

Carabao Group Public Company Limited
and its subsidiaries
Review report and consolidated interim financial statements
For the three-month and six-month periods ended 30 June 2017

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Carabao Group Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Carabao Group Public Company Limited and its subsidiaries as at 30 June 2017, the related consolidated statements of income and comprehensive income for the three-month and six-month periods ended 30 June 2017, the related consolidated statements of changes in shareholders' equity and cash flows for the six-month period ended 30 June 2017, as well as the condensed notes to the consolidated financial statements, and have also reviewed the separate financial information of Carabao Group Public Company Limited for the same periods. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34 Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

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

Wichart Lokatekrawee

Certified Public Accountant (Thailand) No. 4451

EY Office Limited

Bangkok: 11 August 2017

Carabao Group Public Company Limited and its subsidiaries

Statement of financial position

As at 30 June 2017

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June	31 December	30 June	31 December
		2017	2016	2017	2016
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents	3	487,882	745,060	115,933	428,754
Current investments	4	418,993	604,282	418,993	604,282
Trade and other receivables	2, 5	1,385,250	561,576	55,092	43,379
Short-term loans to related parties	2	-	-	4,173,000	3,268,000
Dividend receivable from related parties	2	-	-	251,999	726,997
Inventories	6	715,997	433,505	-	-
Other current assets	7	202,500	110,482	384	3
Total current assets		3,210,622	2,454,905	5,015,401	5,071,415
Non-current assets					
Investment in subsidiaries	8	-	-	2,708,819	1,959,013
Investment properties	9	101,882	103,848	-	-
Property, plant and equipment	10	7,529,546	6,626,891	-	-
Goodwill	8	538,720	536,065	-	-
Intangible assets	11	16,046	15,151	1,820	-
Deferred tax assets		27,267	33,696	4,828	4,305
Other long-term receivable - related party	2	-	-	26,172	26,172
Other non-current assets	2	7,745	7,935	-	-
Total non-current assets		8,221,206	7,323,586	2,741,639	1,989,490
Total assets		11,431,828	9,778,491	7,757,040	7,060,905

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

Carabao Group Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 June 2017

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June	31 December	30 June	31 December
		2017	2016	2017	2016
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	12	1,000,000	750,000	1,000,000	750,000
Trade and other payables	2, 13	1,977,840	1,301,898	56,267	55,393
Current portion of long-term loans from financial institution	16	100,000	-	100,000	-
Short-term loans from non-controlling interests of the subsidiary	14	22,142	-	-	-
Income tax payable		141,655	183,067	8,782	1,456
Other current liabilities	15	37,139	90,175	4,186	20,456
Total current liabilities		3,278,776	2,325,140	1,169,235	827,305
Non-current liabilities					
Long-term loans from financial institution, net of current portion	16	1,045,000	250,000	900,000	250,000
Provision for long-term employee benefits	17	97,416	89,752	50,314	47,701
Deposits received for rental	2	14,791	14,056	-	-
Total non-current liabilities		1,157,207	353,808	950,314	297,701
Total liabilities		4,435,983	2,678,948	2,119,549	1,125,006
Shareholders' equity					
Share capital					
Registered					
1,000,000,000 ordinary shares of Baht 1 each		1,000,000	1,000,000	1,000,000	1,000,000
Issued and fully paid up					
1,000,000,000 ordinary shares of Baht 1 each		1,000,000	1,000,000	1,000,000	1,000,000
Share premium		3,962,980	3,962,980	3,962,980	3,962,980
Retained earnings					
Appropriated - statutory reserve	18	100,000	100,000	100,000	100,000
Unappropriated		1,424,870	1,377,500	465,552	763,960
Other components of shareholders' equity		402,654	432,559	108,959	108,959
Equity attributable to owners of the Company		6,890,504	6,873,039	5,637,491	5,935,899
Non-controlling interests of the subsidiaries		105,341	226,504	-	-
Total shareholders' equity		6,995,845	7,099,543	5,637,491	5,935,899
Total liabilities and shareholders' equity		11,431,828	9,778,491	7,757,040	7,060,905
		-	-	-	-

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

Directors

(Unaudited but reviewed)

Carabao Group Public Company Limited and its subsidiaries

Income statement

For the three-month period ended 30 June 2017

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

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Profit or loss					
Revenues					
Sales		3,506,617	2,315,784	-	-
Dividend income from subsidiaries	2, 8	-	-	251,999	409,998
Other income	19	48,733	34,727	99,011	66,429
Total revenues		<u>3,555,350</u>	<u>2,350,511</u>	<u>351,010</u>	<u>476,427</u>
Expenses					
Cost of sales		2,375,713	1,454,031	-	-
Selling expenses		574,182	318,675	-	-
Administrative expenses		168,064	116,294	58,870	57,527
Total expenses		<u>3,117,959</u>	<u>1,889,000</u>	<u>58,870</u>	<u>57,527</u>
Profit before finance cost and income tax expenses		<u>437,391</u>	<u>461,511</u>	<u>292,140</u>	<u>418,900</u>
Finance cost		(5,414)	(752)	(10,734)	(27)
Profit before income tax expenses		<u>431,977</u>	<u>460,759</u>	<u>281,406</u>	<u>418,873</u>
Income tax expenses	20	(104,953)	(68,051)	(5,875)	(2,095)
Profit for the period		<u>327,024</u>	<u>392,708</u>	<u>275,531</u>	<u>416,778</u>
Profit attribution to					
Equity holders of the Company		425,934	392,708	<u>275,531</u>	<u>416,778</u>
Non-controlling interest of the subsidiaries		(98,910)	-		
		<u>327,024</u>	<u>392,708</u>		
Earnings per share					
	21				
Basic earnings per share					
Profit attributable to equity holders of the Company		<u>0.43</u>	<u>0.39</u>	<u>0.28</u>	<u>0.42</u>
Weighted average number of ordinary shares					
(Thousand shares)		<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>

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

(Unaudited but reviewed)

Carabao Group Public Company Limited and its subsidiaries

Statement of comprehensive income

For the three-month period ended 30 June 2017

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Profit for the period	<u>327,024</u>	<u>392,708</u>	<u>275,531</u>	<u>416,778</u>
Other comprehensive income				
Exchange differences on translation of financial statements in foreign currencies	<u>(4,178)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other comprehensive income for the period	<u>(4,178)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u><u>322,846</u></u>	<u><u>392,708</u></u>	<u><u>275,531</u></u>	<u><u>416,778</u></u>
Total comprehensive income attribution to				
Equity holders of the Company	418,163	392,708	<u>275,531</u>	<u>416,778</u>
Non-controlling interest of the subsidiaries	<u>(95,317)</u>	<u>-</u>		
Total comprehensive income for the period	<u><u>322,846</u></u>	<u><u>392,708</u></u>		

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

(Unaudited but reviewed)

Carabao Group Public Company Limited and its subsidiaries**Income statement****For the six-month period ended 30 June 2017**

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

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Profit or loss					
Revenues					
Sales		6,194,928	4,417,834	-	-
Dividend income from subsidiaries	2, 8	-	-	251,999	409,998
Other income	19	84,451	68,462	190,947	133,049
Total revenues		<u>6,279,379</u>	<u>4,486,296</u>	<u>442,946</u>	<u>543,047</u>
Expenses					
Cost of sales		4,180,954	2,771,746	-	-
Selling expenses		1,142,346	581,109	-	-
Administrative expenses		337,823	227,046	110,808	109,310
Total expenses		<u>5,661,123</u>	<u>3,579,901</u>	<u>110,808</u>	<u>109,310</u>
Profit before finance cost and income tax expenses		618,256	906,395	332,138	433,737
Finance cost		(10,258)	(1,408)	(18,163)	(32)
Profit before income tax expenses		607,998	904,987	313,975	433,705
Income tax expenses	20	(157,957)	(136,231)	(12,383)	(5,059)
Profit for the period		<u>450,041</u>	<u>768,756</u>	<u>301,592</u>	<u>428,646</u>
Profit attribution to					
Equity holders of the Company		647,370	768,756	<u>301,592</u>	<u>428,646</u>
Non-controlling interest of the subsidiaries		(197,329)	-		
		<u>450,041</u>	<u>768,756</u>		
Earnings per share					
	21				
Basic earnings per share					
Profit attributable to equity holders of the Company		<u>0.65</u>	<u>0.77</u>	<u>0.30</u>	<u>0.43</u>
Weighted average number of ordinary shares					
(Thousand shares)		<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>

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

(Unaudited but reviewed)

Carabao Group Public Company Limited and its subsidiaries

Statement of comprehensive income

For the six-month period ended 30 June 2017

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Profit for the period	<u>450,041</u>	<u>768,756</u>	<u>301,592</u>	<u>428,646</u>
Other comprehensive income:				
Exchange differences on translation of financial statements in foreign currencies	<u>(23,305)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other comprehensive income for the period	<u>(23,305)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u>426,736</u>	<u>768,756</u>	<u>301,592</u>	<u>428,646</u>
Total comprehensive income attribution to				
Equity holders of the Company	617,465	768,756	<u>301,592</u>	<u>428,646</u>
Non-controlling interest of the subsidiaries	<u>(190,729)</u>	<u>-</u>		
Total comprehensive income for the period	<u>426,736</u>	<u>768,756</u>		

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

(Unaudited but reviewed)

Carabao Group Public Company Limited and its subsidiaries**Statement of cash flows****For the six-month period ended 30 June 2017**

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Cash flows from operating activities				
Profit before tax	607,998	904,987	313,975	433,705
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities				
Dividend income	-	-	(251,999)	(409,998)
Depreciation and amortisation	112,609	114,160	-	-
Gain on sales of short-term investments				
in trading securities	(2,697)	(330)	(2,697)	(330)
Gain on changes in value of short-term investments in trading securities	(14)	(636)	(14)	(636)
Increase in reduction cost of inventory to net realisable	455	399	-	-
Gain on sales of equipment	(678)	(1,575)	-	-
Provision for long-term employee benefits	7,762	6,131	2,613	2,552
Realised and unrealised loss (gain) on exchange and forward exchange contract	(2,121)	7,104	(922)	-
Interest income	(1,977)	(17,893)	(64,920)	(42,074)
Interest expenses	7,074	-	18,072	-
Profit (loss) from operating activities before changes in operating assets and liabilities	728,411	1,012,347	14,108	(16,781)
Operating assets (increase) decrease				
Trade and other receivables	(753,509)	(129,535)	(1,076)	(134)
Inventories	(282,947)	(113,769)	-	-
Other current assets	(92,018)	(5,594)	(381)	(9)
Other non-current assets	190	(1,654)	-	-
Operating liabilities increase (decrease)				
Trade and other payables	525,335	226,037	111	15,660
Other current liabilities	(52,708)	(18,872)	(16,270)	(12,393)
Other non-current liabilities	735	12,865	-	-
Cash paid for long-term employee benefits	(98)	(1,153)	-	-
Cash flows from (used in) operating activities	73,391	980,672	(3,508)	(13,657)
Cash received from interest income	2,072	19,095	54,283	27,489
Interest paid	(6,690)	-	(17,707)	-
Cash paid for corporate income tax	(192,896)	(104,901)	(5,580)	(4,735)
Net cash flows from (used in) operating activities	(124,123)	894,866	27,488	9,097

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

(Unaudited but reviewed)

Carabao Group Public Company Limited and its subsidiaries

Statement of cash flows (continued)

For the six-month period ended 30 June 2017

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Cash flows from investing activities				
Proceeds from sales of equipment	1,483	1,656	-	-
Cash paid for acquisition of property, plant and equipment	(860,604)	(255,123)	-	-
Cash paid for acquisition of intangible assets	(3,416)	(830)	(1,820)	-
Increase in current investments	(1,042,000)	(185,000)	(1,042,000)	(185,000)
Cash received from sale of current investments	1,230,000	458,366	1,230,000	458,366
Increase in investments in subsidiaries	-	-	(749,066)	-
Increase in short-term loans to related parties	-	-	(2,501,545)	(1,202,000)
Cash received from repayment of short-term loans to related parties	-	-	1,597,125	1,387,000
Dividend income from subsidiaries	-	-	726,997	422,997
Net cash flows from (used in) investing activities	(674,537)	19,069	(740,309)	881,363
Cash flows from financing activities				
Increase in short-term loans from financial institutions	250,000	-	250,000	-
Increase in short-term loan from non-controlling interests of the subsidiary	21,356	-	-	-
Increase in long-term loans from financial institution	895,000	-	750,000	-
Dividend paid	(600,000)	(540,000)	(600,000)	(540,000)
Net cash flows from (used in) financing activities	566,356	(540,000)	400,000	(540,000)
Decrease in translation adjustments	(25,245)	-	-	-
Net increase (decrease) in cash and cash equivalents	(257,549)	373,935	(312,821)	350,460
Cash and cash equivalents at beginning of period	745,060	1,377,484	428,754	1,273,767
Effect of change in foreign exchange rate on cash at banks	371	-	-	-
Cash and cash equivalents at end of period	487,882	1,751,419	115,933	1,624,227
Supplemental disclosures of cash flows information				
Non-cash related transactions				
Dividend receivable	-	-	251,999	409,998
Increase in non-controlling interest of the subsidiaries from joint investments	(69,566)	-	-	-
Increase in plant and equipment payable	150,961	21,776	-	-

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

(Unaudited but reviewed)

Carabao Group Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the six-month period ended 30 June 2017

(Unit: Thousand Baht)

Consolidated financial statements											
Other components of equity											
Other comprehensive income											
Exchange differences on translation of financial statements in foreign currencies											
Surplus on business combination under common control											
Surplus on changes in percentage of shareholding in a subsidiary											
Total other components of shareholders' equity											
Total equity attributable to owners of the Company											
Equity attributable to non-controlling interests of the subsidiaries											
Total equity											
Equity attributable to shareholders'											
Note	Issued and fully paid-up share capital	Share premium	Retained earnings Appropriated - statutory reserve	Unappropriated	foreign currencies	common control	in a subsidiary	equity	the Company	the subsidiaries	Total equity
Balance as at 1 January 2016	1,000,000	3,962,980	94,000	844,193	-	323,216	108,959	432,175	6,333,348	-	6,333,348
Profit for the period	-	-	-	768,756	-	-	-	-	768,756	-	768,756
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	768,756	-	-	-	-	768,756	-	768,756
Dividend paid	23	-	-	(540,000)	-	-	-	-	(540,000)	-	(540,000)
Balance as at 30 June 2016	<u>1,000,000</u>	<u>3,962,980</u>	<u>94,000</u>	<u>1,072,949</u>	<u>-</u>	<u>323,216</u>	<u>108,959</u>	<u>432,175</u>	<u>6,562,104</u>	<u>-</u>	<u>6,562,104</u>
Balance as at 1 January 2017	1,000,000	3,962,980	100,000	1,377,500	384	323,216	108,959	432,559	6,873,039	226,504	7,099,543
Profit for the period	-	-	-	647,370	-	-	-	-	647,370	(197,329)	450,041
Other comprehensive income for the period	-	-	-	-	(29,905)	-	-	(29,905)	(29,905)	6,600	(23,305)
Total comprehensive income for the period	-	-	-	647,370	(29,905)	-	-	(29,905)	617,465	(190,729)	426,736
Dividend paid	23	-	-	(600,000)	-	-	-	-	(600,000)	-	(600,000)
Increase in non-controlling interests of subsidiaries											
from joint investments	8.3.1, 8.3.3	-	-	-	-	-	-	-	-	69,566	69,566
Balance as at 30 June 2017	<u>1,000,000</u>	<u>3,962,980</u>	<u>100,000</u>	<u>1,424,870</u>	<u>(29,521)</u>	<u>323,216</u>	<u>108,959</u>	<u>402,654</u>	<u>6,890,504</u>	<u>105,341</u>	<u>6,995,845</u>

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

(Unaudited but reviewed)

Carabao Group Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the six-month period ended 30 June 2017

(Unit: Thousand Baht)

		Separate financial statements				Other components	
				Retained earnings		of equity	
		Issued and	Share premium	Appropriated -	Unappropriated	Surplus on	
		fully paid-up		statutory reserve		changes in	
		share capital				percentage of	
						shareholding	
Note						in a subsidiary	Total
	Balance as at 1 January 2016	1,000,000	3,962,980	94,000	541,158	108,959	5,707,097
	Profit for the period	-	-	-	428,646	-	428,646
	Other comprehensive income for the period	-	-	-	-	-	-
	Total comprehensive income for the period	-	-	-	428,646	-	428,646
	Dividend paid	-	-	-	(540,000)	-	(540,000)
	Balance as at 30 June 2016	1,000,000	3,962,980	94,000	429,804	108,959	5,595,743
	Balance as at 1 January 2017	1,000,000	3,962,980	100,000	763,960	108,959	5,935,899
	Profit for the period	-	-	-	301,592	-	301,592
	Other comprehensive income for the period	-	-	-	-	-	-
	Total comprehensive income for the period	-	-	-	301,592	-	301,592
	Dividend paid	-	-	-	(600,000)	-	(600,000)
	Balance as at 30 June 2017	1,000,000	3,962,980	100,000	465,552	108,959	5,637,491

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

Carabao Group Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the three-month and six-month periods ended 30 June 2017

1. General information

1.1 Corporate information

Carabao Group Public Company Limited (“the Company”) is incorporated as a limited company on 28 August 2013 and domiciled in Thailand, and registered the change of its status to a public limited company under The Public Limited companies Act on 8 July 2014. The Company is principally engaged in the investment in subsidiaries. The registered office of the Company is at 393 Silom Building 393, 7 - 10 Floor, Silom Road, Silom, Bangrak, Bangkok.

1.2 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Accounting Standard No. 34 (revised 2015) “Interim Financial Reporting”, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, income, comprehensive income, changes in shareholders’ equity, and cash flows in the same format as that used for the annual financial statements.

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

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

1.3 Basis of consolidation

These consolidated interim financial statements include the financial statements of Carabao Group Company Limited and its subsidiaries and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2016. There have been changes in the composition of its subsidiaries from establishment of new subsidiaries as discussed in Note 8 to the interim financial statements.

1.4 New financial reporting standards

During the period, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which are effective for fiscal years beginning on or after 1 January 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements. However, one standard involves changes to key principles, which is summarised below.

TAS 27 (revised 2016) Separate Financial Statements

This revised standard stipulates an additional option to account for investments in subsidiaries, joint ventures and associates in separate financial statements under the equity method, as described in TAS 28 (revised 2016) Investments in Associates and Joint Ventures. However, the entity is to apply the same accounting treatment for each category of investment. If an entity elects to account for such investments using the equity method in the separate financial statements, it has to adjust the transaction retrospectively.

This standard is not have any significant impact on the Company and its subsidiaries' financial statements because the management has decided to continue accounting for such investments under the cost method in the separate financial statements.

1.5 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2016.

2. Related party transactions

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

(Unit: Million Baht)

	For the three-month periods ended 30 June				Transfer Pricing Policy
	Consolidated financial statements		Separate financial statements		
	2017	2016	2017	2016	
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Dividend income	-	-	252	410	At the declared rate
Management income	-	-	60	45	Contract price
Interest income	-	-	34	13	Contract price
Rental and service expenses	-	-	1	1	Contract price
<u>Transactions with individuals or related parties</u>					
Purchase of goods	138	18	-	-	Market price
Sales of goods	13	11	-	-	Market price
Promotion expenses	3	3	-	-	Contract price/ Mutually agreed prices
Service income	2	2	-	-	Contract price
Rental income	1	1	-	-	Contract price
Other expenses	1	-	-	-	Mutually agreed prices
Other income	-	1	-	-	Market price

(Unaudited but reviewed)

(Unit: Million Baht)

	For the six-month periods ended 30 June				Transfer Pricing Policy
	Consolidated financial statements		Separate financial statements		
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Dividend income	-	-	252	410	At the declared rate
Management income	-	-	120	90	Contract price
Interest income	-	-	63	25	Contract price
Rental and service expenses	-	-	2	2	Contract price
<u>Transactions with individuals or related parties</u>					
Purchase of goods	189	18	-	-	Market price
Sales of goods	34	32	-	-	Market price
Promotion expenses	7	7	-	-	Contract price/ Mutually agreed prices
Service income	3	3	-	-	Contract price
Rental income	2	2	-	-	Contract price
Other expenses	2	2	-	-	Mutually agreed prices
Other income	1	1	-	-	Market price

(Unaudited but reviewed)

The balances of the accounts as at 30 June 2017 and 31 December 2016 between the Company and those related companies are as follows:

	Consolidated financial statements		Separate financial statements	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
(Unit: Thousand Baht)				
<u>Trade and other receivables - related parties</u>				
(Note 5)				
Subsidiaries	-	-	53,706	43,011
Related companies				
(related by shareholders and directors)	16,423	13,748	-	-
Total trade and other receivables - related parties	<u>16,423</u>	<u>13,748</u>	<u>53,706</u>	<u>43,011</u>
<u>Dividend receivable from related parties</u>				
Subsidiaries	-	-	251,999	726,997
Total dividend receivable - related parties	<u>-</u>	<u>-</u>	<u>251,999</u>	<u>726,997</u>
<u>Other long-term receivable - related party</u>				
Subsidiary	-	-	26,172	26,172
Total other long-term receivable - related party	<u>-</u>	<u>-</u>	<u>26,172</u>	<u>26,172</u>
<u>Other non-current assets - related party</u>				
Related company				
(related by shareholders and directors)	-	34	-	-
Total other non-current assets - related party	<u>-</u>	<u>34</u>	<u>-</u>	<u>-</u>
<u>Trade and other payables - related parties</u>				
(Note 13)				
Subsidiaries	-	-	750	10,990
Related companies				
(related by shareholders, directors and individuals)	20,831	14,450	-	-
Total trade and other payables - related parties	<u>20,831</u>	<u>14,450</u>	<u>750</u>	<u>10,990</u>
<u>Deposits received from rental - related parties</u>				
Related companies				
(related by shareholders and directors)	2,263	1,528	-	-
Total deposits received from rental - related parties	<u>2,263</u>	<u>1,528</u>	<u>-</u>	<u>-</u>

(Unaudited but reviewed)

As at 30 June 2017 and 31 December 2016, the balance of short-term loans between the Company and those related parties and the movement are as follows.

Short-term loans to related parties

(Unit: Thousand Baht)

		Separate financial statements				
		Balance				Balance as at
Loans to related parties	Related by	as at 31 December 2016	Increase during the period	Decrease during the period	Gain on exchange	30 June 2017
Carabao Tawandaeng Co., Ltd.	Subsidiary	3,218,000	2,343,000	(1,388,000)	-	4,173,000
Asia Pacific Glass Co., Ltd.	Subsidiary	50,000	50,000	(100,000)	-	-
Intercarabao Limited	Subsidiary	-	108,545	(109,125)	580	-
		<u>3,268,000</u>	<u>2,501,545</u>	<u>(1,597,125)</u>	<u>580</u>	<u>4,173,000</u>

Short-term loans to related parties are in from of promissory notes which charged interest rate at 3.5 - 5.0 percent per annum (31 December 2016: 2.1 and 3.5 percent per annum).

Directors and management's benefits

During the three-month and six-month periods ended 30 June 2017 and 2016, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Million Baht)

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Short-term employee benefits	39	45	39	45
Post-employment benefits	1	2	1	2
Total	<u>40</u>	<u>47</u>	<u>40</u>	<u>47</u>

(Unit: Million Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Short-term employee benefits	76	88	76	88
Post-employment benefits	2	3	2	3
Total	<u>78</u>	<u>91</u>	<u>78</u>	<u>91</u>

3. Cash and cash equivalents

As at 30 June 2017 and 31 December 2016, cash and cash equivalents consist of the followings.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
Cash	200	200	10	10
Bank deposits	487,682	744,860	115,923	428,744
Total cash and cash equivalents	<u>487,882</u>	<u>745,060</u>	<u>115,933</u>	<u>428,754</u>

As at 30 June 2017, bank deposits in savings account, fixed deposits and bill of exchange carried interest between 0.01 and 1.1 percent per annum (31 December 2016: between 0.01 and 1.4 percent per annum).

4. Current investments

4.1 As at 30 June 2017 and 31 December 2016, current investments consisted of the following:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
Short-term investments in trading securities (Note 4.2)	418,993	604,282	418,993	604,282
Total current investment	<u>418,993</u>	<u>604,282</u>	<u>418,993</u>	<u>604,282</u>

(Unaudited but reviewed)

4.2 As at 30 June 2017, short-term investments in trading securities are summarised below.

	(Unit: Thousand Baht)	
	Consolidated/separate financial statements	
	Cost	Fair value
Open-ended fund in debt instruments of a financial institution	418,979	418,993
Add: Gain on change in value	14	
Total short-term investments in trading securities	<u>418,993</u>	

Movement of short-term investments in trading securities for the six-month period ended 30 June 2017 as summarised below.

	(Unit: Thousand Baht)
	Consolidated/ Separate financial statements
Net book value as at 31 December 2016	604,282
Cash paid for short-term investments in trading securities during the period - at cost	1,042,000
Sales during the period	
Proceeds from sales	(1,230,000)
Gain on sales	2,697
Total	(1,227,303)
Gain on change in value	14
Net book value as at 30 June 2017	<u>418,993</u>

5. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	11,045	13,595	-	-
Total trade receivables - related parties	11,045	13,595	-	-
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	1,081,107	411,187	-	-
Past due				
Not over 3 months	92,269	10,216	-	-
3 - 6 months	76	65	-	-
Over 12 months	310	310	-	-
Total trade receivables - unrelated parties	1,173,762	421,778	-	-
Less: Allowance for doubtful debts	(310)	(310)	-	-
Total trade receivables - unrelated parties - net	1,173,452	421,468	-	-
Total trade receivables - net	1,184,497	435,063	-	-
<u>Other receivables</u>				
Other receivables - related parties	4,507	10	-	25
Other receivables - unrelated parties	72,807	9,450	-	-
Accrued income - related parties	871	143	53,706	42,986
Accrued income - unrelated parties	389	2,808	56	140
Prepaid expenses	112,048	68,256	1,330	228
Prepayment for purchase of goods	-	31,835	-	-
Advances	9,648	11,938	-	-
Others	483	2,073	-	-
Total other receivables	200,753	126,513	55,092	43,379
Total trade and other receivables	1,385,250	561,576	55,092	43,379

6. Reduction of inventory to net realisable value

Movements in reduction of inventory to net realisable value account during the six-month period ended 30 June 2017 are summarised below.

	(Unit: Thousand Baht)
	Consolidated financial statements
Balance as at 31 December 2016	1,106
Increase in reduction of inventory value during the period	455
Written-off due to inventory destruction	(861)
Balance as at 30 June 2017	<u>700</u>

7. Other current assets

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
VAT receivable	182,435	92,513	-	-
Supplies for market promotion	8,002	10,050	-	-
Undue input vat	9,730	5,178	384	3
Others	2,333	2,741	-	-
Total other current assets	<u>202,500</u>	<u>110,482</u>	<u>384</u>	<u>3</u>

8. Investments in subsidiaries

8.1 Investments in subsidiaries presented in the separate financial statements are as follows.

Company's name	Nature of business	Paid-up capital		Percentage of shareholding		Cost method		Dividend received during the six-month periods ended	
		30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	30 June 2016
		(Thousand Baht)	(Thousand Baht)	(Percent)	(Percent)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)
<u>Local subsidiaries</u>									
Carabao Tawandang Co., Ltd.	Manufacture and distribution of beverage	300,000	300,000	100	100	408,958	408,958	251,999	359,999
Asia Pacific Glass Co., Ltd.	Manufacture and distribution of glass bottles and products	1,300,000	1,099,995	100	100	1,299,998	1,099,993	-	-
Tawandang DCM Co., Ltd.	Distribution management	100,000	100,000	100	100	99,998	99,998	-	49,999
Asia Pacific Can Co., Ltd.	Manufacture and distribution of aluminum can	1,000	-	74	-	740	-	-	-
<u>Overseas subsidiaries</u>									
Carabao Holdings (Hong Kong) Limited	Investment	USD 26 million	USD 10 million	100	100	897,367	348,306	-	-
Carabao Trading (Hong Kong) Limited	Trading business in overseas	USD 50,000	USD 50,000	100	100	1,758	1,758	-	-
Total						<u>2,708,819</u>	<u>1,959,013</u>	<u>251,999</u>	<u>409,998</u>

8.2 Investment in subsidiary companies which the Company previously held

8.2.1 The Company established Carabao Holdings (Hong Kong) Limited (CHHK), incorporated in Hong Kong. The subsidiary is principally engaged in investment in overseas companies, with a registered share capital of USD 10 million, comprising 10 million ordinary shares. The Company holds 100 percent interest in this company. The subsidiary has registered its establishment on 5 September 2016.

Subsequently on 23 January 2017, the meeting of the Board of Directors of CHHK passed a resolution to increase its registered share capital from USD 10 million to USD 20 million, comprising 20 million ordinary shares. The Company had already made the payment for share subscription. The subsidiary registered such share capital increase on 1 February 2017.

Subsequently on 19 May 2017, the meeting of the Board of Directors of CHHK passed a resolution to increase its registered share capital from USD 20 million to USD 26 million, comprising 26 million ordinary shares. The Company had already made the payment for share subscription. The subsidiary registered such share capital increase on 19 May 2017.

8.2.2 The Company established Carabao Trading (Hong Kong) Limited, incorporated in Hong Kong. The subsidiary is principally engaged in distribution in overseas, with a registered share capital of USD 50,000, comprising 50,000 ordinary shares. The Company holds 100 percent interest in this company. The subsidiary has registered its establishment on 8 November 2016. As at 31 December 2016, the Company had not yet made a payment for such share subscription. In the current period, the Company already paid for shares.

8.2.3 CHHK entered into a joint-venture agreement with Intercarabao Private Limited (ICSG), which is incorporated in Singapore and has no relationship with the Company and its subsidiaries, to establish Carabao Venture Holdings (Luxembourg) S.à r.l. (CVHLUX), the Company's new subsidiary company in Luxembourg with shareholding interest of 51 percent and 49 percent, respectively. The subsidiary is principally engaged in investment in overseas companies with a registered share capital of EUR 16.9 million, comprising 16.9 million shares with EUR 1 par value each. CHHK paid for share subscription of approximately EUR 8.6 million by cash and ICSG paid for share subscription of approximately EUR 8.3 million by transferring its investment in share capital of Intercarabao Limited (ICUK), which is incorporated in England and 100 percent interest in which was formerly held by ICSG. On 30 September 2016, CVHLUX completed the registration of its establishment.

As a result, the Company has control over CVHLUX via its indirect holding of 51 percent interest through CHHK.

(Unaudited but reviewed)

On 5 October 2016, CVHLUX purchased the additional ordinary shares of ICUK by the amount of GBP 7.3 million, comprising 7.3 million shares with GBP 1 par value each. CVHLUX had made full payment for subscription of the additional shares. In addition, ICUK registered the appointment of new board of directors whose members are mainly in the board of directors of CVHLUX. Thus, the Company has control over the business plans and policies of ICUK through its Boards of Directors and it has classified the investment in ICUK as the investment in subsidiary company since the date it obtained the control.

The Company assessed the fair value of identifiable assets acquired and liabilities assumed at the acquisition date. The assessment was completed in the fourth quarter of 2016 and within the period of twelve months from the acquisition date allowed by Thai Financial Reporting Standard No. 3 (revised 2015) "Business Combinations".

Fair values of the identifiable assets acquired and liabilities assumed from Intercarabao Limited as at the acquisition date were summarised below.

	(Unit: Thousand Baht)
Cash and cash equivalents	336,200
Trade and other receivables	17,371
Inventories	36,640
Other current assets	17,864
Equipment	1,982
Trade and other payables	(305,009)
Other current liabilities	(1,969)
Fair value of net assets	<u>103,079</u>
Cost of acquisition of joint investment in subsidiary	<u>(642,428)</u>
Goodwill as at the acquisition date	539,349
Translation adjustment	<u>(3,284)</u>
Goodwill as at 31 December 2016	<u><u>536,065</u></u>

Movement in the goodwill account during the six-month period ended 30 June 2017 are summarised below.

	(Unit: Thousand Baht)
Net book value as at 31 December 2016	536,065
Add: Translation adjustment	<u>2,655</u>
Net book value as at 30 June 2017	<u>538,720</u>

8.2.4 On 28 June 2017, Asia Pacific Glass Co., Ltd. (a subsidiary) called up the remaining uncalled portion of its registered capital, amounting to Baht 200 million, and the Company has made full payment of the shares. As a result, investment in this subsidiary has increased from Baht 1,100 million to Baht 1,300 million.

8.3 Investments in new subsidiary companies

8.3.1 On 22 February 2017, the meeting of the Company's Board of Directors passed a resolution to approve CHHK in joining ICSG to establish a new subsidiary in Hong Kong, namely Carabao Venture Holdings (Hong Kong) Limited (CVHHK) with shareholding interest of 90 percent and 10 percent, respectively. The subsidiary is principally engaged in investment in overseas companies with a registered capital equivalent to the amount of not exceeding USD 19.7 million, comprising 19.7 million shares. On 2 March 2017, CVHHK completed the registration of its establishment. As a result, the Company has control over CVHHK via its indirect holding of 90 percent interest through CHHK.

8.3.2 On 22 February 2017, the meeting of the Company's Board of Directors passed a resolution to approve CVHHK in entering into the joint venture agreements with a group of Chinese business partners ("DAI Group") and establishing joint venture companies under various jurisdictions ("JV Group") for the objectives of conducting business operations in marketing, sales and distributions of energy drinks under Carabao trademark in Hong Kong, Macau, Taiwan and the People's Republic of China with the project value equivalent to the amount of not exceeding USD 40 million in the initial phase ("Greater China Investment Project"). In respect of shareholding structure in the JV Group, CVHHK will invest and hold both directly and indirectly 45 percent - 49 percent shares while the DAI Group and a group of Chinese professional management in food and beverage industry will invest and hold both directly and indirectly 46 percent - 51 percent and no greater than 5 percent shares, respectively.

Subsequently, on 25 April 2017, the meeting of the Company's Board of Directors passed a resolution to withdrawal from the joint venture agreements, which in turn shall serve as the basis for the Company and its subsidiaries to involve the transactions as set out below.

- 1) CHHK shall no longer pursue the process of capital increase deemed relevant to the project;
- 2) CVHHK withdraws from the act of entering into the joint venture agreements with the DAI Group. In doing so, CVHHK shall call off the process of capital increase and subsequently become a dormant company.

In addition, the meeting of the Company's Board of Directors passed a resolution to approve as follows:

- 1) To approve Carabao Tawandang Co., Ltd. (a subsidiary) in entering into an agreement with New Investor Group (incorporated by the Company's major shareholder group and a group of Chinese business partners) to grant right to be an exclusive distributor of energy drinks in Hong Kong, Macau, Taiwan and the People's Republic of China as well as licensee of trademarks deemed related thereto for an advantage of such business operations.
- 2) To approve the Company in entering into an agreement with the New Investor Group such that the Company gain its eligibility to buy all shares that the New Investor Group will invest and hold both directly and indirectly shares in the HOLDING SPV (Right to Purchase Agreement) at a fair value to be determined by the independent appraiser as well as in accordance with other terms and conditions in respect of share acquisition under the said agreement.

However, as at 30 June 2017, the Company and such subsidiary have not yet entered into such agreements.

8.3.3 On 29 March 2017, the meeting of the Company's Board of Directors passed a resolution to establish Asia Pacific Can Co., Ltd. (a new subsidiary), in corporate in Thailand. The subsidiary is principally engaged in the manufacture of aluminum cans used as packaging materials with a registered share capital of Baht 1 million, comprising 10,000 shares. The project is under the joint venture agreement between the Company and oversea unrelated group of company, with shareholding interest of 74 percent and 26 percent, respectively. The subsidiary has registered its establishment on 15 June 2017. As at 30 June 2017, the Company had not yet made a payment for such share subscription.

On 3 July 2017, the Extraordinary General Meeting of shareholders of Asia Pacific Can Co., Ltd. (a subsidiary) passed a resolution to increase its registered share capital from Baht 1 million (10,000 ordinary shares of Baht 100) to Baht 700 million (7 million ordinary shares of Baht 100) through the issuance of additional 6.99 million ordinary shares of Baht 100 each. The subsidiary registered such share capital increase with the Ministry of Commerce on 7 July 2017.

12. Short-term loans from financial institutions

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
Short-term loans from financial institutions	1,000,000	750,000	1,000,000	750,000
Total short-term loans from financial institutions	1,000,000	750,000	1,000,000	750,000

The short-term loans from financial institutions carry interest at a reference fix loan rate of commercial banks. The loans are unsecured loans and repayable within December 2017.

Under the terms of the agreements, the Company must comply with certain conditions and restrictions stipulated in the agreements, i.e. to maintain debt to equity ratio at the rate prescribed in the agreements.

13. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
Trade payables - related parties	14,900	12,545	-	-
Trade payables - unrelated parties	1,158,957	751,335	-	-
Other payables - related parties	810	1,905	750	10,990
Other payables - unrelated parties	303,827	152,220	6,396	596
Accrued expenses - related parties	5,121	-	-	-
Accrued expenses - unrelated parties	337,767	295,835	49,121	43,807
Advance received	156,458	88,058	-	-
Total trade and other payables	1,977,840	1,301,898	56,267	55,393

14. Short-term loan from non-controlling interests of the subsidiary

This short-term loan was from Intercarabao Private Limited (ICSG) which was non-controlling interests of the subsidiary in overseas. As at 30 June 2017, this loan has outstanding balance of Baht 22 million, carries interest at fix rate and is due at call.

15. Other current liabilities

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
Accrued withholding tax	11,787	52,157	2,154	19,413
Social security fund payable	4,427	3,840	15	15
Value added tax payable	3,343	5,362	1,278	1,028
Undue output VAT	133	362	-	-
Liabilities under forward exchange contracts	-	15,470	-	-
Others	17,449	12,984	739	-
Total other current liabilities	37,139	90,175	4,186	20,456

16. Long-term loans from financial institution

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
Long-term loans	1,145,000	250,000	1,000,000	250,000
Less: Portion due within one year	(100,000)	-	(100,000)	-
Long-term loans - net of current portion	1,045,000	250,000	900,000	250,000

On 26 December 2016, the Company had entered into long-term loan agreement with a financial institution with a given credit facilities of Baht 1,000 million, fully drawn down on which interest is charged at the Minimum Loan Rate (MLR) reference rate minus a margin. The loan is repayable in three-month installments within 4 years, with the first of these due in June 2018. This long-term loan is unsecured and no any certain conditions or restrictions stipulated in the agreements.

On 2 June 2017, a subsidiary had entered into long-term loan agreement with a financial institution with a given credit facilities of Baht 1,500 million, drawn down of Baht 145 million on which interest is charged at the Minimum Loan Rate (MLR) reference rate minus a margin. The loan is repayable in three-month installments within 4 years, with the first of these due in June 2019. This long-term loan is secured by the Company (as mentioned in note 24.5.2). The long-term loan agreement contains conditions that require the subsidiary to comply with certain conditions and restrictions stipulated in the agreement, i.e. to maintain the Company's debt to equity ratio at the rate prescribed in the agreement.

17. Provision for long-term employee benefits

Movements in the provision for long-term employee benefits account for the six-month period ended 30 June 2017 were summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance at beginning of period	89,752	47,701
Current service cost	6,642	2,148
Interest cost	1,120	465
Benefits paid during the period	(98)	-
Balance at end of period	<u>97,416</u>	<u>50,314</u>

18. Statutory reserve

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

19. Other income

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 June			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Rental and service income	15,811	13,912	-	-
Gain on exchange	21,377	1,990	2,711	-
Income from sales and trade-off premium goods	2,074	1,028	-	-
Scrap sales income	3,821	3,101	-	-
Interest income	877	8,894	35,194	21,041
Gain (loss) on sales of fixed assets	(204)	1,575	-	-
Management income	-	-	60,000	45,000
Others	4,977	4,227	1,106	388
Total other income	<u>48,733</u>	<u>34,727</u>	<u>99,011</u>	<u>66,429</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

For the six-month periods ended 30 June

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Rental and service income	31,547	27,485	-	-
Gain on exchange	21,377	4,583	3,289	-
Income from sales and trade-off premium goods	7,259	2,054	-	-
Scrap sales income	7,142	5,681	-	-
Interest income	1,977	17,893	64,920	42,074
Gain on sales of fixed assets	678	1,575	-	-
Management income	-	-	120,000	90,000
Others	14,471	9,191	2,738	975
Total other income	84,451	68,462	190,947	133,049

20. Income tax

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

Income tax expenses for the three-month and six-month periods ended 30 June 2017 and 2016 are made up as follows:

(Unit: Thousand Baht)

For the three-month periods ended 30 June

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Current income tax:				
Interim corporate income tax charge	111,600	69,903	6,255	2,350
Deferred tax:				
Relating to origination and reversal of temporary differences	(6,647)	(1,852)	(380)	(255)
Income tax expenses reported in the income statements	104,953	68,051	5,875	2,095

(Unit: Thousand Baht)

For the six-month periods ended 30 June

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Current income tax:				
Interim corporate income tax charge	151,528	131,362	12,906	5,569
Deferred tax:				
Relating to origination and reversal of temporary differences	6,429	4,869	(523)	(510)
Income tax expenses reported in the income statements	157,957	136,231	12,383	5,059

21. Earnings per share

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

(Unit: Thousand Baht)

	For the three-month periods ended 30 June			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Profit for the periods attributable to equity holders the Company (Thousand Baht)	425,934	392,708	275,531	416,778
Weighted average number of ordinary shares (Thousand shares)	1,000,000	1,000,000	1,000,000	1,000,000
Earnings per share (Baht/share)	0.43	0.39	0.28	0.42

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Profit for the periods attributable to equity holders the Company (Thousand Baht)	647,370	768,756	301,592	428,646
Weighted average number of ordinary shares (Thousand shares)	1,000,000	1,000,000	1,000,000	1,000,000
Earnings per share (Baht/share)	0.65	0.77	0.30	0.43

22. Segment information

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

For management purposes, the Company and its subsidiaries are organised into business units based on its products and services. The operations are carried on in domestic and overseas, involve three principal segments as follows.

- (1) Manufacture and distribution of beverage
- (2) Manufacture and distribution of glass bottles and products
- (3) Distribution management

(Unaudited but reviewed)

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

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

The Company and its subsidiaries are organised into business units based on their products. During the current period, the Company and its subsidiaries have not changed the organisation of their reportable segments.

The following table presents revenue and profit information regarding the Company and its subsidiaries' operating segments for the three-month and six-month periods ended 30 June 2017 and 2016:

(Unit: Million Baht)

	Consolidated financial statements						
	For the three-month period ended 30 June 2017						
	Manufacture and distribution		Distribution management		Total reportable segments	Adjustments and eliminations	Consolidated
Beverage	Glass bottle	Domestic	Overseas				
Revenue							
Revenue from external customers	1,546	-	1,919	42	3,507	-	3,507
Inter-segment revenue	1,420	390	-	-	1,810	(1,810)	-
Total revenue	<u>2,966</u>	<u>390</u>	<u>1,919</u>	<u>42</u>	<u>5,317</u>	<u>(1,810)</u>	<u>3,507</u>
Results							
Segment gross profit	829	112	189	13	1,143	(13)	1,130
Others income							49
Selling expenses							(574)
Administrative expenses							(168)
Finance cost							(5)
Profit before income tax expenses							<u>432</u>
Income tax expenses							(105)
Profit for the period							<u>327</u>

(Unaudited but reviewed)

(Unit: Million Baht)

Consolidated financial statements							
For the six-month period ended 30 June 2017							
	Manufacture and distribution		Distribution management		Total reportable segments	Adjustments and eliminations	Consolidated
	Beverage	Glass bottle	Domestic	Overseas			
Revenue							
Revenue from external customers	2,405	-	3,719	71	6,195	-	6,195
Inter-segment revenue	2,748	724	-	-	3,472	(3,472)	-
Total revenue	5,153	724	3,719	71	9,667	(3,472)	6,195
Results							
Segment gross profit	1,405	234	363	25	2,027	(13)	2,014
Others income							84
Selling expenses							(1,142)
Administrative expenses							(338)
Finance cost							(10)
Profit before income tax expenses							608
Income tax expenses							(158)
Profit for the period							450

(Unit: Million Baht)

Consolidated financial statements						
For the three-month period ended 30 June 2016						
	Manufacture and distribution		Distribution management	Total reportable segments	Adjustments and eliminations	Consolidated
	Beverage	Glass bottle				
Revenue						
Revenue from external customers	771	-	1,545	2,316	-	2,316
Inter-segment revenue	1,358	356	-	1,714	(1,714)	-
Total	2,129	356	1,545	4,030	(1,714)	2,316
Results						
Segment gross profit	589	132	141	862	-	862
Other income						35
Selling expenses						(319)
Administrative expenses						(116)
Financial cost						(1)
Profit before income tax expenses						461
Income tax expenses						(68)
Profit for the period						393

(Unaudited but reviewed)

(Unit: Million Baht)

Consolidated financial statements						
For the six-month period ended 30 June 2016						
	Manufacture and distribution			Total reportable segments	Adjustments and eliminations	Consolidated
	Beverage	Glass bottle	Distribution management			
Revenue						
Revenue from external customers	1,488	-	2,930	4,418	-	4,418
Inter-segment revenue	2,607	675	-	3,282	(3,282)	-
Total	4,095	675	2,930	7,700	(3,282)	4,418
Results						
Segment gross profit	1,130	252	266	1,648	(2)	1,646
Other income						69
Selling expenses						(581)
Administrative expenses						(227)
Financial cost						(2)
Profit before income tax expenses						905
Income tax expenses						(136)
Profit for the period						769

Geographic information

Revenue from external customers is based on locations of the customers.

	(Unit: Million Baht)			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2017	2016	2017	2016
Revenue from external customers				
Domestic				
Thailand	1,918	1,547	3,719	2,933
Overseas				
Cambodia	558	484	1,146	982
China	568	9	612	9
Myanmar	123	72	228	131
Afghanistan	129	93	195	187
Vietnam	135	27	140	47
Others	76	84	155	129
Total	3,507	2,316	6,195	4,418

During the six-month period ended 30 June 2017, the Company and its subsidiaries had revenue from domestic sales at 60 percent and revenue from overseas sales at 40 percent (30 June 2016: revenue from domestic sales at 66 percent and revenue from overseas sales at 34 percent).

Major customers

During the six-month period ended 30 June 2017, the Company and its subsidiaries have revenue with 2 major customers with revenue of 10 percent or more than of its consolidated revenue (30 June 2016: 1 major customer).

23. Dividend

Dividend	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)	Paid on
<u>The Company</u>				
<u>For the year 2017</u>				
Dividend from 2016 income	Annual General Meeting of the Shareholders on 25 April 2017	600	0.6	May 2017
Total dividend for 2017		600		
<u>For the year 2016</u>				
Dividend from 2015 income	Annual General Meeting of the Shareholders on 26 April 2016	540	0.5	May 2016
Total dividend for 2016		540		
<u>Subsidiaries</u>				
<u>For the year 2017</u>				
Interim dividend	Board of directors' meeting of Carabao Tawandang Co., Ltd. on 12 May 2017	252 ⁽¹⁾	84.0	September 2017
Total dividend for 2017		252		
<u>For the year 2016</u>				
Interim dividend	Board of directors' meeting of Carabao Tawandang Co., Ltd. on 16 May 2016	360	120.0	September 2016
Interim dividend	Board of directors' meeting of Tawandang DCM Co., Ltd. on 16 May 2016	50	50.0	September 2016
Total dividends for 2016		410		

⁽¹⁾As at 30 June 2017, the Company had outstanding dividend receivable in separate financial statements of Baht 252 which the subsidiary will pay to shareholders within September 2017.

24. Commitments and contingent liabilities

24.1 Capital commitments

As at 30 June 2017 and 31 December 2016, the subsidiaries had capital commitments, relating to the construction of factory buildings and acquisition of machinery as follows:

Foreign currencies	(Unit: Million)	
	Amount	
	30 June 2017	31 December 2016
Thai Baht	755.5	164.3
Japan Yen	16.1	16.1
Euro	19.0	10.1
US dollar	41.8	6.4
Pound sterling	0.6	0.6

24.2 Operating lease and service commitments

The Company and its subsidiaries entered into several lease agreements in respect of the lease of motor vehicles, equipment and services agreements. The terms of the agreements are generally between 1 year and 5 years.

As at 30 June 2017, the Company and its subsidiaries had future minimum lease payments required under these non-cancellable operating leases and service contracts were as follows.

Payable:	(Unit: Million Baht)	
	Consolidated	Separate
	financial statements	financial statements
In up to 1 year	132.7	3.7
In over 1 and up to 5 years	213.8	6.1

24.3 Significant agreements with related parties

24.3.1 On 17 July 2012, Carabao Tawandang Co., Ltd. (a subsidiary) and Tawandang DCM Co., Ltd. (another subsidiary), entered into an agency agreement whereby the Tawandang DCM agreed to be a sole distributor of Carabao Tawandang Beverage. The agreement is effective for a period of ten years, to be expired on 14 October 2022 and renewable every 5 years. Under the conditions of this agreement, Carabao Tawandang Co., Ltd. is obliged to support Tawandang DCM Co., Ltd., with regard to its advertising and promotional expenses incurred according to the terms and conditions of the agreement.

24.3.2 Carabao Tawandang Co., Ltd. (a subsidiary) and Asia Pacific Glass Co., Ltd. (another subsidiary), entered into a sale and purchase agreement for 150 ml amber glass bottle and 250 ml clear glass bottle in accordance with quantity and design as depicted in the agreement. This agreement is effective since the date on the agreement unless cancelled by either party.

24.3.3 On 20 November 2013, Carabao Tawandang Co., Ltd. (a subsidiary) entered into a public relation and brand image agreement with a related company. Under the condition of this agreement, the subsidiary has obliged to pay a fee of Baht 10 million per annum. The agreement is effective for a period of 3 years between, 1 January 2014 and 31 December 2016.

On 1 July 2014, the subsidiary entered into a supplemental agreement to modify the period of the agreement from 3 years to 5 years, whereby the rate of public relation and brand image fee remains unchanged. In addition, the subsidiary agrees to automatically extend the agreement for another 5 years after the expiration on 31 December 2018 and also agrees to pay for the fee of Baht 12 million per year. This agreement is effective on 1 July 2014 onwards.

24.3.4 On 6 January 2014, the Company entered into a technical assistance and management agreement with three subsidiaries. The agreement is effective for a period of 5 years between 1 January 2014 and 31 December 2018. Under the condition of this agreement, the Company receives a monthly service fee of Baht 10 million.

On 17 February 2016, the Company and its subsidiaries entered into an amendment to the agreement, changing the service fee from Baht 10 million per month to Baht 15 million per month. The agreement is effective on 1 January 2016 and 31 December 2018.

On 23 January 2017, the Company and its subsidiaries entered into an amendment to the agreement, changing the service fee from Baht 15 million per month to Baht 20 million per month. The agreement is effective on 1 January 2017 and 31 December 2018.

24.3.5 Carabao Tawandang Co., Ltd. (a subsidiary) entered into a rental and service agreement with the Company, two subsidiaries, and two related companies. The agreement is effective for a period of 3 years. Under conditions of this agreement, Carabao Tawandang Co., Ltd. receives a monthly rental and service income of Baht 1.3 million.

- 24.3.6 On 1 February 2016, Carabao Tawandang Co., Ltd. (a subsidiary) and Tawandang DCM Co., Ltd. (another subsidiary), entered into a trademark license agreement for using trademark of Carabao Tawandang Co., Ltd. for certain product. The agreement is effective for a period of 2 years between 1 February 2016 and 31 January 2018. Under the conditions of this agreement, Tawandang DCM Co., Ltd. is obliged to pay trademark license fees as specified in the agreement and Carabao Tawandang Co., Ltd. is obliged to support the marketing expenses incurred according to such trademark.
- 24.3.7 Tawandang DCM Co., Ltd. (a subsidiary) entered into an agency agreement with three related companies whereby the Tawandang DCM Co., Ltd. agreed to be a sole distributor of such three related companies' products. The agreement is effective for a period of one year, and renewable every year. Under the conditions of this agreement, such three related companies are obliged to support Tawandang DCM Co., Ltd., with regard to its advertising and promotional expenses incurred according to the terms and conditions of the agreement.
- 24.3.8 On 20 October 2016, Carabao Tawandang Co., Ltd. (a subsidiary) and Carabao Venture Holdings (Luxembourg) S.à r.l. (another subsidiary), entered into an agency agreement whereby the Carabao Venture Holdings (Luxembourg) S.à r.l. and its subsidiary agreed to be a sole distributor of Carabao Tawandang's products in the countries as specified in the agreement. The agreement is effective for a period of nine years, to be expired on 19 October 2025.

24.4 Sponsorship agreement

- 24.4.1 On 16 July 2015 and 1 April 2016, Carabao Tawandang Co., Ltd. (a subsidiary) entered into a sponsorship agreements with two local football clubs concerning the marketing right regarding benefits and public relations as stipulated in the agreements. The agreements are effective from the date on the agreement until 31 December 2019 and 31 December 2020. Under conditions of this agreements, the subsidiary is obliged to pay total fee of Baht 6 million per annum.
- 24.4.2 On 18 November 2015, Carabao Tawandang Co., Ltd. (a subsidiary) and the unrelated company in overseas entered into a sponsorship agreement with a football club registered in England concerning the marketing right to promote the brands and trademarks of the subsidiary in a football match. The agreement is effective for a period of 3 years between 1 May 2016 and 30 June 2019.

On 10 January 2017, the unrelated company has entered into an agreement to transfer its rights and obligations under the sponsorship agreement to Intercarabao Limited (another subsidiary) and Carabao Venture Holdings (Luxembourg) S.à r.l. (another subsidiary). The agreement is effective on 21 October 2016 onwards.

On 27 April 2017, such 3 subsidiaries entered into an amendment to the agreement with respect to the marketing right and sponsorship fee. The subsidiaries obtained a special condition to extend the period of the agreement from 3 years to 5 years, expiring on 30 June 2021, with additional fee totaling Pound 3 million. However, the marketing right in year 4 - 5 will be decreased from Principal Partner to be Global Sponsorship.

As at 30 June 2017, Carabao Tawandang Co., Ltd. and 2 overseas subsidiaries are obliged to pay a fee of Pound 7 million and Pound 15 million, respectively, to the football club under conditions of this agreement.

24.4.3 On 16 June 2016, Intercarabao Limited (a subsidiary) entered into a sponsorship agreement with a football club registered in England concerning the marketing right to promote the brands and trademarks of the subsidiary in a football match. The agreement is effective for a period of three years between 1 June 2016 and 31 May 2019. The subsidiary is obliged to pay a fee to the football club under the terms and conditions specified in this agreement.

24.4.4 On 1 November 2016, Carabao Venture Holdings (Luxembourg) S.à r.l. (a subsidiary) entered into a sponsorship agreement with The Football League Limited which is incorporated in England. Under the condition of this agreement, the subsidiary is entitled to formally use the name and trademark of Carabao Tawandang Co., Ltd. (another subsidiary) to be the title of the football match and to promote the brand and trademark over a period of three seasons (from 2017/2018 Season to 2019/2020 Season). The subsidiary is obliged to pay a fee to such company under the terms and conditions specified in this agreement. The agreement is effective for a period of three years between 1 June 2017 and 31 May 2020.

24.5 Guarantees

24.5.1 As at 30 June 2017, the Company has guaranteed for credit facilities of Carabao Tawandang Co., Ltd. (a subsidiary) and Asia Pacific Glass Co., Ltd. (another subsidiary) amounting to Baht 1,100 million (31 December 2016: Baht 1,100 million).

24.5.2 As at 30 June 2017, the Company has guaranteed loan of Carabao Tawandang Co., Ltd. (a subsidiary) with a given credit facility of Baht 1,500 million (31 December 2016: Nil).

24.5.3 As at 30 June 2017, there were outstanding bank guarantees of approximately Baht 25.2 million (31 December 2016: Baht 25.2 million) issued by banks on behalf of the Company and its subsidiaries to guarantee the use of electricity and natural gas (the Company only: Baht 2.4 million to guarantee electricity use (31 December 2016: Baht 2.4 million)).

25. Financial instruments

25.1 Foreign currency risk

The subsidiaries's exposure to foreign currency risk arises mainly from trading transactions and services that are denominated in foreign currencies. However, as at 30 June 2017, the subsidiary had no forward exchange contract for hedging.

The balances of financial assets and liabilities denominated in foreign currencies as at 30 June 2017 are summarised below.

Foreign currencies	Consolidated financial statements			
	Financial	Financial	Average exchange rate	
	assets	liabilities	Bought	Sold
	(Million)	(Million)	(Baht per 1 foreign currency unit)	
Euro	3.4	1.5	38.4919	39.2127
China Yuan	123.8	-	4.9641	-
USD	0.1	2.6	33.8145	34.1483
Pound sterling	0.7	0.5	43.8015	44.7060

26. Events after the reporting period

On 11 August 2017, the meeting of the Company's Board of Directors passed a resolution as set out below

- 1) An increase registered share capital of Carabao Holdings (Hong Kong) Limited (CHHK) (a subsidiary) by USD 8.4 million to support the operation of Intercarabao Limited (ICUK) (another subsidiary).
- 2) An establishment of a subsidiary in Thailand for engaging in the logistics business with a registered capital not exceeding Baht 100 million.

27. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 11 August 2017.