

Thai Beverage Public Company Limited

Financial Statements For The Three-Month Period Ended 31 December 2020.

PART I INFORMATION REQUIRED FOR THE THREE-MONTH PERIOD ENDED 31 DECEMBER (Q1) ANNOUNCEMENTS.

1. (a) (i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Thai Beverage Public Company Limited and its Subsidiaries
Statement of income (Unaudited)

(Unit : Thousand Baht)

	Consolidated financial statements For the three-month period ended 31 December		
	2020	2019	+ / (-)
Revenues from sales and services			
Revenue from sale of goods and rendering of services	71,789,189	75,680,174	(5%)
Total revenues from sales and services	71,789,189	75,680,174	(5%)
Cost of sales and services			
Cost of sales of goods and rendering of services	50,509,747	54,045,172	(7%)
Total cost of sales and services	50,509,747	54,045,172	(7%)
Gross profit	21,279,442	21,635,002	(2%)
Distribution costs	5,954,534	6,861,250	(13%)
Administrative expenses	3,624,172	4,349,283	(17%)
Net loss on foreign exchange	9,319	19,974	(53%)
Finance costs	1,789,964	1,767,913	1%
Operating profit	9,901,453	8,636,582	15%
Interest income	363,034	366,644	(1%)
Other income	226,010	295,423	(23%)
Net operating profit	10,490,497	9,298,649	13%
Share of profit of investment in associates and joint ventures, net of income tax	655,530	1,318,865	(50%)
Profit before income tax expense	11,146,027	10,617,514	5%
Income tax expense	(1,605,187)	(1,404,638)	14%
Profit for the period	9,540,840	9,212,876	4%
Profit attributable to:			
Owners of the Company	8,468,849	8,423,055	1%
Non-controlling interests	1,071,991	789,821	36%
Profit for the period	9,540,840	9,212,876	4%
Basic earnings per share (Baht)	0.34	0.34	-
Diluted earnings per share (Baht)	0.34	0.34	-

Thai Beverage Public Company Limited and its Subsidiaries
Statement of comprehensive income (Unaudited)

	(Unit : Thousand Baht)		
	Consolidated		
	financial statements		
	For the three-month period ended		
	31 December		
	<u>2020</u>	<u>2019</u>	<u>+ / (-)</u>
Profit for the period	9,540,840	9,212,876	4%
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Gains on investments in equity instruments designated at fair value through other comprehensive income	191,487	-	100%
Gains on revaluation of land	-	800,078	(100%)
Losses on remeasurements of defined benefit plan	-	(3,753)	100%
Income tax relating to items that will not be reclassified	(12,674)	(160,000)	92%
	<u>178,813</u>	<u>636,325</u>	(72%)
<i>Items that will be reclassified subsequently to profit or loss</i>			
Cash flow hedges-effective portion of changes in fair value	(123)	(3,426)	96%
Share of other comprehensive income of investment in associates and joint ventures	656,830	166,786	294%
Exchange differences on translating foreign operations	(12,242,058)	(1,121,579)	(992%)
Losses on remeasurements of available-for-sale investments	-	(5,667)	100%
Income tax relating to items that will be reclassified	25	(214)	112%
	<u>(11,585,326)</u>	<u>(964,100)</u>	(1102%)
Other comprehensive income for the period, net of income tax	(11,406,513)	(327,775)	(3380%)
Total comprehensive income for the period	(1,865,673)	8,885,101	(121%)
Total comprehensive income attributable to:			
Owners of the Company	(1,448,646)	8,372,591	(117%)
Non-controlling interests	(417,027)	512,510	(181%)
Total comprehensive income for the period	(1,865,673)	8,885,101	(121%)

- (a) (ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year:—

NOTE :

Net profit is arrived at after charging / (Crediting) the following :

	(Unit : Thousand Baht)		
	Consolidated financial statements		
	For the three-month period ended 31 December		
	2020	2019	+ / (-)
A Investment (income) expenses	(658,165)	(1,318,865)	(50%)
B Other income including interest income	(576,431)	(640,672)	(10%)
C Interest on borrowings	1,789,964	1,767,913	1%
D Depreciation and amortization	2,006,620	1,673,351	20%
E (Reversal of) Allowance for doubtful debts and bad debts written off	(8,116)	1,916	524%
F Write-off for stock obsolescence	8,172	12,367	(34%)
G (Reversal of) Impairment in value of investments	6,427	(21,394)	(130%)
H Foreign exchange (gain) / loss	9,319	19,974	(53%)
I Adjustments for under or overprovision of tax in respect of prior year	-	-	-
J (Profit) or loss on sale of investments, properties, and / or plant and equipment and other intangible assets	(12,534)	4,705	366%
K Exceptional items	-	-	-
L Extraordinary items	-	-	-

- (b) (i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

Thai Beverage Public Company Limited and its Subsidiaries
Statement of financial position
As at 31 December 2020 and 30 September 2020

(Unit : Thousand Baht)

	Consolidated	
	financial statements	
	31-Dec-2020	30-Sep-2020
	(Unaudited)	(Audited)
Assets		
Current assets		
Cash and cash at financial institutions	36,569,089	34,694,738
Trade receivables	5,376,973	5,071,768
Other receivables	1,900,050	1,705,702
Short-term loans to and other receivables from related parties	359,560	754,513
Inventories	37,541,809	41,654,881
Other current assets	2,703,136	2,432,959
Total current assets	84,450,617	86,314,561
Non-current assets		
Investments in associates and joint ventures	84,986,185	85,605,429
Other long-term investments	953,619	753,109
Long-term loans to and other receivables from related parties	156,478	151,534
Investment properties	1,702,976	1,696,813
Property, plant and equipment	59,395,999	61,347,454
Right-of-use assets	10,422,116	-
Goodwill	145,935,433	152,903,202
Other intangible assets	33,995,505	40,571,960
Deferred tax assets	1,496,437	1,109,423
Other non-current assets	2,948,625	3,066,404
Total non-current assets	341,993,373	347,205,328
Total assets	426,443,990	433,519,889

Thai Beverage Public Company Limited and its Subsidiaries
Statement of financial position
As at 31 December 2020 and 30 September 2020

(Unit : Thousand Baht)

	Consolidated	
	financial statements	
	31-Dec-2020	30-Sep-2020
	(Unaudited)	(Audited)
Liabilities and equity		
Current liabilities		
Bank overdrafts and short-term loans from financial institutions	5,565,619	16,944,655
Trade payables	7,238,472	6,603,117
Other payables	11,604,838	12,703,319
Current portion of debentures	45,246,696	45,239,272
Current portion of long-term loans from financial institutions	2,267,436	2,266,403
Short-term loans from and other payables to related parties	353,503	383,500
Current portion of lease liabilities	1,306,660	16,345
Income tax payable	4,045,953	2,907,486
Other current liabilities	5,251,610	3,688,282
Total current liabilities	82,880,787	90,752,379
Non-current liabilities		
Long-term loans from and other payables to related parties	5,452	5,452
Debentures	124,985,498	124,980,861
Long-term loans from financial institutions	26,531,971	27,228,070
Lease liabilities	4,550,430	596,386
Deferred tax liabilities	4,811,892	5,031,011
Employee benefit obligations	4,971,135	4,978,486
Other non-current liabilities	1,242,348	542,490
Total non-current liabilities	167,098,726	163,362,756
Total liabilities	249,979,513	254,115,135
Equity		
Share capital:		
Authorised share capital	25,155,025	25,155,025
Issued and paid-up share capital	25,115,710	25,115,710
Difference arising from common control transactions	(20,491,612)	(20,491,612)
Premium on ordinary shares	17,328,130	17,328,130
Premium on ordinary shares		
Appropriated - legal reserve	2,900,000	2,900,000
Unappropriated	141,123,591	132,728,755
Other components of equity	(25,059,973)	(14,984,537)
Equity attributable to owners of the Company	140,915,846	142,596,446
Non-controlling interests	35,548,631	36,808,308
Total equity	176,464,477	179,404,754
Total liabilities and equity	426,443,990	433,519,889

- (b) (ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:—

(ii) Aggregate amount of group's borrowings and debt securities

(A) the amount repayable in one year or less, or on demand;

As at 31 December 2020				As at 30 September 2020			
Letter of support and guarantee	Unsecured	Secured	Unsecured with guarantee	Letter of support and guarantee	Unsecured	Secured	Unsecured with guarantee
624,373	50,022,353	2,433,025	-	849,740	61,454,781	2,145,809	-

(Unit : Thousand Baht)

(B) the amount repayable after one year;

As at 31 December 2020				As at 30 September 2020			
Letter of support and guarantee	Unsecured	Secured	Unsecured with guarantee	Letter of support and guarantee	Unsecured	Secured	Unsecured with guarantee
-	151,052,949	464,520	-	-	151,649,292	559,639	-

(Unit : Thousand Baht)

(C) details of any collaterals.
N/A

- (c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Thai Beverage Public Company Limited and its Subsidiaries
Statement of cash flows (Unaudited)

(Unit : Thousand Baht)

	Consolidated	
	financial statements	
	For the three-month period ended	
	31 December	
	2020	2019
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Profit for the period	9,540,840	9,212,876
<i>Adjustments for reconcile profit (loss) to cash receipts (payments)</i>		
Depreciation and amortisation	1,994,120	1,660,851
Interest income	(363,034)	(366,644)
Finance costs	1,789,964	1,767,913
Unrealised loss on exchange	24,921	10,872
Allowance for (Reversal of) doubtful account	(8,116)	1,916
Amortisation of advance payments to a specialist	12,500	12,500
Reversal of decline in value of inventories	(106,686)	(4,793)
Impairment loss on investment in associate	6,427	-
Reversal of impairment loss on other long-term investment	-	(21,394)
Loss (Gain) on disposal and write-off of properties, plant and equipment and other intangible assets	(12,534)	4,705
(Reversal of) Impairment loss on property, plant and equipment	(1,783)	6,006
Gain from a bargain purchase	-	(814)
Dividend income	(2,635)	-
Employee benefit expenses	99,050	94,334
Expense in relation to long-term incentive plan	15,358	6,210
Insurance claim from fire incident	(2,651)	-
Share of profit of investments in associates and joint ventures, net of income tax	(655,530)	(1,318,865)
Income tax expense	1,605,187	1,404,638
	13,935,398	12,470,311
<i>Changes in operating assets and liabilities</i>		
Trade receivables	(308,649)	(796,509)
Other receivables from related parties	(74,170)	426,861
Other receivables	(334,050)	(135,454)
Inventories	4,219,759	964,546
Other current assets	(270,177)	(294,805)
Trade payables	614,775	1,215,787
Other payables to related parties	(27,858)	86,942
Other payables	(1,422,313)	(95,212)
Other current liabilities	1,578,880	(304,837)
Employee benefit paid	(97,406)	(60,267)
Other non-current liabilities	(112,406)	(555,563)
Insurance claim received	460,780	-
Cash generated from operating activities	18,162,563	12,921,800
Income tax paid	(883,871)	(875,152)
Net cash from operating activities	17,278,692	12,046,648

Thai Beverage Public Company Limited and its Subsidiaries
Statement of cash flows (Unaudited)

(Unit : Thousand Baht)

	Consolidated	
	financial statements	
	For the three-month period ended	
	31 December	
	2020	2019
	(Unaudited)	(Unaudited)
Cash flows from investing activities		
Interest received	488,218	378,979
Dividends received	50,004	56,522
Increase in current investments	(964,365)	(1,587,772)
Cash outflow on acquisition of other long-term investment	(39,524)	(7,500)
Purchase of property, plant and equipment	(1,582,980)	(1,512,533)
Sale of property, plant and equipment	31,697	22,232
Purchase of other intangible assets	(21,270)	(93,944)
Sale of other intangible assets	118	57
Increase in other non-current assets	(37,780)	(159,958)
Cash outflow on acquisition of businesses	-	(922,460)
Net cash used in investing activities	(2,075,882)	(3,826,377)
Cash flows from financing activities		
Interest paid	(407,435)	(289,591)
Dividends paid to non-controlling interests	(837,206)	(148,125)
Bank overdrafts	(229,141)	168,098
Proceeds from short-term loans from financial institutions	1,679,572	8,029,201
Repayment of short-term loans from financial institutions	(12,778,002)	(15,316,210)
Proceeds from long-term loans from financial institutions	-	724,967
Repayment of long-term loans from financial institutions	(69,028)	(1,665)
Payment of lease liabilities	(332,300)	-
Net cash used in financing activities	(12,973,540)	(6,833,325)
Net increase in cash and cash equivalents	2,229,270	1,386,946
Cash and cash equivalents at 1 October	15,147,024	9,630,304
Foreign currency translation differences for foreign operations	(369,930)	373,405
Cash and cash equivalents at 31 December	17,006,364	11,390,655
Current investments	19,562,725	16,129,785
Cash and cash at financial institutions	36,569,089	27,520,440
Non-cash items		
Payable for acquisition of assets	893,854	1,741,529

(d) (i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Thai Beverage Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

(Unit : Thousand Baht)

	Consolidated financial statements														
	Retained earnings					Other components of equity									
	Issued and paid-up share capital	Difference arising from common control transactions	Premium on ordinary shares	Legal reserve	Unappropriated	Other capital reserves-share-based payment	Currency translation differences	Revaluation surplus	Fair value changes in available-for-sale investments	Cash flow hedges reserves	Share of other comprehensive income of investment in associates and joint ventures	Total other components of equity	Equity attributable to owners of the Company	Non-controlling interests	Total equity
Three-month period ended 31 December 2019															
Balance at 1 October 2019	25,113,533	(19,721,582)	17,285,426	2,900,000	120,302,362	47,411	(27,153,694)	5,452,816	37,109	(856,396)	(7,468,250)	(29,941,004)	115,938,735	34,465,646	150,404,381
Transactions with owners, recorded directly in equity															
<i>Distributions to owners of the Company</i>															
Transaction in relation to long-term incentive plan	-	-	-	-	-	5,860	-	-	-	-	-	5,860	5,860	-	5,860
Dividend to owner of the Company	-	-	-	-	-	-	-	-	-	-	-	-	-	(148,125)	(148,125)
Total distributions to owners of the Company	-	-	-	-	-	5,860	-	-	-	-	-	5,860	5,860	(148,125)	(142,265)
<i>Changes in ownership interests in subsidiaries</i>															
Changes in non-controlling interests with a change in control	-	-	-	-	-	-	-	-	-	-	-	-	-	126,193	126,193
Changes in non-controlling interests without a change in control	-	-	-	-	-	-	-	-	-	-	-	-	-	105,612	105,612
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	231,805	231,805
<i>Changes from business acquisition under common control</i>															
	-	(770,030)	-	-	-	-	-	-	-	-	-	-	(770,030)	-	(770,030)
Total transactions with owners, recorded directly in equity	-	(770,030)	-	-	-	5,860	-	-	-	-	-	5,860	(764,170)	83,680	(680,490)
Comprehensive income for the period															
Profit	-	-	-	-	8,423,055	-	-	-	-	-	-	-	8,423,055	789,821	9,212,876
Other comprehensive income	-	-	-	-	(3,738)	-	(847,714)	640,063	(3,120)	(2,741)	166,786	(46,726)	(50,464)	(277,311)	(327,775)
Total comprehensive income for the period	-	-	-	-	8,419,317	-	(847,714)	640,063	(3,120)	(2,741)	166,786	(46,726)	8,372,591	512,510	8,885,101
Balance at 31 December 2019	25,113,533	(20,491,612)	17,285,426	2,900,000	128,721,679	53,271	(28,001,408)	6,092,879	33,989	(859,137)	(7,301,464)	(29,981,870)	123,547,156	35,061,836	158,608,992

Thai Beverage Public Company Limited and its Subsidiaries
Statement of changes in equity (Unaudited)

(Unit : Thousand Baht)

	Consolidated financial statements													Total equity	
	Retained earnings					Other components of equity									
	Issued and paid-up share capital	Difference arising from common control transactions	Premium on ordinary shares	Legal reserve	Unappropriated	Other capital reserves- share-based payment	Currency translation differences	Revaluation surplus	Fair value changes in equity instruments at FVOCI	Cash flow hedges reserves	Share of other comprehensive income of investment in associates and joint ventures	Total other components of equity	Equity attributable to owners of the Company		Non-controlling interests
Three-month period ended 31 December 2020															
Balance at 1 October 2020 - As previously reported	25,115,710	(20,491,612)	17,328,130	2,900,000	132,728,755	55,035	(14,045,477)	6,092,879	61,049	(1,085,997)	(6,062,026)	(14,984,537)	142,596,446	36,808,308	179,404,754
Impact of change in accounting policy	-	-	-	-	(74,013)	-	-	-	(1,191)	-	(173,054)	(174,245)	(248,258)	(25,471)	(273,729)
Balance at 1 October 2020	25,115,710	(20,491,612)	17,328,130	2,900,000	132,654,742	55,035	(14,045,477)	6,092,879	59,858	(1,085,997)	(6,235,080)	(15,158,782)	142,348,188	36,782,837	179,131,025
Transactions with owners, recorded directly in equity															
<i>Distributions to owners of the Company</i>															
Transaction in relation to long-term incentive plan	-	-	-	-	-	16,304	-	-	-	-	-	16,304	16,304	-	16,304
Dividend to owner of the Company	-	-	-	-	-	-	-	-	-	-	-	-	-	(817,601)	(817,601)
Total distributions to owners of the Company	-	-	-	-	-	16,304	-	-	-	-	-	16,304	16,304	(817,601)	(801,297)
<i>Changes in ownership interests in subsidiaries</i>															
Changes in non-controlling interests without a change in control	-	-	-	-	-	-	-	-	-	-	-	-	-	422	422
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	422	422
Total transactions with owners, recorded directly in equity	-	-	-	-	-	16,304	-	-	-	-	-	16,304	16,304	(817,179)	(800,875)
Comprehensive income for the period															
Profit	-	-	-	-	8,468,849	-	-	-	-	-	-	-	8,468,849	1,071,991	9,540,840
Other comprehensive income	-	-	-	-	-	-	(10,675,670)	-	101,444	(99)	656,830	(9,917,495)	(9,917,495)	(1,489,018)	(11,406,513)
Total comprehensive income for the period	-	-	-	-	8,468,849	-	(10,675,670)	-	101,444	(99)	656,830	(9,917,495)	(1,448,646)	(417,027)	(1,865,673)
Balance at 31 December 2020	25,115,710	(20,491,612)	17,328,130	2,900,000	141,123,591	71,339	(24,721,147)	6,092,879	161,302	(1,086,096)	(5,578,250)	(25,059,973)	140,915,846	35,548,631	176,464,477

- (d) (ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

As at 31 December 2020, the Company's issued and fully paid-up capital (the Company has no treasury shares) comprises 25,115,709,648 ordinary shares. There were no movements in the Company's issued and fully paid-up capital since 30 September 2020, being the end of the immediately preceding financial period reported on.

ThaiBev Long Term Incentive Plan ("LTIP")

As at 31 December 2020, the number of shares comprised in contingent awards granted under the LTIP, which shares have not been issued, was 6,344,117 shares (*30 September 2020: 6,344,117 shares*). Under the LTIP, the final number of shares to be issued will depend on the achievement of certain pre-determined targets, other terms and conditions and the rules of the LTIP, and will range from 0% to 120% of the initial number of shares stated in the said contingent award, and is further subject to a 3-year vesting period.

- (d) (iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	31 December 2020	30 September 2020
Total number of shares	25,115,709,648	25,115,709,648

- (d) (iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

N/A

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have been reviewed by the company's auditor in accordance with Thai Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

3. Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter).

Please see page 1 of the attached interim financial statements.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed in paragraph 5 below, the accounting policies and methods of computation applied in these interim financial statements are consistent with those applied in the financial statements for the year ended 30 September 2020.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

From 1 October 2020, the Group has initially applied TFRS - Financial instruments standards and TFRS 16.

	Consolidated financial statements		
	Unappropriated retained earnings	Other components of equity <i>(in million Baht)</i>	Non- controlling interest
At 30 September 2020 - as previously reported	132,729	(14,985)	36,808
<i>Increase (decrease) due to:</i>			
Adoption of TFRS – Financial instruments standards			
Classification of financial instruments	-	(1)	(1)
Adoption of TFRS 16 – net of tax	(74)	(173)	(24)
At 1 October 2020	132,655	(15,159)	36,783

A. TFRS - Financial instruments standards

The Group has adopted TFRS - Financial instruments standards by adjusting the cumulative effects to retained earnings and other components of equity on 1 October 2020. Therefore, the Group did not adjust the information presented for 2020.

These TFRS - Financial instruments standards establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting. The impact from adoption of TFRS – Financial instruments standards are as follows:

(1) Classification and measurement of financial assets and financial liabilities

TFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value to other comprehensive income (FVOCI) and fair value to profit or loss (FVTPL). The classification under TFRS 9 is based on the cash flow characteristics of the financial asset and the business model in which they are managed. TFRS 9 eliminates the previous classification of held-to-maturity debt securities, available-for-sale securities, trading securities and general investment as specified by TAS 105.

Under TFRS 9, interest income and interest expenses recognised from all financial assets and financial liabilities measured at amortised cost shall be calculated using

effective interest rate method. Previously, the Group recognised interest income and interest expenses at the rate

(2) Impairment – Financial assets and contract assets

IFRS 9 introduces forward-looking ‘expected credit loss’ (ECL) model whereas previously the Group estimates allowance for doubtful account by analysing payment histories and future expectation of customer payment. IFRS 9 requires considerable judgement about how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments measured at FVOCI, lease receivables, except for investments in equity instruments.

B. IFRS 16 Leases

From 1 October 2020, the Group has initially adopted IFRS 16 on contracts previously identified as leases according to IAS 17 *Leases* and IFRIC 4 *Determining whether an arrangement contains a lease* using the modified retrospective approach.

Previously, the Group, as a lessee, recognised payments made under operating leases in profit or loss on a straight-line basis over the term of the lease. Under IFRS 16, the Group assesses whether a contract is, or contains, a lease. If a contract contains lease and non-lease components, the Group allocates the consideration in the contract based on stand-alone selling price (transaction price). As at 1 October 2020, the Group recognised right-of-use assets and lease liabilities, as a result, the nature of expenses related to those leases was changed because the Group recognised depreciation of right-of-use assets and interest expense on lease liabilities.

On transition, the Group also elected to use the following practical expedients:

- do not recognise right-of-use assets and lease liabilities for leases with less than 12 months of lease term;
- use hindsight when determining the lease term;
- apply a single discount rate to a portfolio of leases with similar characteristics;
- rely on previous assessments whether leases are onerous as an alternative to performing an impairment review; and
- exclude initial direct costs from measuring the right-of-use asset.

<i>Impact from the adoption of TFRS 16</i>	Consolidated financial statements <i>(in million Baht)</i>
<i>At 1 October 2020</i>	
Decrease in other receivables	(27)
Decrease in investments in associates and joint venture	(219)
Decrease in property, plant and equipment	(636)
Increase in right-of-use assets	10,573
Decrease in other intangible assets	(4,605)
Increase in deferred tax assets	12
Decrease in other non-current assets	(143)
Decrease in other payables	3
Decrease in other current liabilities	2
Increase in lease liabilities	(5,175)
Increase in other non-current liabilities	(56)
Decrease in retained earnings	74
Decrease in share of other comprehensive income of investment in associates and joint ventures	173
Decrease in non-controlling interests	24

<i>Measurement of lease liabilities</i>	Consolidated financial statements <i>(in million Baht)</i>
Operating lease commitment as disclosed at 30 September 2020	6,799
Recognition exemption for short-term leases	(85)
Recognition exemption for leases of low-value assets	(89)
	6,625
Present value of remaining lease payments, discounted using the incremental borrowing rate at 1 October 2020	4,908
Extension and termination options reasonably certain to be exercised	267
Finance lease liabilities recognised as at 30 September 2020	613
Lease liabilities recognised at 1 October 2020	5,788
Weighted-average incremental borrowing rate (<i>% per annum</i>)	4.54%

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:-

(Unit : Baht)

	Consolidated financial statements		
	For the three-month period ended 31 December		
	2020	2019	Changes +/(-)
Earning per ordinary share of the group based on net profit attributable to shareholders:-			
(a) based on the weighted average number of ordinary shares on issue	0.34	0.34	-
(b) on a fully diluted basis	0.34	0.34	-

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-

(Unit : Baht)

	Consolidated financial statements		
	31 December 2020	30 September 2020	Changes +/(-)
	Net asset value per ordinary share based on weighted average number of issued share capital	5.61	5.68

Remark: Net asset value = Total equity attributable to equity owners of the company

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-
- (a) Any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors: and
 - (b) Any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Thai Beverage Public Company Limited

Management Discussion and Analysis

Performance for the first quarter ended 31 December 2020

From 1 October 2020, the Group has initially adopted TFRS 16 Leases on contracts previously identified as leases according to TAS 17 Leases and TFRIC 4 Determining whether an Arrangement Contains a Lease using the modified retrospective approach. Previously, the Group, as a lessee, recognised payments made under operating leases in profit or loss on a straight-line basis over the term of the lease. Under TFRS 16, if a contract contains lease and non-lease components, the Group allocates the consideration in the contract based on stand-alone selling price (transaction price). As at 1 October 2020, the Group recognised right-of-use assets and lease liabilities, as a result, the nature of expenses related to those leases was changed because the Group recognised depreciation of right-of-use assets and interest expense on lease liabilities. For detail and impact of the change on the financial statements, please see Note 3 to the Condensed interim financial statements for the three-month period ended 31 December 2020 and Independent auditor's review report on the financial information.

On 4 February 2021, the Company announced to Singapore Exchange Securities Trading Limited (SGX) its intention for BeerCo Limited (BeerCo), an indirect subsidiary incorporated in Singapore, to seek a listing of its ordinary shares on the Main Board of SGX. This is subject to requisite approvals from the relevant regulatory authorities, as well as the prevailing market conditions. BeerCo and its subsidiaries' business includes the production, distribution and sales of beer in Thailand and Vietnam. To support this, the Company provided updated financial information and equivalent to shareholders and investors by reporting financial performance of the ThaiBev group and the BeerCo group for Q1'2021 as compared with Q1'2020. Shareholders should note that the unaudited combined financial statements of BeerCo and unaudited consolidated financial statements of the Company for Q1'2021 is a one-time release of the Company's quarterly financial statements in view of the proposed listing of BeerCo on the Main Board of the SGX. The Company intends to continue with the practice of announcing its financial statements on a half-yearly basis instead of a quarterly basis. The Company will report 1H financial statements and Q3 business update of fiscal year 2021 to SGX as usual in future.

During the first quarter of FY2021, a second wave of the Covid-19 pandemic occurred in Thailand, which resulted in some renewed restrictions on public gatherings and other business and social activities. However, spirits business remained resilient as most of the products are consumed via off-trade channel, while the beer business in Thailand reported a slowdown in volume. In Vietnam, the business activities were affected because of adverse weather conditions, Decree 100 and a later Tet compared to the prior year. The non-alcoholic beverages business (NAB)'s revenue also slowed down as a result of the resurgence of Covid-19 in Thailand. However, the cost control measures enabled the beer business and NAB to report an improvement in profitability when compared with Q1'2020.

The food business minimized the impact of COVID-19 by enhancing home delivery and takeaway options, as well as implementing cost-saving projects such as negotiating for lower rents, optimizing our supply chain and deployment of employees, and tightening general and administrative expenses. The Company also adapted to new consumer behaviours to ensure that we remain at the forefront of satisfying consumers' needs and preferences. Food business performance turned from net loss of Baht 70 million in Q4'2020 to net gain of Baht 15 million in Q1'2021.

Performance for the first quarter ended 31 December 2020

Group

3 months of FY 2021 (Oct 20- Dec 20)	ThaiBev	F&N/FPL	Total (Million:THB)
Sales	71,789	-	71,789
Gross profit	21,279	-	21,279
EBITDA	14,431	498	14,929
Net profit	9,108	433	9,541
Attributable Profit	8,036	433	8,469
By Business:			
Spirits	7,125	-	7,125
Beer	823	-	823
Non-Alcohol	70	-	70
Food	18	-	18
F&N/FPL	-	433	433
3 months of FY 2020 (Oct19- Dec 19)	ThaiBev	F&N/FPL	Total (Million:THB)
Sales	75,680	-	75,680
Gross profit	21,635	-	21,635
EBITDA	12,946	1,101	14,047
Net profit	8,179	1,034	9,213
Attributable Profit	7,389	1,034	8,423
By Business:			
Spirits	6,941	-	6,941
Beer	288	-	288
Non-Alcohol	19	-	19
Food	141	-	141
F&N/FPL	-	1,034	1,034

Increase (decrease)	ThaiBev	F&N/FPL	Total (Million:THB)
Sales	(3,891)	-	(3,891)
Gross profit	(356)	-	(356)
EBITDA	1,485	(603)	882
Net profit	929	(601)	328
Attributable Profit	647	(601)	46
By Business:			
Spirits	184	-	184
Beer	535	-	535
Non-Alcohol	51	-	51
Food	(123)	-	(123)
F&N/FPL	-	(601)	(601)
% Increase (decrease)	ThaiBev	F&N/FPL	Total (%)
Sales	(5.1)	-	(5.1)
Gross profit	(1.6)	-	(1.6)
EBITDA	11.5	(54.8)	6.3
Net profit	11.4	(58.1)	3.6
Attributable Profit	8.8	(58.1)	0.5
By Business:			
Spirits	2.7	-	2.7
Beer	185.8	-	185.8
Non-Alcohol	268.4	-	268.4
Food	(87.2)	-	(87.2)
F&N/FPL	-	(58.1)	(58.1)

For the first quarter ended 31 December 2020, total sales revenue of the Company was Baht 71,789 million, a decrease of Baht 3,891 million or 5.1%, from Baht 75,680 million of last year. This was due to a decrease in sales of beer business of 9.0%, non-alcoholic beverages business of 12.0% and food business of 19.3%, although there was an increase in sales of spirits business of 1.0%.

Gross profit was Baht 21,279 million, a decrease of 1.6% or Baht 356 million, from Baht 21,635 million of last year, this was due to a decrease in gross profit of beer business of 4.4%, non-alcoholic beverages of 1.6%, and food business of 17.6%, although there was an increase in gross profit of spirits business of 2.3.

Earnings before interest, tax, depreciation and amortization (EBITDA) was Baht 14,929 million, an increase of 6.3% or Baht 882 million, from Baht 14,047 million of last year. This was due to an increase in EBITDA of spirits business of 5.0%, beer business of 32.5%, and non-alcoholic beverages business 11.0%, although there was a decrease in EBITDA of food business of 13.0%, and F&N/FPL of 54.8%.

Net profit was Baht 9,541 million, an increase of 3.6%, or Baht 328 million, from Baht 9,213 million of last year. This was due to an increase in net profit of spirits business 3.2%, beer business of 91.2%, and non-alcoholic beverages business of 16.2%, although there was a decrease in net profit of food business of 90.3%, and F&N/FPL of 58.1%.

Attributable profit to shareholders of the Company include F&N/FPL was Baht 8,469 million, an increase of 0.5%, or Baht 46 million, from Baht 8,423 million of last year. This was due to an increase in attributable profit to shareholders of the Company of spirits business of 2.7%, beer business of 185.8%, and non-alcoholic beverages business of 268.4%, although there was a decrease in attributable profit to shareholders of the Company of food business 87.2%, and F&N/FPL of 58.1%.

Unit: Million Baht

	3mthsYTD_Dec_2020											
	Spirits	% to Sales	Beer	% to Sales	Non-alcoholic beverages	% to Sales	Food	% to Sales	Eliminate	% to Sales	Total	% to Sales
Revenue from sales	34,771	100.0	30,221	100.0	3,707	100.0	3,128	100.0	(38)	100.0	71,789	100.0
Cost of sales	22,994	66.1	23,561	78.0	2,260	61.0	1,717	54.9	(22)	57.9	50,510	70.4
Gross profit	11,777	33.9	6,660	22.0	1,447	39.0	1,411	45.1	(16)	42.1	21,279	29.6
Distribution costs	1,399	4.0	2,701	8.9	1,029	27.8	846	27.0	(20)	52.6	5,955	8.3
Administrative expenses	1,827	5.3	955	3.2	358	9.7	505	16.1	(11)	28.9	3,634	5.1
Operating profit (loss)	8,551	24.6	3,004	9.9	60	1.6	60	1.9	15	(39.5)	11,690	16.3
Other income/ Interest income	132	0.4	515	1.7	74	2.0	41	1.3	(15)	39.5	747	1.0
EBIT (loss)	8,683	25.0	3,519	11.6	134	3.6	101	3.2	-	-	12,437	17.3
Finance costs	261	0.8	1,328	4.4	43	1.2	92	2.9	-	-	1,724	2.4
Income tax	1,197	3.4	459	1.5	(45)	(1.2)	(6)	(0.2)	-	-	1,605	2.2
Net Profit (loss) exclude F&N/FPL	7,225	20.8	1,732	5.7	136	3.7	15	0.5	-	-	9,108	12.7
Depreciation & Amortization	536	1.5	795	2.6	362	9.8	301	9.6	-	-	1,994	2.8
EBITDA (loss) exclude F&N/FPL	9,219	26.5	4,314	14.3	496	13.4	402	12.9	-	-	14,431	20.1
F&N/FPL results:												
Operating results											498	0.7
Finance costs											(65)	(0.1)
F&N/FPL Net Profit											433	0.6
F&N/FPL EBITDA											498	0.7
Net Profit											9,541	13.3
EBITDA											14,929	20.8
Attributable profit(loss) to shareholders of the Company exclude F&N/FPL	7,125	20.5	823	2.7	70	1.9	18	0.6	-	-	8,036	11.2
Attributable profit(loss) to shareholders of the Company include F&N/FPL											8,469	11.8

Unit: Million Baht

3mthsYTD_Dec 2019 (Restated)

	Spirits	% to Sales	Beer	% to Sales	Non-alcoholic beverages	% to Sales	Food	% to Sales	Eliminate	% to Sales	Total	% to Sales
Revenue from sales	34,420	100.0	33,222	100.0	4,214	100.0	3,874	100.0	(50)	100.0	75,680	100.0
Cost of sales	22,911	66.6	26,259	79.0	2,743	65.1	2,161	55.8	(29)	58.0	54,045	71.4
Gross profit	11,509	33.4	6,963	21.0	1,471	34.9	1,713	44.2	(21)	42.0	21,635	28.6
Distribution costs	1,588	4.6	3,319	10.0	1,073	25.5	901	23.3	(20)	40.0	6,861	9.1
Administrative expenses	1,735	5.0	1,654	5.0	407	9.7	591	15.3	(18)	36.0	4,369	5.8
Operating profit (loss)	8,186	23.8	1,990	6.0	(9)	(0.2)	221	5.7	17	(34.0)	10,405	13.7
Other income/ Interest income	135	0.4	623	1.9	97	2.3	42	1.1	(17)	34.0	880	1.2
EBIT (loss)	8,321	24.2	2,613	7.9	88	2.1	263	6.8	-	-	11,285	14.9
Finance costs	259	0.8	1,322	4.0	41	1.0	79	2.0	-	-	1,701	2.2
Income tax	1,061	3.1	385	1.2	(70)	(1.7)	29	0.7	-	-	1,405	1.9
Net Profit (loss) exclude F&N/FPL	7,001	20.3	906	2.7	117	2.8	155	4.0	-	-	8,179	10.8
Depreciation & Amortization	461	1.3	642	1.9	359	8.5	199	5.1	-	-	1,661	2.2
EBITDA (loss) exclude F&N/FPL	8,782	25.5	3,255	9.8	447	10.6	462	11.9	-	-	12,946	17.1
F&N/FPL results:												
Operating results											1,101	1.5
Finance costs											(67)	(0.1)
F&N/FPL Net Profit											1,034	1.4
F&N/FPL EBITDA											1,101	1.5
Net Profit											9,213	12.2
EBITDA											14,047	18.6
Attributable profit(loss) to shareholders of the Company exclude F&N/FPL	6,941	20.2	288	0.9	19	0.5	141	3.6	-	-	7,389	9.8
Attributable profit(loss) to shareholders of the Company include F&N/FPL											8,423	11.1

Unit: Million Baht

3mthsYTD_D Increase(Decrease)

	Spirits	% Changes	Beer	% Changes	Non-alcoholic beverages	% Changes	Food	% Changes	Eliminate	% Changes	Total	% Changes
Revenue from sales	351	1.0	(3,001)	(9.0)	(507)	(12.0)	(746)	(19.3)	12	24.0	(3,891)	(5.1)
Cost of sales	83	0.4	(2,698)	(10.3)	(483)	(17.6)	(444)	(20.5)	7	24.1	(3,535)	(6.5)
Gross profit	268	2.3	(303)	(4.4)	(24)	(1.6)	(302)	(17.6)	5	23.8	(356)	(1.6)
Distribution costs	(189)	(11.9)	(618)	(18.6)	(44)	(4.1)	(55)	(6.1)	-	-	(906)	(13.2)
Administrative expenses	92	5.3	(699)	(42.3)	(49)	(12.0)	(86)	(14.6)	7	38.9	(735)	(16.8)
Operating profit (loss)	365	4.5	1,014	51.0	69	766.7	(161)	(72.9)	(2)	(11.8)	1,285	12.3
Other income/ Interest income	(3)	(2.2)	(108)	(17.3)	(23)	(23.7)	(1)	(2.4)	2	11.8	(133)	(15.1)
EBIT (loss)	362	4.4	906	34.7	46	52.3	(162)	(61.6)	-	-	1,152	10.2
Finance costs	2	0.8	6	0.5	2	4.9	13	16.5	-	-	23	1.4
Income tax	136	12.8	74	19.2	25	35.7	(35)	(120.7)	-	-	200	14.2
Net Profit (loss) exclude F&N/FPL	224	3.2	826	91.2	19	16.2	(140)	(90.3)	-	-	929	11.4
Depreciation & Amortization	75	16.3	153	23.8	3	0.8	102	51.3	-	-	333	20.0
EBITDA (loss) exclude F&N/FPL	437	5.0	1,059	32.5	49	11.0	(60)	(13.0)	-	-	1,485	11.5
F&N/FPL results:												
Operating results											(603)	(54.8)
Finance costs											2	3.0
F&N/FPL Net Profit											(601)	(58.1)
F&N/FPL EBITDA											(603)	(54.8)
Net Profit											328	3.6
EBITDA											882	6.3
Attributable profit(loss) to shareholders of the Company exclude F&N/FPL	184	2.7	535	185.8	51	268.4	(123)	(87.2)	-	-	647	8.8
Attributable profit(loss) to shareholders of the Company include F&N/FPL											46	0.5

Spirits Business

For the first quarter ended 31 December 2020, sales revenue was Baht 34,771 million, an increase of Baht 351 million, or 1.0%. Total sales volume of spirits including GRG's spirits was 189.9 million litres, an increase of 0.3%. Total sales volume of soda was 11.9 million litres, a decrease of 6.9%.

Gross profit was Baht 11,777 million, an increase of Baht 268 million, or 2.3%. This was mainly due to an increase in revenue from sales.

Earnings before interest, tax, depreciation and amortization (EBITDA) was Baht 9,219 million, an increase of Baht 437 million, or 5.0%. This was mainly due to an increase in gross profit, a decrease in distribution costs, and TFRS #16 Leases impacts which caused a decrease in rental and an increase in depreciation expenses.

Net profit was Baht 7,225 million, an increase of Baht 224 million or 3.2%. This was mainly due to an increase in EBITDA.

Attributable profit to shareholders of the Company was Baht 7,125 million, an increase of Baht 184 million or 2.7%. This was mainly due to an increase in net profit.

Beer Business

For the first quarter ended 31 December 2020, sales revenue was Baht 30,221 million, a decrease of Baht 3,001 million, or 9.0%. Total sales volume of beer including Sabeco's beer was 646.7 million litres, a decrease of 11.6%. Sales volume excluding Sabeco's beer was 236.6 million litres, a decrease of 6.5%, Total sales volume of Chang Soda and Chang Water was 12.2 million litres, a decrease of 33.6%.

Gross profit was Baht 6,660 million, a decrease of Baht 303 million, or 4.4%. This was mainly due to a decrease in sales revenue.

Earnings before interest, tax, depreciation and amortization (EBITDA) was Baht 4,314 million, an increase of Baht 1,059 million, or 32.5%. This was mainly due to a decrease in advertising and promotion expenses, staff costs, and TFRS #16 Leases impacts which caused a decrease in rental and an increase in depreciation expenses, although there was a decrease in gross profit.

Net profit was Baht 1,732 million, an increase of Baht 826 million, or 91.2%. This was mainly due to an increase in EBITDA.

Attributable profit to shareholders of the Company was Baht 823 million, an increase of Baht 535 million, or 185.8%. This was mainly due to an increase in net profit.

BeerCo Group

Further to the Company's announcement dated 4 February 2021 on the proposed listing of the ordinary shares of BeerCo, an indirect subsidiary incorporated in Singapore, on the Main Board of SGX, which is subject to requisite approvals from the relevant regulatory authorities, as well as prevailing market conditions, the Company sets out below the relevant performance of BeerCo and its subsidiaries which is a subset of the Company's beer business. The BeerCo Group's financial information set out below has been converted from its reporting currency in Singapore dollars to THB for this calculation at a THBSGD rate of 0.0440.

For the first quarter ended 31 December 2020, sales revenue was S\$1,322.8 million (Baht 30,064 million), a decrease of 11.4% from S\$1,492.3 million (Baht 33,916 million). This was primarily the result of lower sales volume of beer as described in Beer Business above in both Thailand (where sales revenue declined 8.2% to S\$741.4 million (Baht 16,850 million)) and Vietnam (where sales revenue declined 15.1% to S\$581.4 million (Baht 13,214 million)) as a result of the COVID-19 pandemic which slowed down business and social activities and lowered total consumption levels, as well as, for Vietnam, Decree 100, which became effective in January 2020 and introduced tighter restrictions on marketing and advertising of beer and stricter penalties on drink driving, adverse weather conditions in October and November 2020, and a later Tet period compared to the prior year.

Gross profit was S\$270.7 million (Baht 6,153 million), a decrease of 6.9% from S\$290.9 million (Baht 6,611 million) in the prior year. This was mainly due to a decrease in sales revenue, as well as a decrease in the price of our raw materials and overheads cost savings in Vietnam. The primary difference between BeerCo group's gross profit and that of the Company's Beer Business is in respect of the gross profit recognised by the Company for distribution of BeerCo's beer products by companies outside the BeerCo group and non-alcoholic beverages sold by BeerCo group which are not included in the Beer Business for the Company.

Earnings before interest, tax, depreciation and amortization (EBITDA), which includes interest income of S\$15.0 million, was S\$191.4 million (Baht 4,349 million), an increase of 36.1%. This was mainly due to a 19.3% decrease in distribution costs to S\$114.8 million (Baht 2,609 million) resulting from a decrease in sales revenues and continuing partial restrictions on events and activities, continued improvements in cost management for transportation activities in Vietnam, lower provision for bonuses in Vietnam and more flexible compensation structures in Vietnam. Administrative expenses decreased by 61.4% to S\$21.6 million (Baht 491 million) as an allowance for doubtful debt of other receivables from related parties in the amount of S\$16.5 million (Baht 375 million) was made in the first quarter ended 31 December 2019. The allowance related to management's assessment of the recoverability of certain investments in our associates in Vietnam and a provision for our investment in a real estate associate company in Vietnam. Management fees decreased by 95.6% to S\$0.9 million (Baht 21 million) as a result of the historical arrangement relating to the service fees being replaced with a new supporting service agreement starting in April 2020 which is on a cost plus basis. EBITDA for BeerCo does not reflect the Company's head office cost allocations for Beer Business.

Net profit was S\$130.0 million (Baht 2,956 million), an increase of 64.0% from S\$79.3 million (Baht 1,802 million). This was mainly due an increase in EBITDA and a lower effective tax rate in Thailand, partly offset by a decrease in interest income as a result of the cessation in ThaiBev's cash pooling arrangements in Thailand.

Non-Alcoholic Beverages Business

For the first quarter ended 31 December 2020, sales revenue was 3,707 million, a decrease of Baht 507 million or 12.0%. Total sales volume of Non-Alcoholic Beverages was 346.8 million litres, a decrease of 52.5 million litres or 13.1%. There was a decrease in sales volume of carbonated soft drink of 15.6 million litres, or 22.9%, drinking water of 33.0 million litres, or 12.6%, ready to drink tea of 1.3 million litres, or 2.2%, Jubjai of 2.5 million litres, or 49.2% and 100Plus of 0.3 million litres, or 27.5%.

Gross profit was Baht 1,447 million, a decrease of Baht 24 million or 1.6%. This was mainly due to a decrease in sales revenue.

Earnings before interest, tax, depreciation and amortization (EBITDA) was Baht 496 million an increase of Baht 49 million or 11%. This was mainly due to a decrease in transportation costs, and TFRS #16 Leases impacts which caused a decrease in rental and an increase in depreciation expenses, although there was a decrease in gross profit.

Net profit was Baht 136 million an increase of Baht 19 million or 16.2%. This was mainly due to an increase in EBITDA.

Attributable profit to shareholders of the Company was Baht 70 million, an increase of Baht 51 million, or 268.4%. This was mainly due to an increase in net profit.

Food Business

For the first quarter ended 31 December 2020, sales revenue was Baht 3,128 million, a decrease of Baht 746 million or 19.3%. This was mainly due to a decrease in revenue from Oishi food.

Gross profit was Baht 1,411 million, a decrease of Baht 302 million or 17.6%. This was mainly due to a decrease in sales revenue.

Earnings before interest, tax, depreciation and amortization (EBITDA) was Baht 402 million, a decrease of Baht 60 million or 13.0%. This was mainly due to a decrease in gross profit, although there were TFRS #16 Leases impacts which caused a decrease in rental and an increase in depreciation expenses.

Net profit was Baht 15 million, a decrease of Baht 140 million or 90.3%. This was mainly due to a decrease in EBITDA.

Attributable profit to shareholders of the Company was Baht 18 million, a decrease of Baht 123 million or 87.2%. This was mainly due to a decrease in net profit.

Financial Position

Assets

Total assets as at 31 December 2020 was Baht 426,444 million, a decrease of Baht 7,076 million or 1.63% compared with total assets at the end of September 2020. This was mainly due to a decrease in current assets of Baht 1,864 million which was mainly due to a decrease in inventories, and a decrease in non-current assets of Baht 5,212 million which was mainly due to a decrease in property, plant and equipment, and a decrease in intangible assets, which was due to foreign currency translation differences from foreign operation.

Liabilities

Total liabilities as 31 December 2020 was Baht 249,980 million, a decrease of Baht 4,135 million or 1.63% compared with total liabilities at the end of September 2020. This was mainly due to repayment of short-term loans to financial institutions.

The periods to maturity of interest-bearing debts from bank and debentures were as follows.

Unit: Million Baht

Within one year (Dec 2021)	53,080
After one year but within two years (Dec 2022)	48,398
After two years	<u>103,119</u>
Total	<u>204,597</u>

The Company entered into bilateral loan agreements with a combined Baht 40,000 million loan amount (the “Bridge Loan Facility”) with six commercial banks (the “Banks”) on 30 October 2020. The Company has been deleveraging its balance sheet using cash flows from its operations and has also been exploring plans to further lower its debt level via other avenues. Given that such plans may be subject to the global economic situation, which may encompass uncertainties over the near term, The Company has entered into the Bridge Loan Facility to provide it with financial flexibility. The Company has the option to tap on either its cash flows, or the Bridge Loan Facility, or funds from other avenues to refinance its existing bond due in March 2021, depending on its needs and plans, as well as the macroeconomic situation around that time.

The main features of the Bridge Loan Facility are as follows:

Total Facility Amount: Baht 40,000 million

Purpose: Potential refinancing of THBEV’s existing Baht 42,800 million bond due on 22 March 2021 (The remaining Baht 2,800 million will be repaid using the Company’s cash flows)

Drawdown period: Not later than 31 March 2021

Tenor: 2 years from drawdown date

Interest Rate: Reasonable floating rate (THBFIX + margin)

Covenant: Interest Bearing Debt to Equity not exceed 3:1 (The Company’s Interest Bearing Debt to Equity ratio was 1.38 as of 30 June 2020)

Collateral: Unsecured loan (No collateral)

Prepayment: No prepayment fee if the source of funds for such prepayment comes from a bond issuance or THBEV’s working capital and/or such prepayment is in line with terms and conditions agreed with the Banks

Shareholders’ Equity

Total equity as at 31 December 2020 was Baht 176,464 million, a decrease of Baht 2,941 million or 1.64% compared with the equity at the end of September 2020. This was mainly due to a decrease in foreign currency translation differences from foreign operation, although there was an increase in net retained earnings from the net profit of the period.

Liquidity

Cash and cash at financial institutions, as at 31 December 2020, was Baht 36,569 million. The net increase from the beginning of the period was Baht 1,874 million. Details of activities were as follows.

	Unit Million Baht
Net cash from operating activities	17,279
Net cash from (used in) investing activities	(2,076)
Net cash from (used in) financing activities	<u>(12,974)</u>
Increase in cash and cash equivalents	2,229
Adjustment from financial statement translation	(370)
Net increase in cash at financial institutions	<u>15</u>
Net increase in cash and cash at financial institutions	1,874
Cash and cash at financial institutions at beginning of period	<u>34,695</u>
Cash and cash at financial institutions at end of period	<u><u>36,569</u></u>

Net cash inflow from operating activities of Baht 17,279 million for the first quarter ended 31 December 2020 was Baht 5,232 million higher than Baht 12,047 million of last year. This was due to an increase in non-cash items of Baht 3,776 million and an increase from working capital of Baht 1,456 million.

Net cash used in investing activities of Baht 2,076 million for the first quarter ended 31 December 2020 was Baht 1,750 million lower than Baht 3,826 million of last year. This was mainly due to a decrease in cash outflow on acquisition of businesses, and a decrease in current investments.

Net cash used in financing activities of Baht 12,974 million for the first quarter ended 31 December 2020 was Baht 6,140 million, different from net cash inflow from financing activities of Baht 6,834 million of last year. This was mainly due to the repayment of short-term loans to financial institutions.

Financial Ratios

	<u>Dec 31, 20</u>	<u>Sep 30, 20</u>
Current Ratio (times)	1.02	0.95
Liability to Equity Ratio (Gearing Ratio) (times)	1.42	1.42
Interest Bearing Debt to Equity Ratio (times)	1.16	1.21
Net Interest Bearing Debt to Equity Ratio (times)	0.95	1.01
Net Interest Bearing Debt to EBITDA (times)(annualized)	3.54	3.91
Net asset value per share (Baht)	5.61	5.68

	<u>Dec 31, 20</u>	<u>Dec 31, 19</u>
Earnings per share for the quarter (Baht)	0.34	0.34

	<u>Oct 20–Dec 20</u>	<u>Oct 19–Dec 19</u>
Accounts Receivable Turnover (days)	7	7
Inventory Turnover (days)		
Spirits Business : finished goods	44	49
Beer Business : finished goods	9	9
Non-alcohol Business : finished goods	27	24
Food Business : finished goods	7	6

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

N/A

10. Commentary of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

During October - December 2020, the Thai economy continued to recover, driven by the expansion of private consumption following the gradual recovery in household purchasing power and supports from government stimulus measures. However, the resurgence of COVID-19 in Thailand affected economic activities, and consumer confidence, especially in the highly controlled area. Meanwhile, the tourism sector experienced a severe contraction due to travel restrictions on foreign tourist arrivals.

The beverage industry during October - December 2020 has begun to recover following the government's economic stimulus measures. As a result, sales in October and November improved. Nonetheless, the new wave of COVID-19 outbreak in late December made consumers worried about dining and drinking in restaurants and entertainment venues. This resulted in the decrease in beverage consumption. However, spirits were not significantly impacted because of its off-premise consumption nature. If the pandemic can be gradually controlled, other beverages is expected to show a slow recovery as well.

Overall Business

Total sales revenue of the Company for the quarter ended 31 December 2020 was Baht 71,789 million, a decline of 5.1% when compared to last year. This was due to a decrease in sales of beer, non-alcoholic beverages and food business, although there was an increase in sales of spirits business.

Net profit was Baht 9,541 million, increased 3.6% compared to last year. This was due to an increase in net profit of spirits, beer and non-alcoholic beverages business, although there was a decrease in net profit of food business and F&N/FPL.

Spirits Business

In 1Q21 ended 31 December 2020, the Company's spirits business generated sales revenue amounting to Baht 34,771 million, increased by 1.0% compared to the same period of last year. Despite the resurgence of COVID-19, spirits business remained resilient as most of the products are consumed via off-trade channels. Sales volumes recorded by the business increased 0.3% YoY when including Grand Royal Group's sales. The spirits business reported net profit amounting to Baht 7,225 million, an increase of 3.2% YoY due to an increase in gross profit and a decrease in advertising, promotion expenses, and staff costs.

Beer Business

The Company's beer business recorded sales revenue amounting to Baht 30,221 million, down by 9.0% compared to the same period of last year due to the slowdown of SABECO's sales volume, and the impact from the resurgence of COVID-19 in Thailand. Total sales volume decreased 11.6% when including SABECO's sales, and decreased 6.5% when excluding SABECO's sales. However, the Company's net profit for the beer business showed a satisfactory increase by 91.2% YoY to Baht 1,732 million due to the decrease in advertising, promotion expenses, and staff costs.

Non-Alcoholic Beverages Business

In 1Q21 ended 31 December 2020, the Company's non-alcoholic beverages business generated sales revenue amounting to 3,707 million, down by 12.0% compared YoY, due to a 13.1% decline in total sales volumes. However, the non-alcoholic beverages business reported net profit amounting to Baht 136 million, increased by 16.2% YoY mainly due to a decrease in transportation costs.

Food Business

The Company's food business recorded sales revenue amounting to Baht 3,128 million in 1Q21, down by 19.3% compared YoY mainly due to a decrease in revenue from Oishi food. The food business was still impacted by the pandemic; however, the business has minimized the impact of COVID-19 by enhancing home delivery and takeaway options, as well as implementing cost-saving projects. As a result, the food business reported a net profit of Baht 15 Million in this quarter, improved from net loss of Baht 70 million in 4Q2020.

International Business

The Company's international business recorded sales revenue totaling Baht 16,712 million in 1Q21, down 10% YoY. The international beer reported sales revenue decline of 13%, mainly due to the decrease in SABECO's revenue. However, revenue generated by the international spirits sales increased by 13% YoY due to the growth from Scotch whisky case sales, bulk sales and Chinese spirits as well as appreciation of Kyat over Baht.

11. If a decision regarding dividend has been made:-

(a) Whether an interim ordinary dividend has been declared (recommended)

No.

; and

(b) (i) Amount per share cents

N/A

(ii) Previous corresponding period cents

N/A

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

N/A

(d) The date the dividend is payable.

N/A

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

N/A

12. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

N/A

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

Thai Beverage Public Company Limited

Unaudited but reviewed transactions for the three-month period (Oct-Dec20) ended 31 December 2020

Interested persons transactions for the three-month period (Oct-Dec20) ended 31 December 2020

Nature of relationship		Aggregate value of all interested persons transactions for the three-month period (Oct-Dec20) ended 31 December 2020 (excluding transactions less than S\$100,000* and transactions conducted under Shareholders' Mandate) Baht '000	Aggregate value of all interested persons transactions conducted under the Shareholders' mandate (excluding transactions less than S\$100,000*) Baht '000
A Revenue from sales and service income			
1 Terragro Fertilizer Co., Ltd.	Directors and controlling equity holders hold substantial shares indirectly	-	8,973
2 Thai Glass Industries PCL	Directors and controlling equity holders hold substantial shares indirectly	-	27,080
3 North Park Golf And Sports Club Co., Ltd.	Directors and controlling equity holders are the directors and hold substantial shares indirectly	-	26,280
4 Siam Food Products PCL	Directors and controlling equity holders hold substantial shares indirectly	-	8,083
5 Thai Malaya Glass Co., Ltd.	Directors and controlling equity holders hold substantial shares indirectly	-	89,213
6 F&N Foods Pte Ltd.	An indirect subsidiary holds 28.44% share in Fraser and Neave, Limited	-	16,101
7 F&N Dairies (Thailand) Limited	An indirect subsidiary holds 28.44% share in Fraser and Neave, Limited	-	30,760
8 Emerald Brewery Myanmar Limited	An indirect subsidiary holds 28.44% share in Fraser and Neave, Limited	-	19,598
9 TCC Hotel Asset Management Co., Ltd.	Directors and controlling equity holders hold substantial shares indirectly	-	2,610
10 Big C Supercenter PCL	Directors and controlling equity holders hold substantial shares indirectly	-	855,662
11 BJC Specialties Co., Ltd.	Directors and controlling equity holders hold substantial shares indirectly	-	9,281
12 One Bangkok Company Limited	Directors and controlling equity holders hold substantial shares indirectly	-	4,440
B Other income			
1 The Southeast Insurance PCL **	Directors and controlling equity holders hold substantial shares indirectly	-	5,495
2 Thai Malaya Glass Co., Ltd.	Directors and controlling equity holders hold substantial shares indirectly	-	6,765
3 Fraser and Neave, Limited	An indirect subsidiary holds 28.44% share in Fraser and Neave, Limited	-	3,483
4 F&N Dairies (Thailand) Limited	An indirect subsidiary holds 28.44% share in Fraser and Neave, Limited	-	18,131
5 F&N Global Marketing Pte. Ltd.	An indirect subsidiary holds 28.44% share in Fraser and Neave, Limited	-	2,304
6 Emerald Brewery Myanmar Limited	An indirect subsidiary holds 28.44% share in Fraser and Neave, Limited	-	2,632
7 Malaya - Vietnam Glass Limited	Joint Venture of Sabeco Group	-	2,629
C Cost of sales			
1 PS Recycle Co., Ltd.	Directors and controlling equity holders are relatives of controlling person	-	57,535
2 Thip Sugar Kamphaengphet Co., Ltd. ***	Directors and controlling equity holders hold substantial shares indirectly	-	14,045
3 Southeast Capital Co., Ltd.	Directors and controlling equity holders hold substantial shares indirectly	-	2,453
4 Thai Glass Industries PCL.	Directors and controlling equity holders hold substantial shares indirectly	-	23,343
5 Thai Beverage Can Co., Ltd.	Directors and controlling equity holders hold 50% shares indirectly	-	187,461
6 Berli Jucker PCL	Directors and controlling equity holders hold substantial shares indirectly	-	2,280
7 The Southeast Insurance PCL **	Directors and controlling equity holders hold substantial shares indirectly	-	25,632
8 The Southeast Life Insurance PCL **	Directors and controlling equity holders hold substantial shares indirectly	-	4,424
9 North Park Golf And Sports Club Co., Ltd.	Directors and controlling equity holders are the directors and hold substantial shares indirectly	-	14,287
10 Siam Food Products PCL	Directors and controlling equity holders hold substantial shares indirectly	-	10,460
11 Plantheon Trading Co., Ltd.	Directors and controlling equity holders hold substantial shares indirectly	-	7,480
12 Thai Malaya Glass Co., Ltd.	Directors and controlling equity holders hold substantial shares indirectly	-	1,605,965
13 Gaew Grung Thai Co., Ltd.	Directors and controlling equity holders hold substantial shares indirectly	-	12,683
14 Gaewsarnsiri Co., Ltd.	Directors and controlling equity holders hold substantial shares indirectly	-	6,801
15 Big C Supercenter PCL	Directors and controlling equity holders hold substantial shares indirectly	-	3,097
16 BJC Specialties Co., Ltd.	Directors and controlling equity holders hold substantial shares indirectly	-	4,358
17 Amarin Printing and Publishing PCL	Directors and controlling equity holders hold substantial shares indirectly	-	14,567
18 Malaya - Vietnam Glass Limited	Joint Venture of Sabeco Group	-	34,950
19 TBC-BALL Beverage Can Vietnam Limited	Directors and controlling equity holders hold substantial shares indirectly	-	409,351

Thai Beverage Public Company Limited
Unaudited but reviewed transactions for the three-month period (Oct-Dec20) ended 31 December 2020

Interested persons transactions for the three-month period (Oct-Dec20) ended 31 December 2020

Nature of relationship		Aggregate value of all interested persons transactions for the three-month period (Oct-Dec20) ended 31 December 2020 (excluding transactions less than S\$100,000* and transactions conducted under Shareholders' Mandate) Baht '000	Aggregate value of all interested persons transactions conducted under the Shareholders' mandate (excluding transactions less than S\$100,000*) Baht '000
D Selling expenses			
1	Southeast Capital Co., Ltd. Directors and controlling equity holders hold substantial shares indirectly	-	85,893
2	The Southeast Insurance PCL ** Directors and controlling equity holders hold substantial shares indirectly	-	10,076
3	F&N Foods Pte Ltd. An indirect subsidiary holds 28.44% share in Fraser and Neave, Limited	-	5,973
4	P.I.T. Factory Co., Ltd. Directors and controlling equity holders hold substantial shares indirectly	-	6,671
5	Pacific Leisure (Thailand) Limited Directors and controlling equity holders hold substantial shares indirectly	-	5,359
6	The Street Retail Development Co., Ltd. Directors and controlling equity holders hold substantial shares indirectly	-	2,730
7	Big C Supercenter PCL Directors and controlling equity holders hold substantial shares indirectly	-	88,459
8	CW Towers Co., Ltd. Directors and controlling equity holders hold substantial shares indirectly	-	6,224
9	Amarin Printing and Publishing PCL Directors and controlling equity holders hold substantial shares indirectly	-	5,465
10	Amarin Television Co., Ltd. Directors and controlling equity holders hold substantial shares indirectly	-	3,869
11	Fraser's Property Industrial (Thailand) Co., Ltd. Directors and controlling equity holders hold shares indirectly	-	6,009
E Administrative expenses			
1	Southeast Capital Co., Ltd. Directors and controlling equity holders hold substantial shares indirectly	-	38,550
2	T.C.C. Technology Co., Ltd. Directors and controlling equity holders hold substantial shares indirectly	-	82,119
3	The Southeast Insurance PCL ** Directors and controlling equity holders hold substantial shares indirectly	-	13,277
4	North Park Golf And Sports Club Co., Ltd. Directors and controlling equity holders are the directors and hold substantial shares indirectly	-	8,943
5	Thai Alcohol PCL Directors and controlling equity holders hold substantial shares indirectly	-	5,540
6	Fraser and Neave, Limited An indirect subsidiary holds 28.44% share in Fraser and Neave, Limited	-	11,723
7	Fraser & Neave (Singapore) Pte. Limited An indirect subsidiary holds 28.44% share in Fraser and Neave, Limited	-	2,346
8	Commercial Solution Co., Ltd. Directors and controlling equity holders hold substantial shares indirectly	-	11,262
9	Business Process Outsourcing Co., Ltd. Directors and controlling equity holders hold substantial shares indirectly	-	54,732
10	TCC Hotel Asset Management Co., Ltd. Directors and controlling equity holders hold substantial shares indirectly	-	16,642
11	Golden Ventures Leasehold Real Estate Investment Trust Directors and controlling equity holders hold principle unit indirectly	-	3,954
12	CW Towers Co., Ltd. Directors and controlling equity holders hold substantial shares indirectly	-	28,749
13	Fraser's Property BFTZ Co., Ltd. Associates of FPL Group	-	22,729
F Purchase of assets			
1	Inter Horeca Co., Ltd. Directors and controlling equity holders hold substantial shares indirectly	-	5,180
2	Dhanasindhi Engineering Service Co., Ltd.***** Directors and controlling equity holders hold substantial shares indirectly	-	28,706

* Exchange rate Baht 22.74 per 1 SGD.

** Converted from company limited to public company limited

*** Formerly : The Maewang Sugar Industry Co., Ltd.

**** Changed from related party to indirect subsidiary since 25 December 2019

***** Changed from formerly Dhanasindhi because of merger

14. CONFIRMATION BY THE BOARD OF DIRECTORS

Pursuant to Rule 705(5) of the SGX Listing Manual

We, Thapana Sirivadhanabhakdi and Sithichai Chaikriangkrai, being two Directors of Thai Beverage Public Company Limited (the "Company"), do hereby confirm on behalf of the Directors of the Company, that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render these three-month ended December 31, 2020 financial results to be false or misleading in any material respect.

On behalf of the Board

Thapana Sirivadhanabhakdi
Director

Sithichai Chaikriangkrai
Director

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

The Company confirms that it has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7.7) pursuant to Rule 720(1) of the SGX Listing Manual.