108	62,792
Goodwill	11	12,238	11,468	-	-
Other intangible assets other than goodwill		55,832	55,672	41,949	40,807
Deferred tax assets		77,715	75,804	26,675	27,693
Other non-current assets		23,198	25,960	11,492	13,540
Total Non-current Assets		<u>1,322,933</u>	<u>1,279,241</u>	<u>1,321,978</u>	<u>1,264,857</u>
<b>TOTAL ASSETS</b>		<u><u>3,360,497</u></u>	<u><u>3,480,921</u></u>	<u><u>3,485,766</u></u>	<u><u>3,548,949</u></u>

See condensed notes to the financial statements

TAOKAENOI FOOD & MARKETING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT JUNE 30, 2021

UNIT : THOUSAND BAHT

	NOTES	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		As at June 30, 2021 “Unaudited but reviewed”	As at December 31, 2020	As at June 30, 2021 “Unaudited but reviewed”	As at December 31, 2020
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
CURRENT LIABILITIES					
Short-term borrowings from financial institutions	12	571,000	690,217	561,000	680,217
Trade and other current payables	13	565,534	568,334	546,688	546,755
Current portion of long-term borrowing	16	668	-	-	-
Current portion of lease liabilities	17	29,620	25,155	17,542	10,427
Short-term borrowings	14	15,247	14,588	-	-
Income tax payable		7,893	21,319	7,893	21,317
Other current liabilities		28,105	38,054	23,811	24,674
Total Current Liabilities		1,218,067	1,357,667	1,156,934	1,283,390
NON-CURRENT LIABILITIES					
Long-term borrowings from financial institutions	15	52,124	-	52,124	-
Long-term borrowing	16	4,141	4,507	-	-
Lease liabilities	17	88,036	63,185	83,815	52,742
Non-current provision for employee benefits	18	33,949	31,338	32,374	29,526
Other non-current liabilities		2,096	1,658	-	-
Total Non-current Liabilities		180,346	100,688	168,313	82,268
<b>TOTAL LIABILITIES</b>		<b>1,398,413</b>	<b>1,458,355</b>	<b>1,325,247</b>	<b>1,365,658</b>

TAOKAENOI FOOD & MARKETING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT JUNE 30, 2021

UNIT : THOUSAND BAHT

	NOTES	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		As at	As at	As at	As at
		June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020
		“Unaudited but reviewed”		“Unaudited but reviewed”	
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED)</b>					
SHAREHOLDERS' EQUITY					
SHARE CAPITAL					
Authorized share capital					
1,380,000,000 ordinary shares of Baht 0.25 each		345,000	345,000	345,000	345,000
Issued and paid-up share capital					
1,380,000,000 ordinary shares of Baht 0.25 each, fully paid		345,000	345,000	345,000	345,000
SHARE PREMIUM ON ORDINARY SHARES		1,315,440	1,315,440	1,315,440	1,315,440
SURPLUS ARISING FROM CHANGE IN OWNERSHIP					
INTEREST IN A SUBSIDIARY		1,186	1,186	-	-
RETAINED EARNINGS					
Appropriated					
Legal reserve		34,500	34,500	34,500	34,500
Unappropriated		271,725	331,283	465,579	488,351
OTHER COMPONENTS OF SHAREHOLDERS' EQUITY		(4,906)	(4,408)	-	-
TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		1,962,945	2,023,001	2,160,519	2,183,291
NON-CONTROLLING INTERESTS		(861)	(435)	-	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>1,962,084</b>	<b>2,022,566</b>	<b>2,160,519</b>	<b>2,183,291</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>3,360,497</b>	<b>3,480,921</b>	<b>3,485,766</b>	<b>3,548,949</b>

See condensed notes to the financial statements

TAOKAENOI FOOD & MARKETING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2021  
“UNAUDITED BUT REVIEWED”

		UNIT : THOUSAND BAHT			
	NOTES	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2021	2020	2021	2020
<b>Revenues</b>					
Revenue from sales		783,038	1,011,560	760,205	982,805
Gain on exchange rates - net		2,309	-	2,310	-
Other income		2,253	4,672	3,427	4,616
<b>Total revenues</b>		<u>787,600</u>	<u>1,016,232</u>	<u>765,942</u>	<u>987,421</u>
<b>Expenses</b>					
Cost of sales		598,371	734,579	582,409	717,114
Distribution costs		92,588	99,650	77,818	86,576
Administrative expenses		67,759	69,473	53,979	53,935
Loss on exchange rates - net		-	13,344	-	13,338
<b>Total expenses</b>		<u>758,718</u>	<u>917,046</u>	<u>714,206</u>	<u>870,963</u>
<b>Profit from operating activities</b>		<u>28,882</u>	<u>99,186</u>	<u>51,736</u>	<u>116,458</u>
Finance costs		(3,111)	(5,015)	(2,855)	(4,956)
<b>Profit before income tax expense</b>		<u>25,771</u>	<u>94,171</u>	<u>48,881</u>	<u>111,502</u>
Income tax expense	19	(3,853)	(5,415)	(4,701)	(2,876)
<b>PROFIT FOR THE PERIOD</b>		<u>21,918</u>	<u>88,756</u>	<u>44,180</u>	<u>108,626</u>
<b>OTHER COMPREHENSIVE INCOME (LOSS):</b>					
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translating financial statements		(288)	23	-	-
Other comprehensive income (loss) for the period					
- net of income tax		(288)	23	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<u>21,630</u>	<u>88,779</u>	<u>44,180</u>	<u>108,626</u>
<b>PROFIT (LOSS) ATTRIBUTABLE TO:</b>					
Owners of the Parent		22,236	88,919	<u>44,180</u>	<u>108,626</u>
Non-controlling interests		(318)	(163)		
		<u>21,918</u>	<u>88,756</u>		
<b>TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:</b>					
Owners of the Parent		21,973	88,940	<u>44,180</u>	<u>108,626</u>
Non-controlling interests		(343)	(161)		
		<u>21,630</u>	<u>88,779</u>		
<b>BASIC EARNINGS PER SHARE (BAHT)</b>	22	0.02	0.06	0.03	0.08
<b>WEIGHTED AVERAGE NUMBER OF</b>					
<b>ORDINARY SHARES (THOUSAND SHARES)</b>		1,380,000	1,380,000	1,380,000	1,380,000

See condensed notes to the financial statements

**TAOKAENOI FOOD & MARKETING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2021**  
**“UNAUDITED BUT REVIEWED”**

		UNIT : THOUSAND BAHT			
	NOTES	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2021	2020	2021	2020
<b>Revenues</b>					
Revenue from sales		1,702,979	2,121,542	1,644,819	2,029,210
Gain on exchange rates - net		8,519	-	8,514	-
Other income		7,511	7,361	8,967	6,008
<b>Total revenues</b>		<u>1,719,009</u>	<u>2,128,903</u>	<u>1,662,300</u>	<u>2,035,218</u>
<b>Expenses</b>					
Cost of sales		1,294,478	1,542,650	1,254,329	1,489,269
Distribution costs		190,501	229,101	161,984	188,048
Administrative expenses		140,212	147,980	115,437	114,379
Loss on exchange rates - net		-	6,159	-	6,122
<b>Total expenses</b>		<u>1,625,191</u>	<u>1,925,890</u>	<u>1,531,750</u>	<u>1,797,818</u>
<b>Profit from operating activities</b>		<u>93,818</u>	<u>203,013</u>	<u>130,550</u>	<u>237,400</u>
Finance costs		<u>(5,709)</u>	<u>(10,152)</u>	<u>(5,230)</u>	<u>(9,316)</u>
<b>Profit before income tax expense</b>		<u>88,109</u>	<u>192,861</u>	<u>125,320</u>	<u>228,084</u>
Income tax expense	19	<u>(10,045)</u>	<u>(18,632)</u>	<u>(10,092)</u>	<u>(16,842)</u>
<b>PROFIT FOR THE PERIOD</b>		<u>78,064</u>	<u>174,229</u>	<u>115,228</u>	<u>211,242</u>
<b>OTHER COMPREHENSIVE INCOME (LOSS):</b>					
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translating financial statements		<u>(546)</u>	<u>224</u>	<u>-</u>	<u>-</u>
Other comprehensive income (loss) for the period					
- net of income tax		<u>(546)</u>	<u>224</u>	<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<u>77,518</u>	<u>174,453</u>	<u>115,228</u>	<u>211,242</u>
<b>PROFIT (LOSS) ATTRIBUTABLE TO:</b>					
Owners of the Parent		78,442	174,590	<u>115,228</u>	<u>211,242</u>
Non-controlling interests		<u>(378)</u>	<u>(361)</u>		
		<u>78,064</u>	<u>174,229</u>		
<b>TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:</b>					
Owners of the Parent		77,944	174,794	<u>115,228</u>	<u>211,242</u>
Non-controlling interests		<u>(426)</u>	<u>(341)</u>		
		<u>77,518</u>	<u>174,453</u>		
<b>BASIC EARNINGS PER SHARE (BAHT)</b>	22	0.06	0.13	0.08	0.15
<b>WEIGHTED AVERAGE NUMBER OF</b>					
<b>ORDINARY SHARES (THOUSAND SHARES)</b>		1,380,000	1,380,000	1,380,000	1,380,000

See condensed notes to the financial statements

TAOKAENOI FOOD & MARKETING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2021  
“UNAUDITED BUT REVIEWED”

UNIT : THOUSAND BAHT

NOTES	CONSOLIDATED FINANCIAL STATEMENTS									
	Surplus arising					Other components of shareholders' equity				
						Other comprehensive				
	from change in					income (loss)				
						Exchange				
	Issued and		Share premium	ownership	Retained earnings		differences	components of	equity attributable	Total
paid-up	on ordinary	interest in	Appropriated	- legal reserve	on translating	shareholders'	to owners	Non-controlling	shareholders'	
share capital	shares	a subsidiary	The Company	Unappropriated	financial statements	equity	of the Parent	interests	equity	
Balance as at January 1, 2020	345,000	1,315,440	1,186	34,500	449,545	(4,749)	(4,749)	2,140,922	281	2,141,203
Profit (loss) for the period	-	-	-	-	174,590	-	-	174,590	(361)	174,229
Other comprehensive income for the period	-	-	-	-	-	204	204	204	20	224
Total comprehensive income (loss) for the period	-	-	-	-	174,590	204	204	174,794	(341)	174,453
Dividends paid	-	-	-	-	(207,000)	-	-	(207,000)	-	(207,000)
Balance as at June 30, 2020	345,000	1,315,440	1,186	34,500	417,135	(4,545)	(4,545)	2,108,716	(60)	2,108,656
Balance as at January 1, 2021	345,000	1,315,440	1,186	34,500	331,283	(4,408)	(4,408)	2,023,001	(435)	2,022,566
Profit (loss) for the period	-	-	-	-	78,442	-	-	78,442	(378)	78,064
Other comprehensive income (loss) for the period	-	-	-	-	-	(498)	(498)	(498)	(48)	(546)
Total comprehensive income (loss) for the period	-	-	-	-	78,442	(498)	(498)	77,944	(426)	77,518
Dividends paid	-	-	-	-	(138,000)	-	-	(138,000)	-	(138,000)
Balance as at June 30, 2021	345,000	1,315,440	1,186	34,500	271,725	(4,906)	(4,906)	1,962,945	(861)	1,962,084

See condensed notes to the financial statements

TAOKAENOI FOOD & MARKETING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)  
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2021  
“UNAUDITED BUT REVIEWED”

UNIT : THOUSAND BAHT

	NOTES	SEPARATE FINANCIAL STATEMENTS					
		Issued and paid-up share capital	Share premium on ordinary shares	Retained earnings		Other components of shareholders' equity	Total shareholders' equity
				Appropriated Legal reserve	Unappropriated	Other comprehensive income	
Balance as at January 1, 2020		345,000	1,315,440	34,500	510,994	-	2,205,934
Profit for the period		-	-	-	211,242	-	211,242
Total comprehensive income for the period		-	-	-	211,242	-	211,242
Dividends paid	20	-	-	-	(207,000)	-	(207,000)
Balance as at June 30, 2020		345,000	1,315,440	34,500	515,236	-	2,210,176
Balance as at January 1, 2021		345,000	1,315,440	34,500	488,351	-	2,183,291
Profit for the period		-	-	-	115,228	-	115,228
Total comprehensive income for the period		-	-	-	115,228	-	115,228
Dividends paid	20	-	-	-	(138,000)	-	(138,000)
Balance as at June 30, 2021		345,000	1,315,440	34,500	465,579	-	2,160,519

See condensed notes to the financial statements



TAOKAENOI FOOD & MARKETING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2021

“UNAUDITED BUT REVIEWED”

UNIT: THOUSAND BAHT

	NOTES	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2021	2020	2021	2020
Cash flows from operating activities					
Profit for the period		78,064	174,229	115,228	211,242
Adjustments for					
Income tax expense		10,045	18,632	10,092	16,842
Depreciation of fixed assets and right-of-use assets		83,873	89,520	70,216	74,346
Amortization of intangible assets		3,216	4,986	2,215	3,827
Unrealized (gain) loss on derivatives		13	(108)	13	(108)
Loss from diminution in value of inventories (reversal)		(22,791)	67	(17,571)	(295)
Loss allowance (reversal)		(622)	3,249	(24)	1,608
Reversal of impairment loss on fixed assets		(2,523)	(1,372)	-	-
Difference from rental discount from temporary relief measure		(3,026)	247	(60)	-
Difference from cancellation of leases		(24)	-	-	-
Loss on sale and write-off of fixed assets		5,313	4,633	1,072	75
Unrealized (gain) loss on exchange rate		(2,597)	4,769	(2,693)	4,864
Gain on sale of other current financial assets		(354)	(318)	(354)	(318)
Unrealized (gain) loss on revaluation of other current financial assets		(1,514)	135	(468)	(199)
Employee benefit expenses		3,252	2,246	3,007	2,194
Interest income		(102)	(198)	(1,132)	(173)
Finance costs		5,709	10,152	5,230	9,316
Profit from operations before changes in operating assets and liabilities		155,932	310,869	184,771	323,221
Operating assets (increase) decrease					
Trade and other current receivables		(101,966)	451,752	(120,139)	503,548
Inventories		318,681	(28,051)	302,891	(42,936)
Other current assets		8,553	29,499	4,772	29,714
Other non-current assets		914	4,137	1,075	3,329
Operating liabilities (increase) decrease					
Trade and other current payables		21,919	(48,303)	23,854	(29,143)
Other current liabilities		(11,019)	(28,323)	(1,837)	(27,481)
Other non-current liabilities		57	157	-	-
Employee benefits paid		(641)	(154)	(159)	-
Cash generated by operations		392,430	691,583	395,228	760,252
Income tax paid		(25,381)	(13,706)	(22,498)	(12,542)
Net cash provided by operating activities		367,049	677,877	372,730	747,710

TAOKAENOI FOOD & MARKETING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2021

**“UNAUDITED BUT REVIEWED”**

**UNIT: THOUSAND BAHT**

	NOTES	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2021	2020	2021	2020
<b>Cash flows from investing activities</b>					
Advance payments for purchases of fixed and intangible assets		(9,747)	(7,508)	(9,747)	(7,195)
Cash paid for acquisition of fixed and intangible assets	4.2.1	(107,229)	(60,116)	(105,769)	(55,077)
Proceeds from sales of fixed assets		77	309	6	-
Cash paid for acquisition of other financial assets		(66,125)	(540,000)	(70,000)	(540,000)
Proceeds from sales of other financial assets		60,000	335,000	60,000	335,000
Cash paid for short-term loan to a subsidiary	4.2.2	-	-	(6,000)	(86,500)
Interest received		102	198	1,132	173
<b>Net cash used in investing activities</b>		<u>(122,922)</u>	<u>(272,117)</u>	<u>(130,378)</u>	<u>(353,599)</u>
<b>Cash flows from financing activities</b>					
Cash repayments for short-term borrowings					
from financial institutions	4.2.4	(1,288,515)	(1,761,753)	(1,286,341)	(1,761,753)
Proceeds from short-term borrowings from financial institutions	4.2.4	1,169,298	1,736,330	1,167,124	1,732,581
Cash repayments for short-term borrowings	4.2.4	(321)	(10,000)	-	-
Proceeds from long-term borrowings from financial institutions	4.2.4	52,124	-	52,124	-
Cash repayments for lease liabilities	4.2.4	(11,444)	(9,454)	(6,910)	(3,125)
Dividends paid	4.2.3	(137,956)	(206,889)	(137,956)	(206,889)
Interest paid		(5,872)	(10,156)	(5,392)	(9,403)
<b>Net cash used in financing activities</b>		<u>(222,686)</u>	<u>(261,922)</u>	<u>(217,351)</u>	<u>(248,589)</u>
Effect of foreign exchange rate changes		1,177	357	-	-
<b>Net increase in cash and cash equivalents</b>		<u>22,618</u>	<u>144,195</u>	<u>25,001</u>	<u>145,522</u>
Cash and cash equivalents as at January 1,		<u>208,580</u>	<u>162,298</u>	<u>189,530</u>	<u>130,928</u>
<b>Cash and cash equivalents as at June 30,</b>		<u><u>231,198</u></u>	<u><u>306,493</u></u>	<u><u>214,531</u></u>	<u><u>276,450</u></u>

See condensed notes to the financial statements

**TAOKAENOI FOOD & MARKETING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**CONDENSED NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2021**  
**“UNAUDITED BUT REVIEWED”**

**1. GENERAL INFORMATION AND OPERATIONS OF THE COMPANY**

Taokaenoi Food & Marketing Public Company Limited (the “Company”) was incorporated under the Thai Civil and Commercial Code on September 21, 2004. Subsequently, on May 10, 2013, the Company was transformed into Public Company Limited. The address of its registered office is at 12/1, Moo 4, Tambon Na Mai, Amphur Lad Lum Kaew, Pathumthani.

The Company’s major and ultimate shareholder is Peeradechapan Holding Company Limited, which is registered in Thailand, holding 26.09% of the Company’s share capital.

The Company is the parent company within the Group. The principal business activities are manufacturing and distribution of fried, grilled, and baked seaweed and seaweed snacks. Details of the Group’s subsidiaries as at June 30, 2021 and December 31, 2020 are as follows:

Subsidiaries	Business type	Country of registration	Percentage of shareholdings (%)	
			2021	2020
Taokaenoi Restaurant & Franchise Company Limited	Distribution of snacks and souvenirs, and restaurant business	Thailand	100.00	100.00
Taokaenoi Care Company Limited	Distribution of snacks	Thailand	100.00	100.00
NCP Trading & Supply Company Limited	Manufacturing and distribution of seasoning powder	Thailand	100.00	100.00
TAOKAENOI USA, Inc.	Distribution of seaweed snacks	United States of America	91.21	91.21

The Coronavirus disease 2019 (“COVID-19”) pandemic is continuing to evolve, resulting in an economic slowdown and adverse impact on most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the Group operates. Nevertheless, the Group’s management has continued to monitor the ongoing situation and regularly assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities.

**2. BASIS FOR PREPARATION AND PRESENTATION OF THE INTERIM CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**

2.1 These interim consolidated and separate financial statements are prepared in Thai Baht and in compliance with Thai Accounting Standard No. 34 “Interim Financial Reporting” and accounting practices generally accepted in Thailand. The Group presents the condensed notes to the interim financial statements and the additional information is disclosed in accordance with the regulations of the Office of the Securities and Exchange Commission.

- 2.2 These interim consolidated financial statements include the financial statements of the Company and its subsidiaries (hereinafter called as “the Group”), and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended December 31, 2020, with no change in the shareholding structure of subsidiaries during the current period.
- 2.3 The consolidated and separate statements of financial position as at December 31, 2020, presented herein for comparison, have been derived from the audited consolidated statements of the Group and separate financial statements of the Company for the year then ended.
- 2.4 The unaudited results of operations in the three-month and six-month periods ended June 30, 2021 are not necessarily an indication or anticipation of the operating results for the full year.
- 2.5 The interim financial statements are intended to provide additional information apart from the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances. Certain financial information which is normally included in the annual financial statements prepared in accordance with Thai Financial Reporting Standards (“TFRS”), which is not required for interim reporting purposes, has been omitted so as not to duplicate the information previously reported. Therefore, the interim financial statements for the three-month and six-month periods ended June 30, 2021 should be read in conjunction with the financial statements for the year ended December 31, 2020.
- 2.6 The interim consolidated financial information for the three-month and six-month periods ended June 30, 2021 and the comparative information included the interim financial information of the Company and its subsidiaries.

Material intercompany transactions between the Company and its subsidiaries have been eliminated from the interim consolidated financial information. The reviewed interim consolidated financial statements for the three-month and six-month periods ended June 30, 2021 have included the reviewed interim financial statements of subsidiaries for the three-month and six-month periods ended June 30, 2021.

- 2.7 Thai Financial Reporting Standards affecting the presentation and disclosure in the current period’s financial statements

During the period, the Group has adopted the revised financial reporting standards and the Conceptual Framework for Financial Reporting issued by the Federation of Accounting Professions which are effective for fiscal years beginning on or after January 1, 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revisions to references to the Conceptual Framework in TFRSs, the amendment to the definition of business, the amendment to the definition of materiality and accounting requirements for interest rate reform. The adoption of these financial reporting standards does not have any significant impact on the Group’s interim financial statements.

### The Rent Concessions related to COVID-19

The Group elected to adopt the amendments to TFRS 16 Leases relating to COVID-19 related Rent Concessions. The amendment permits lessees, as a practical expedient, not to assess whether rent concessions that occur as a direct consequence of the COVID-19 pandemic and meet specified conditions are lease modifications and, instead, to account for those rent concessions as if they were not lease modifications. Any reduction in lease payments affects only payments originally due on or before June 30, 2022 and there is no substantive change to other terms and conditions of the lease.

The Group's management has adopted such aforementioned practical expedient in the preparation of the financial statements for the three-month and six-month periods ended June 30, 2021 (see Note 10).

- 2.8 Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective

The revised Thai Financial Reporting Standards No. 16 "Leases" ("TFRS 16") added requirements for the temporary exception arising from interest rate benchmark reform, which an entity shall apply for annual reporting periods beginning on or after January 1, 2022 with earlier application permitted. This revised TFRS 16 was announced in the Royal Gazette on January 27, 2021.

The Group's management will adopt such TFRSs in the preparation of the Group's financial statements when it becomes effective. The Group's management has assessed the impact of these TFRSs and considered that the adoption of these financial reporting standards does not have any significant impact on the financial statements of the Group in the period of initial application.

- 2.9 The interim consolidated and separate financial statements are prepared in English version from the Thai interim consolidated and separate financial statements. In the event of any conflict or interpretation difference between the two different languages, the Thai version of interim consolidated and separate financial statements supersedes.

### **3. SIGNIFICANT ACCOUNTING POLICIES**

The interim financial statements have been prepared based on the basis, accounting policies and method of computation consistent with those used in the financial statements for the year ended December 31, 2020.

#### 4. SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

##### 4.1 Cash and cash equivalents

Cash and cash equivalents as at June 30, 2021 and December 31, 2020, consist of:

	Consolidated		Unit: Thousand Baht	
	Financial Statements		Separate	
	2021	2020	2021	2020
Cash on hand	964	950	245	164
Bank deposits - savings and current accounts	230,234	207,630	214,286	189,366
	<u>231,198</u>	<u>208,580</u>	<u>214,531</u>	<u>189,530</u>

##### 4.2 Non-cash transactions are as follows:

##### 4.2.1 Cash payments for the acquisition of fixed and intangible assets for the six-month periods ended June 30, are as follows:

	Consolidated		Unit: Thousand Baht	
	Financial Statements		Separate	
	2021	2020	2021	2020
Liabilities incurred from the acquisition of fixed and intangible assets as at January 1,	36,525	31,512	34,965	27,204
<u>Add</u> Purchases of fixed and intangible assets during the period	89,862	49,974	88,538	44,148
<u>Less</u> Cash payments	(107,229)	(60,116)	(105,769)	(55,077)
<u>Less</u> Advance payments for purchases of fixed assets paid in the prior year	<u>(11,205)</u>	<u>(8,351)</u>	<u>(10,544)</u>	<u>(8,038)</u>
Liabilities incurred from the acquisition of fixed and intangible assets as at June 30,	<u>7,953</u>	<u>13,019</u>	<u>7,190</u>	<u>8,237</u>

##### 4.2.2 Significant non-cash items for the six-month periods ended June 30, are as follows:

As at June 30, 2021

	Unit: Thousand Baht			
	Separate Financial Statements			
	Balance as at January 1, 2021	Cash flows from investing activities	Non-cash changes Gain on exchange rate	Balance as at June 30, 2021
Loan to a subsidiary	99,500	6,000	-	105,674

As at June 30, 2020

	Unit: Thousand Baht			
	Separate Financial Statements			
	Balance as at January 1, 2020	Cash flows from investing activities	Non-cash changes Gain on exchange rate	Balance as at June 30, 2020
Loan to a subsidiary	-	86,500	-	86,518

#### 4.2.3 Dividends paid for the six-month periods ended June 30, are as follows:

	Consolidated		Unit: Thousand Baht	
	Financial Statements		Separate	
	2021	2020	2021	2020
Accrued dividends as at January 1,	3,656	3,530	3,656	3,530
<u>Add</u> Dividends declared during the period	138,000	207,000	138,000	207,000
<u>Less</u> Paid during the period	(137,956)	(206,889)	(137,956)	(206,889)
Accrued dividends as at June 30,	<u>3,700</u>	<u>3,641</u>	<u>3,700</u>	<u>3,641</u>

#### 4.2.4 Reconciliation of liabilities arising from financing activities

Changes in the liabilities arising from financing activities, including both cash and non-cash changes classified as financing activities in the statements of cash flows, are as follows:

As at June 30, 2021

	Unit: Thousand Baht				
	Consolidated Financial Statements				
	Balance as at January 1, 2021	Cash flows from financing activities	Translation differences of financial statements	Increase (Decrease)	Other changes <sup>(1)</sup>
Short-term borrowings					
from financial institutions	690,217	(119,217)	-	-	-
Short-term borrowings	14,588	(321)	980	-	-
Long-term borrowings					
from financial institutions	-	52,124	-	-	-
Long-term borrowing	4,507	-	302	-	-
Lease liabilities	88,340	(11,444)	-	43,786	(3,026)
<b>Total</b>	<u>797,652</u>	<u>(78,858)</u>	<u>1,282</u>	<u>43,786</u>	<u>(3,026)</u>

<sup>(1)</sup> Such changes occurred from the reduction in lease payments based on the temporary relief measures from the impacts of COVID-19.

As at June 30, 2020

	Unit : Thousand Baht				
	Consolidated Financial Statements				
	Balance as at January 1, 2020	Cash flows from financing activities	Translation differences of financial statements	Increase (Decrease)	Other changes <sup>(1)</sup>
Short-term borrowings					
from financial institutions	854,672	(25,423)	-	-	-
Short-term borrowings	24,056	(10,000)	343	-	-
Lease liabilities	127,081	(9,454)	(7)	(12,864)	(9,061)
<b>Total</b>	<u>1,005,809</u>	<u>(44,877)</u>	<u>336</u>	<u>(12,864)</u>	<u>(9,061)</u>

<sup>(1)</sup> Such changes occurred from the reduction in lease payments based on the temporary relief measures from the impacts of COVID-19.

As at June 30, 2021

Unit: Thousand Baht

	Separate Financial Statements			
	Balance as at January 1, 2021	Cash flows from financing activities	Increase (Decrease)	Other changes <sup>(1)</sup>
Short-term borrowings from financial institutions	680,217	(119,217)	-	-
Long-term borrowings from financial institutions	-	52,124	-	-
Lease liabilities	63,169	(6,910)	45,158	(60)
<b>Total</b>	<b>743,386</b>	<b>(74,003)</b>	<b>45,158</b>	<b>(60)</b>

<sup>(1)</sup> Such changes occurred from the reduction in lease payments based on the temporary relief measures from the impacts of COVID-19.

As at June 30, 2020

Unit : Thousand Baht

	Separate Financial Statements			
	Balance as at January 1, 2020	Cash flows from financing activities	Increase (Decrease)	Balance as at June 30, 2020
Short-term borrowings from financial institutions	846,672	(29,172)	-	817,500
Lease liabilities	32,258	(3,125)	19,441	48,574
<b>Total</b>	<b>878,930</b>	<b>(32,297)</b>	<b>19,441</b>	<b>866,074</b>

## 5. TRADE AND OTHER CURRENT RECEIVABLES

Trade and other current receivables as at June 30, 2021 and December 31, 2020, consist of:

	Consolidated Financial Statements		Unit: Thousand Baht Separate Financial Statements	
	2021	2020	2021	2020
Trade receivables				
Related parties	373	4	90,472	69,405
Third parties	456,440	397,904	432,054	375,814
Less Loss allowance	(19,173)	(19,795)	(14,757)	(14,781)
Total trade receivables	437,640	378,113	507,769	430,438
Other receivables				
Related parties	46	17	3,135	855
Third parties	4,597	3,611	2,721	2,381
Total other receivables	4,643	3,628	5,856	3,236
Accrued income - third parties	11,954	7,850	11,954	7,806
Prepaid expenses	18,868	16,896	15,525	15,432
Advance payments for purchase of raw materials	73,196	29,801	73,177	29,782
Total trade and other current receivables	546,301	436,288	614,281	486,694



Trade receivables as at June 30, 2021 and December 31, 2020, classified by aging are as follows:

	Consolidated Financial Statements		Unit: Thousand Baht Separate Financial Statements	
	2021	2020	2021	2020
<b>Trade receivables</b>				
<b>Subsidiaries</b>				
Current	373	1	27,316	16,322
Overdue				
3 months or less	-	3	23,051	31,784
Over 3 months up to 6 months	-	-	23,470	21,299
Over 6 months up to 9 months	-	-	16,635	-
Total	373	4	90,472	69,405
<b>Other parties</b>				
Current	373,583	320,118	364,453	309,941
Overdue				
3 months or less	53,875	48,752	43,612	41,638
Over 3 months up to 6 months	1,359	64	87	49
Over 6 months up to 9 months	-	55	-	23
Over 9 months	27,623	28,915	23,902	24,163
Total	456,440	397,904	432,054	375,814
	456,813	397,908	522,526	445,219
<u>Less</u> Loss allowance	(19,173)	(19,795)	(14,757)	(14,781)
Total trade receivables	437,640	378,113	507,769	430,438

The normal credit term given to customers of the Group ranges from 30 to 90 days.

The following table shows the movement of lifetime ECL that has been recognized for trade receivables in accordance with the simplified approach set out in TFRS 9.

	Consolidated Financial Statements	Unit: Thousand Baht Separate Financial Statements
<b>Balances as at January 1, 2021</b>	19,795	14,781
Reversal of loss allowance	(622)	(24)
<b>Balances as at June 30, 2021</b>	19,173	14,757

## 6. INVENTORIES

Inventories as at June 30, 2021 and December 31, 2020, consist of:

	Consolidated Financial Statements		Unit: Thousand Baht Separate Financial Statements	
	2021	2020	2021	2020
Finished goods	86,242	101,397	72,321	72,658
Work in process	347	2,152	241	1,843
Raw materials	791,521	1,046,338	782,433	1,036,921
Packaging materials	79,816	102,127	78,583	99,844
Spare parts and supplies	19,164	15,950	17,724	15,118
Goods in transit	68	27,876	68	27,876
	977,158	1,295,840	951,370	1,254,260
<u>Less</u> Allowance for diminution in value of inventories	(14,341)	(37,132)	(13,982)	(31,553)
	962,817	1,258,708	937,388	1,222,707

Cost of inventories recognized as an expense and included in the cost of sales for the six-month periods ended June 30, consists of the following:

	Consolidated Financial Statements		Unit: Thousand Baht Separate Financial Statements	
	2021	2020	2021	2020
Cost of inventories recognized as an expense and included in cost of sales				
- Cost of sale	1,317,269	1,542,583	1,271,900	1,489,564
- Allowance for diminution in value of inventories (reversal)	(22,791)	67	(17,571)	(295)
Total	<u>1,294,478</u>	<u>1,542,650</u>	<u>1,254,329</u>	<u>1,489,269</u>

Movements of the allowance for diminution in value of inventories for the six-month periods ended June 30, are summarized as follows:

	Consolidated Financial Statements		Unit: Thousand Baht Separate Financial Statements	
	2021	2020	2021	2020
Beginning balances of the period	37,132	5,369	31,553	3,901
<u>Add</u> Loss from diminution in value of inventories	10,012	371	14,276	(284)
<u>Less</u> Reversal due to destruction during the period	(32,803)	(304)	(31,847)	(11)
Ending balances of the period	<u>14,341</u>	<u>5,436</u>	<u>13,982</u>	<u>3,606</u>

## 7. OTHER CURRENT FINANCIAL ASSETS

Other current financial assets as at June 30, 2021 and December 31, 2020, consist of:

	Consolidated Financial Statements		Unit: Thousand Baht Separate Financial Statements	
	2021	2020	2021	2020
<b>Other current financial assets</b>				
Financial assets measured at fair value through profit or loss				
- Equity securities	-	2,830	-	-
- Open-ended fixed income fund	282,643	271,820	282,643	271,820
Total other current financial assets	<u>282,643</u>	<u>274,650</u>	<u>282,643</u>	<u>217,820</u>

## 8. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries recorded by the cost method in the separate financial statements as at June 30, 2021 and December 31, 2020, consist of:

	Paid-up share capital	Percentage of shareholding (%)	Balance (at cost)	
			2021 Thousand Baht	2020 Thousand Baht
<b>Subsidiaries</b>				
Taokaenoi Restaurant & Franchise Company Limited	Baht 35 million	100.00	35,000	35,000
Taokaenoi Care Company Limited	Baht 5 million	100.00	4,543	4,543
NCP Trading & Supply Company Limited	Baht 1 million	100.00	491	491
TAOKAENOI USA, Inc.	USD 4,912,000	91.21	97,428	97,428
Total investments in subsidiaries			<u>137,462</u>	<u>137,462</u>

For the six-month periods ended June 30, 2021 and 2020, the subsidiaries did not declare any dividends.

## 9. PROPERTY, PLANT AND EQUIPMENT

Movements of the property, plant and equipment for the six-month periods ended June 30, are summarized as follows:

	Unit: Thousand Baht	
	Consolidated Financial Statements	
	2021	2020
Carrying amount as at January 1,	982,908	1,018,745
Acquisitions during the period - at cost	86,486	45,816
Disposals/write-offs during the period - carrying amount at disposal/write-off date	(5,390)	(4,966)
Depreciation for the period	(68,110)	(78,748)
Reversal of allowance for impairment	2,523	1,372
Translation differences of financial statements of a foreign subsidiary	4	24
Carrying amount as at June 30,	<u>998,421</u>	<u>982,243</u>

	Unit: Thousand Baht	
	Separate Financial Statements	
	2021	2020
Carrying amount as at January 1,	942,818	961,186
Acquisitions during the period - at cost	85,181	40,408
Disposals/write-offs during the period - carrying amount at disposal/write-off date	(1,078)	(75)
Depreciation for the period	(62,374)	(70,988)
Carrying amount as at June 30,	<u>964,547</u>	<u>930,531</u>

## 10. RIGHT-OF-USE ASSETS

Movements of the right-of-use-assets for the six-month periods ended June 30, are summarized as follows:

	Unit: Thousand Baht	
	Consolidated Financial Statements	
	2021	2020
Carrying amount as at January 1,	87,684	126,952
Acquisitions during the period - at cost	45,158	22,223
Disposals/write-offs during the period - carrying amount at disposal/write-off date	(1,347)	(32,214)
Depreciation for the period	(15,763)	(19,586)
Translation differences of financial statements of a foreign subsidiary	52	7
Carrying amount as at June 30,	<u>115,784</u>	<u>97,382</u>

	Unit: Thousand Baht	
	Separate Financial Statements	
	2021	2020
Carrying amount as at January 1,	62,792	29,976
Acquisitions during the period - at cost	45,158	22,223
Depreciation for the period	(7,842)	(3,358)
Carrying amount as at June 30,	<u>100,108</u>	<u>48,841</u>

During the six-month period ended June 30, 2021, the lessors offered the reduction of lease charges to the Group and the Company in the amounts of Baht 3.03 million and Baht 0.06 million, respectively. In accordance with the temporary relief measures for additional accounting alternatives to alleviate the impacts from the COVID-19 outbreak, the Group and the Company adjusted the lease reduction by differences recognized in the statement of profit or loss of Baht 3.03 million and Baht 0.06 million, respectively.

## 11. GOODWILL

Movements of the goodwill for the six-month period ended June 30, 2021 are summarized as follows:

	Unit: Thousand Baht Consolidated Financial Statements
Balance as at January 1, 2021	11,468
Translation differences of financial statements of a foreign subsidiary	770
Carrying amount as at June 30, 2021	<u>12,238</u>

Goodwill from the business acquisition (acquisition of shares of TAOKAENOI USA, Inc. in 2017) mainly consists of the business opportunities arising from the acquisition of a seaweed factory ready to operate immediately from the acquisition date. The acquisition will help to expand the production capacity and increase the revenue from sale of natural seaweed products, as well as enabling the Group to increase marketing channels and expand its customer base in North America.

## 12. SHORT-TERM BORROWINGS FROM FINANCIAL INSTITUTIONS

Short-term borrowings from financial institutions as at June 30, 2021 and December 31, 2020, are as follows:

	Interest rate (% p.a.)		Unit: Thousand Baht Consolidated Financial Statements	
	2021	2020	2021	2020
Promissory notes	1.20 - 1.66	1.30 - 1.66	560,000	522,000
Trust receipts	1.25	1.25 - 1.50	<u>11,000</u>	<u>168,217</u>
			<u>571,000</u>	<u>690,217</u>

	Interest rate (% p.a.)		Unit: Thousand Baht Separate Financial Statements	
	2021	2020	2021	2020
Promissory notes	1.20 - 1.50	1.30 - 1.48	550,000	512,000
Trust receipts	1.25	1.25 - 1.50	<u>11,000</u>	<u>168,217</u>
			<u>561,000</u>	<u>680,217</u>

Such borrowings are unsecured and callable on demand. As at June 30, 2021 and December 31, 2020, the Company had unused bank credit facilities for short-term borrowings from financial institutions of Baht 1,856 million and Baht 1,745 million, respectively.

### 13. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables as at June 30, 2021 and December 31, 2020, consist of:

	Consolidated		Unit: Thousand Baht	
	Financial Statements		Separate	
	2021	2020	2021	2020
Trade payables - related parties	8	4	12,020	12,919
Trade payables - other parties	216,647	169,668	196,566	149,725
Other payables - related parties	114	-	2,094	175
Other payables - other parties	79,782	89,015	69,216	78,150
Payables for purchase of fixed and intangible assets	7,953	36,525	7,190	34,965
Accrued expenses	261,030	273,122	259,602	270,821
	<u>565,534</u>	<u>568,334</u>	<u>546,688</u>	<u>546,755</u>

### 14. SHORT-TERM BORROWINGS

Short-term borrowings as at June 30, 2021 and December 31, 2020, consist of:

Borrower	Credit Limit	Interest Rate (% p.a.)	Repayment Term	Unit: Thousand Baht	
				Consolidated Financial Statements 2021	2020
TAOKAENOI USA, Inc.					
Borrowing from					
Samhae Commercial Co., Ltd.	USD 0.4 million	4.6	At call	15,247	14,588

As at June 30, 2021 and December 31, 2020, such short-term borrowings have no collateral.

### 15. LONG-TERM BORROWINGS FROM FINANCIAL INSTITUTIONS

Long-term borrowings from financial institutions as at June 30, 2021, consist of (as at December 31, 2020: nil):

	Interest rate (% p.a.)	Repayment Term	Unit: Thousand Baht
			Consolidated and Separate Financial Statements
Long-term borrowings from financial institutions	BIBOR + 2.15	February 2023 - January 2028	<u>52,124</u>

Such borrowings are unsecured. As at June 30, 2021, the Company had unused bank credit facilities for long-term borrowings from financial institutions of Baht 121.88 million (as at December 31, 2020: nil).

## 16. LONG-TERM BORROWING

Long-term borrowing as at June 30, 2021 and December 31, 2020, is as follows:

Borrower	Credit Limit	Interest rate (% p.a.)	Repayment term	Unit: Thousand Baht Consolidated Financial Statements	
				2021	2020
TAOKAENOI USA, Inc.					
Other long-term borrowing	USD 0.2 million	1.0	January 2022 - August 2025	4,809	4,507
<u>Less</u> Current portion of of long-term borrowing				(668)	-
				4,141	4,507

Other long-term borrowing is a borrowing from the U.S. Small Business Administration (“SBA”) under COVID-19 relief measures. Such long-term borrowing carries interest rate at 1% per annum. However, SBA will forgive whole amount of borrowing in case TAOKAENOI USA, Inc. is able to follow conditions specified for the measures (see Note 28).

## 17. LEASE LIABILITIES

Lease liabilities as at June 30, 2021 and December 31, 2020, consist of:

	Consolidated Financial Statements		Unit: Thousand Baht Separate Financial Statements	
	2021	2020	2021	2020
<b>Maturity analysis:</b>				
Within 1 year	32,027	26,789	19,708	11,639
After 1 year but within 5 years	68,068	45,625	63,874	35,127
After 5 years	28,167	23,928	28,167	23,928
	<u>128,262</u>	<u>96,342</u>	<u>111,749</u>	<u>70,694</u>
<u>Less</u> Deferred interest expense	(10,606)	(8,002)	(10,392)	(7,525)
Total	<u>117,656</u>	<u>88,340</u>	<u>101,357</u>	<u>63,169</u>
<b>Classification:</b>				
Current portion of lease liabilities	29,620	25,155	17,542	10,427
Lease liabilities	88,036	63,185	83,815	52,742
Total	<u>117,656</u>	<u>88,340</u>	<u>101,357</u>	<u>63,169</u>

## 18. NON-CURRENT PROVISION FOR EMPLOYEE BENEFIT OBLIGATIONS

Movements of the present values of the defined benefit obligations as at June 30, 2021 and December 31, 2020, are as follows:

	Consolidated Financial Statements		Unit: Thousand Baht Separate Financial Statements	
	2021	2020	2021	2020
Balance of present value of defined benefit obligation of the period/year	31,338	25,474	29,526	24,875
Current service cost	3,059	4,212	2,827	3,730
Interest cost	193	510	180	499
Actuarial loss on defined employee benefit plan	-	2,604	-	1,527
<u>Less</u> Benefits paid during the period	(641)	(1,462)	(159)	(1,105)
Balance of present value of defined benefit obligation of the period/year	<u>33,949</u>	<u>31,338</u>	<u>32,374</u>	<u>29,526</u>

## 19. INCOME TAX

Income tax expense for the three-month and six-month periods ended June 30, are summarized as follows:

### For the three-month periods ended June 30, 2021 and 2020

	Consolidated Financial Statements		Unit: Thousand Baht Separate Financial Statements	
	2021	2020	2021	2020
Current income tax	623	9,595	598	9,428
Adjustment in respect of income tax of the previous year	1,098	-	1,098	-
Deferred tax				
Deferred tax relating to origination and reversal of temporary differences	2,132	(4,180)	3,005	(6,552)
Income tax expense reported in the statement of profit or loss	<u>3,853</u>	<u>5,415</u>	<u>4,701</u>	<u>2,876</u>

### For the six-month periods ended June 30, 2021 and 2020

	Consolidated Financial Statements		Unit: Thousand Baht Separate Financial Statements	
	2021	2020	2021	2020
Current income tax	8,001	19,431	7,976	19,240
Adjustment in respect of income tax of the previous year	1,098	-	1,098	-
Deferred tax				
Deferred tax relating to origination and reversal of temporary differences	946	(799)	1,018	(2,398)
Income tax expense reported in the statement of profit or loss	<u>10,045</u>	<u>18,632</u>	<u>10,092</u>	<u>16,842</u>

## 20. DIVIDENDS

On February 24, 2020, the Board of Directors' Meeting of the Company passed a resolution to distribute annual dividends from the operations of the year 2019 for 1,380 million shares at Baht 0.26 per share, totaling Baht 358.8 million. The dividends consist of interim dividends at Baht 0.11 per share, totaling Baht 151.8 million, which were paid on September 11, 2019, and additional dividends at Baht 0.15 per share, totaling Baht 207.0 million, which were paid on April 24, 2020.

On April 21, 2021, the Annual General Shareholders' Meeting passed a resolution to distribute annual dividends from the operations of the year 2020 for 1,380 million shares at Baht 0.21 per share, totaling Baht 289.8 million. The dividends consist of interim dividends at Baht 0.11 per share, totaling Baht 151.8 million, which were paid on September 9, 2020, and additional dividends at Baht 0.10 per share, totaling Baht 138.0 million, which were paid on May 7, 2021.

## 21. TRANSACTIONS WITH RELATED PARTIES

The relationships between the Company and related parties are summarized as follows:

Company name	Relationship
Taokaenoi Restaurant & Franchise Company Limited	Subsidiary
Taokaenoi Care Company Limited	Subsidiary
NCP Trading & Supply Company Limited	Subsidiary
TAOKAENOI USA, Inc.	Subsidiary
Peeradechapan Holding Company Limited	Major shareholder
Dr. Tobi Company Limited	Common shareholders/directors
Chubcheeva Company Limited	Common shareholders/directors
Move Fast Company Limited	Common director
Mr. Itthipat Peeradechapan	Director
Miss Orrapat Peeradechapan	Director
Mr. Nutchatpong Peeradechapan	Director

For the three-month and six-month periods ended June 30, the Group had significant business transactions with related parties. Such transactions, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Group and those related parties, are as follows:

**For the three-month periods ended June 30, 2021 and 2020**

Account name	Unit: Thousand Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2021	2020	2021	2020
<b>Subsidiaries</b>				
Revenue from sales	-	-	32,613	51,377
Revenue from rendering accounting and financing services	-	-	1,179	1,179
Interest income	-	-	529	71
Purchases of goods	-	-	26,594	41,618
Sales promotion expenses	-	-	619	1,166
Rental expenses	-	-	62	92
<b>Related parties</b>				
Revenue from sales	295	2	294	-
Purchases of goods	10	5	-	-
Rental income	104	77	-	-
Rental expenses	90	90	90	90
Interest expenses	-	29	-	-
Sales promotion expenses	110	-	110	-



For the six-month periods ended June 30, 2021 and 2020

Account name	Consolidated		Unit: Thousand Baht	
	Financial Statements	Financial Statements	Financial Statements	Financial Statements
	2021	2020	2021	2020
<b>Subsidiaries</b>				
Revenue from sales	-	-	53,783	97,048
Revenue from rendering accounting and financing services	-	-	2,358	1,626
Interest income	-	-	1,035	71
Purchases of goods	-	-	57,135	86,499
Sales promotion expenses	-	-	1,893	2,303
Rental expenses	-	-	124	183
<b>Related parties</b>				
Revenue from sales	298	2	294	-
Purchases of goods	(293)	5	-	-
Rental income	104	153	-	-
Other income	-	38	-	-
Rental expenses	180	180	180	180
Interest expenses	-	81	-	-
Sales promotion expenses	110	-	110	-

Pricing policies of each account can be described as follows:

Account	Transfer pricing policy
Revenue from sales	Cost plus margin at 15% - 45% depending on the purchase volume and product types
Revenue from rendering accounting and financing services	Actual cost plus margin
Interest income	Rate stipulated in the agreement
Rental income	Rate stipulated in the agreement
Other income	Rate stipulated in the agreement
Purchases of goods	Cost plus margin at 5% - 15% and cost plus margin at 35% - 70% depending on the purchase volume and product types for subsidiaries and related parties, respectively
Sales promotion expenses	Rate stipulated in the agreement
Rental expenses	Rate stipulated in the agreement
Interest expenses	Rate stipulated in the agreement
Other expenses	Rate stipulated in the agreement

The balances of the accounts between the Group and those related parties as at June 30, 2021 and December 31, 2020, are as follows:

Account name	Consolidated		Unit: Thousand Baht	
	Financial Statements		Separate	
	2021	2020	2021	2020
<b>Trade receivables</b>				
Subsidiaries	-	-	90,421	69,405
Related parties	373	4	51	-
Total	<u>373</u>	<u>4</u>	<u>90,472</u>	<u>69,405</u>
<b>Other receivables</b>				
Subsidiaries	-	-	3,135	855
Related parties	46	17	-	-
Total	<u>46</u>	<u>17</u>	<u>3,135</u>	<u>855</u>
<b>Trade payables</b>				
Subsidiaries	-	-	12,020	12,919
Related parties	8	4	-	-
Total	<u>8</u>	<u>4</u>	<u>12,020</u>	<u>12,919</u>
<b>Other payables</b>				
Subsidiaries	-	-	1,980	175
Related parties	114	-	114	-
Total	<u>114</u>	<u>-</u>	<u>2,094</u>	<u>175</u>

#### SHORT-TERM LOANS TO A SUBSIDIARY

Short-term loans to a subsidiary as at June 30, 2021 and December 31, 2020 is as follows:

Borrower	Interest rate (% p.a.)		Unit: Thousand Baht	
	2021	2020	2021	2020
Taokaenoi Restaurants & Franchise Co., Ltd.	1.96 - 2.20	1.96 - 2.20	<u>105,674</u>	<u>99,500</u>

#### DIRECTOR AND MANAGEMENT'S BENEFITS

During the three-month and six-month periods ended June 30, the Group had employee benefit expenses for its directors and management as follows:

	Unit : Thousand Baht			
	Consolidated and Separate Financial Statements			
	For the three-month periods ended June 30,	For the six-month periods ended June 30,		
	2021	2020	2021	2020
Short-term benefits	12,837	6,802	22,277	15,811
Post-employment benefits	620	446	1,289	1,050
Total	<u>13,457</u>	<u>7,248</u>	<u>23,566</u>	<u>16,861</u>

## 22. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares issued during the period.

## 23. OPERATING SEGMENT

Operating segment information is reported in a manner consistent with the internal reports of the Group 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.

For management purposes, the Group is organized into business units based on its products and has 3 reportable segments as follows:

- 1) Snacks segment represents a manufacturer and distributor of fried, grilled, and baked seaweed and seaweed snacks in both domestic and overseas markets;
- 2) Retailer segment represents a retailer of snacks, food and beverages; and
- 3) Others.

The chief operating decision maker monitors the operating results of the business units separately for the purposes of making decisions about resource allocation and assessing performance. Segment performance is measured by the Group based on the operating profit or loss, total assets and total liabilities on a basis consistent with that used to measure the operating profit or loss, total assets and total liabilities in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The Group is organized into business units based on its products. During the current year, there has been no change in the structure of the operating segments as reported.

Operating segment by business in the consolidated financial statements for the three-month and six-month periods ended June 30, are as follows:

	Unit: Million Baht					
	Consolidated Financial Statements					
	Snack segment	Retailer and restaurant segment	Other segments	Total	Elimination of inter- segment	Total
For the three-month period ended June 30, 2021						
Segment revenues from external sales	767.8	15.1	0.1	783.0	-	783.0
Charges between segments	32.6	0.6	26.6	59.8	(59.8)	-
Total revenues	800.4	15.7	26.7	842.8	(59.8)	783.0
Segment profit (loss)	40.8	(11.7)	(3.4)	25.7	(1.4)	24.3
Other income						4.6
Finance costs						(3.1)
Profit before income tax expense						25.8
Income tax expense						(3.9)
Profit for the period						21.9

Unit: Million Baht						
	Consolidated Financial Statements					
	Snack segment	Retailer and restaurant segment	Other segments	Total	Elimination of inter- segment	Total
For the three-month period ended June 30, 2020						
Segment revenues from external sales	921.3	6.8	83.5	1,011.6	-	1,011.6
Charges between segments	128.7	4.8	(40.5)	93.0	(93.0)	-
Total revenues	1,050.0	11.6	43.0	1,104.6	(93.0)	1,011.6
Segment profit (loss)	112.4	(18.8)	(1.7)	91.9	2.6	94.5
Other income						4.7
Finance costs						(5.0)
Profit before income tax expense						94.2
Income tax expense						(5.4)
Profit for the period						88.8

Unit: Million Baht						
	Consolidated Financial Statements					
	Snack segment	Retailer and restaurant segment	Other segments	Total	Elimination of inter- segment	Total
<b>For the six-month period ended June 30, 2021</b>						
Segment revenues from external sales	1,676.5	26.1	0.4	1,703.0	-	1,703.0
Charges between segments	53.8	0.6	57.1	111.5	(111.5)	-
Total revenues	1,730.3	26.7	57.5	1,814.5	(111.5)	1,703.0
Segment profit (loss)	107.0	(25.6)	(6.8)	74.6	3.2	77.8
Other income						16.0
Finance costs						(5.7)
Profit before income tax expense						88.1
Income tax expense						(10.0)
Profit for the period						78.1

<b>As at June 30, 2021</b>						
Total assets for reportable segments	3,576.4	78.9	55.3	3,710.6	(350.1)	3,360.5
Total liabilities for reportable segments	1,437.8	149.6	25.9	1,613.3	(214.9)	1,398.4

	Unit: Million Baht					
	Consolidated Financial Statements					
	Snack segment	Retailer and restaurant segment	Other segments	Total	Elimination of inter- segment	Total
<b>For the six-month period ended June 30, 2020</b>						
Segment revenues from external sales	2,052.1	64.1	5.4	2,121.6	-	2,121.6
Charges between segments	97.0	0.3	86.2	183.5	(183.5)	-
Total revenues	2,149.1	64.4	91.6	2,305.1	(183.5)	2,121.6
Segment profit (loss)	228.5	(34.5)	(3.2)	190.8	4.9	195.7
Other income						7.4
Finance costs						(10.2)
Profit before income tax expense						192.9
Income tax expense						(18.6)
Profit for the period						174.3
<b>As at June 30, 2020</b>						
Total assets for reportable segments	3,719.6	169.8	68.4	3,957.8	(309.2)	3,648.6
Total liabilities for reportable segments	1,521.8	169.8	30.6	1,722.2	(182.3)	1,539.9

Other segments information for the three-month and six-month periods ended June 30, are as follows:

	Consolidated Financial Statements					Unit: Million Baht
	Snack segment	Retailer and restaurant segment	Other segments	Total	Elimination of inter-segment	Total
<b>For the three-month period ended June 30, 2021</b>						
Depreciation and amortization	38.9	6.3	1.5	46.7	-	46.7
Additions to non-current assets other than financial instruments and deferred tax assets	(45.4)	(16.6)	(3.3)	(65.3)	(23.5)	(88.8)
<b>For the three-month period ended June 30, 2020</b>						
Depreciation and amortization	35.4	1.4	1.5	38.3	-	38.3
Additions to non-current assets other than financial instruments and deferred tax assets	(214.9)	(47.0)	(4.0)	(265.9)	(7.7)	(273.6)

	Consolidated Financial Statements					Unit: Million Baht
	Snack segment	Retailer and restaurant segment	Other segments	Total	Elimination of inter-segment	Total
<b>For the six-month period ended June 30, 2021</b>						
Depreciation and amortization	72.9	11.0	3.2	87.1	-	87.1
Additions to non-current assets other than financial instruments and deferred tax assets	3,219.3	75.9	55.2	3,350.4	(350.1)	3,000.3
<b>For the six-month period ended June 30, 2020</b>						
Depreciation and amortization	75.1	12.8	3.1	91.0	-	91.0
Additions to non-current assets other than financial instruments and deferred tax assets	3,444.5	164.6	68.2	3,677.3	(309.2)	3,368.1

For the three-month and six-month periods ended June 30, revenues from external sales based on customers' locations are as follows:

Country	Consolidated Financial Statements				Unit: Million Baht
	For the three-month periods ended June 30,		For the six-month periods ended June 30,		
	2021	2020	2021	2020	
Thailand	383	313	775	680	
People Republic's of China	118	455	357	849	
Others	282	244	571	593	
Total	783	1,012	1,703	2,122	

For the three-month periods ended June 30, 2021 and 2020, revenue from sales included revenue arising from sales to the group's largest customer in the People's Republic of China of Baht 77.8 million and Baht 454.4 million, respectively, which such company is a subsidiary of one of the Company's shareholders. Apart from the customer mentioned, there are two local customers which the sales to both are above 10 percent of the Group's total revenue for the three-month periods ended June 30, 2021 and 2020.

For the six-month periods ended June 30, 2021 and 2020, revenue from sales included revenue arising from sales to the group's largest customer in the People's Republic of China of Baht 316.7 million and Baht 828.6 million, respectively, which such company is a subsidiary of one of the Company's shareholders. Apart from the customer mentioned, there are two local customers which the sales to both are above 10 percent of the Group's total revenue for the six-month periods ended June 30, 2021 and 2020.

## 24. COMMITMENTS AND LETTERS OF GUARANTEE

### 24.1 Capital commitments

As at June 30, 2021 and December 31, 2020, the Group had capital commitments of Baht 84.0 million and Baht 69.4 million, respectively, relating to the purchase of machinery and equipment.

### 24.2 Commitments under operating lease and service agreements

The Group entered into lease agreements in respect of the lease of land, building space and office, and service agreements including marketing service agreements. The terms of the agreements are generally between 1 and 3 years.

Future minimum payments required under these agreements are as follows:

Payment periods	Consolidated		Unit: Million Baht Separate	
	Financial Statements		Financial Statements	
	As at June 30, 2021	As at December 31, 2020	As at June 30, 2021	As at December 31, 2020
Within 1 year	17.7	20.0	16.0	17.2
Over 1 year but not over 5 years	2.2	4.3	1.4	2.8

For the three-month periods ended June 30, 2021 and 2020, the office rental expenses and service expenses were recorded as expenses in the consolidated financial statements amounting to Baht 2.5 million and Baht (2.4) million, respectively, and in the separate financial statements amounting to Baht 1.8 million and Baht 2.9 million, respectively.

For the six-month periods ended June 30, 2021 and 2020, the office rental expenses and service expenses were recorded as expenses in the consolidated financial statements amounting to Baht 5.7 million and Baht 13.4 million, respectively, and in the separate financial statements amounting to Baht 3.4 million and Baht 5.9 million, respectively.

### 24.3 Commitments under raw material purchase agreements

The Company entered into agreements to purchase raw materials from overseas suppliers, for a period of delivery within 1 year, in quantities and at prices stipulated in the agreements. As at June 30, 2021, the Company had commitments under the agreements of USD 11.8 million (as at December 31, 2020: nil).

#### 24.4 Letters of guarantee

As at June 30, 2021 and December 31, 2020, there were outstanding letters of guarantee of Baht 3.6 million and Baht 3.7 million, respectively, issued by banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business of the Company. These included letters of guarantee for electricity usage and others.

### 25. LITIGATIONS

- 25.1 On February 9, 2016, a Japanese company filed a civil lawsuit against the Company with the Central Intellectual Property and International Trade Court for a breach of a technical assistance agreement, claiming damages amounting to USD 150,000 plus interest at a rate of 7.5% per annum from the date the lawsuit was filed. Subsequently, on May 2, 2016, the Court disposed of the case since the Plaintiff and the Company were bound by the rules of the arbitration clause stipulated in the agreement to settle the dispute through an arbitration process at the Singapore International Arbitration Centre. However, on October 10, 2016, the Plaintiff filed a motion requesting the Court to set aside a regular proceeding and on September 15, 2016, the Court dismissed the motion. Subsequently, on November 3, 2016, the Plaintiff filed an appeal against the Court's order to dispose of the case. The Court received and forwarded the appeal to the Supreme Court. Subsequently, on July 19, 2018, the Supreme Court dismissed the judgment of the Central Intellectual Property and International Trade Court since additional issues raised by the Plaintiff had not been considered by the Court.

Witnesses of Plaintiff and the Defendant appeared before the court as prescribed in August 2019 for a hearing. Subsequently, on October 25, 2019, the Court rendered the judgment ordering the Company to pay the Defendant for compensation of Baht 500,000 with interest at a rate of 7.5% per annum calculating from the date of judgment rendered and costs for the Plaintiff. On November 6, 2019, the Company issued a cashier cheque to the Intellectual Property and International Trade Court in the amount of Baht 641,219 following the Court's judgment. The Company recorded such amount as an expense in the statement of profit or loss for the year ended December 31, 2019.

Subsequently, on January 22, 2020, the Plaintiff filed an appeal to the Court and the Company filed a cross-appeal on March 20, 2020. The Court of Appeal for Specialized Cases rendered a judgement on August 17, 2020 ordering the Company to pay the Plaintiff in the amount of USD 50,000 plus interest at a rate of 7.5% per annum. On August 31, 2020, the Company issued a cashier cheque to the Intellectual Property and International Trade Court in the amount of Baht 1,672,372.78 following the Court's judgment. The Company recorded such amount as an expense in the statement of profit or loss for the year ended December 31, 2020.

Subsequently, on October 16, 2020 the Company filed an appeal to the Supreme Court requesting to amend the judgment of the Court of Appeal for Specialized Cases and order as the judgment of the Court. Presently, the case is being reviewed by the Supreme Court.

25.2 On February 18, 2019, the Company filed a claim against one of the Company's distributors in China under a civil lawsuit on the ground of breaching the distributorship agreement since the aforementioned distributor sold products in the same category as the Company's and used trademark imitated from the Company's trademark. The Company demanded for compensation on damages, product cost, and related expenses including loss of benefit in the approximate amount of Chinese Yuan 119 million (approximately Baht 569 million). Due to the provision of the Agreement, this case must be brought to the arbitration proceedings. Later, on August 30, 2019, The Company filed a claim to The Thai Arbitration Institute (TAI). The Company claimed for damages, products and other related expenses including fee for loss of opportunity in the amount of Baht 96 million. The Thai Arbitration Institute prescribed February 19, 2020 as a hearing date. The distributor did not attend the hearing; therefore, the Arbitrators have proceeded the parte trial. After the trial, the Company filed a closing statement on March 16, 2020. Subsequently, on April 21, 2020, the Arbitrators rendered the judgement directing the distributor to pay the Company in the approximate amount of Baht 54 million plus interest at a rate of 7.5% per annum. Since the distributor has a domicile and properties in the People's Republic of China, the enforcement of the future order will be proceeded in the People's Republic of China.

## 26. FINANCIAL INSTRUMENTS

The Company has outstanding forward exchange contracts as at June 30, 2021 and December 31, 2020, are summarized below:

As at June 30, 2021

Consolidated and Separate Financial Statements		
Sold amount	Contractual exchange rate (Baht per 1 foreign currency unit)	Contractual maturity date
USD 1.3 million	29.83 - 32.00	August 2021 - January 2022
Bought amount	Contractual exchange rate (Baht per 1 foreign currency unit)	Contractual maturity date
USD 10.0 million	31.15 - 31.25	November - December 2021

As at December 31, 2020

Consolidated and Separate Financial Statements		
Sold amount	Contractual exchange rate (Baht per 1 foreign currency unit)	Contractual maturity date
USD 1.8 million	29.97 - 31.31	March - June 2021
SGD 0.3 million	22.41	May - June 2021



## 27. FAIR VALUE MEASUREMENTS

Certain financial assets of the Company and the subsidiaries are measured at fair value in the statements of financial position at the end of the reporting period. The following table gives an information about how the fair values of these financial assets are determined.

Financial assets	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS		Fair value hierarchy	Valuation technique and key input
	Fair value (Thousand Baht)		Fair value (Thousand Baht)			
	As at June 30, 2021	As at December 31, 2020	As at June 30, 2021	As at December 31, 2020		
Financial assets at fair value through profit or loss - equity securities	-	2,830	-	-	Level 1	Use of quoted market prices in an active market for such assets or liabilities
Financial assets at fair value through profit or loss - open-ended fixed income fund	282,643	271,820	282,643	271,820	Level 2	Use of other observable inputs for such assets or liabilities, whether directly or indirectly
Investment property	42,240	42,240	42,240	42,240	Level 2	Use of other observable inputs for such assets or liabilities, whether directly or indirectly

## 28. EVENT AFTER THE REPORTING PERIOD

On July 8, 2021, SBA approved the total amount of borrowing forgiveness which the Group has already recorded such borrowing forgiveness by the amount of USD 150,033 (approximately Baht 4.81 million) as government grant in the statement of profit or loss in July 2021.

## 29. APPROVAL OF THE INTERIM FINANCIAL INFORMATION

This interim financial information was approved for issue by the Board of Directors of the Company on August 14, 2021.