

Carabao Group Public Company Limited and its subsidiaries  
Review report and consolidated interim financial statements  
For the three-month and nine-month periods ended  
30 September 2018

## **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 September 2018, the related consolidated statements of income and comprehensive income for the three-month and nine-month periods ended 30 September 2018, the related consolidated statements of changes in shareholders' equity and cash flows for the nine-month period ended 30 September 2018, 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: 9 November 2018

**Carabao Group Public Company Limited and its subsidiaries**

**Consolidated statement of financial position**

**As at 30 September 2018**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September	31 December	30 September	31 December
		2018	2017	2018	2017
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	3	291,950	146,767	15,931	15,330
Current investments	4	-	7,130	-	7,130
Trade and other receivables	2, 5	1,159,823	959,861	5,276	59,160
Short-term loans to related parties	2	-	-	4,340,128	3,769,386
Dividend receivable from related party	2	-	-	-	599,998
Inventories	6	787,508	656,266	-	-
Other current assets	7	577,497	389,174	167	67
<b>Total current assets</b>		<b>2,816,778</b>	<b>2,159,198</b>	<b>4,361,502</b>	<b>4,451,071</b>
<b>Non-current assets</b>					
Investments in subsidiaries	8	-	-	4,364,853	3,300,419
Investment properties	9	100,970	103,163	-	-
Property, plant and equipment	10	11,039,135	9,608,940	-	-
Goodwill	11	515,985	535,467	-	-
Intangible assets	12	72,484	67,007	5,026	3,640
Deferred tax assets		43,880	31,361	5,687	5,563
Other long-term receivable - related party	2	-	-	26,172	26,172
Other non-current assets		12,318	14,783	-	-
<b>Total non-current assets</b>		<b>11,784,772</b>	<b>10,360,721</b>	<b>4,401,738</b>	<b>3,335,794</b>
<b>Total assets</b>		<b>14,601,550</b>	<b>12,519,919</b>	<b>8,763,240</b>	<b>7,786,865</b>

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

**Carabao Group Public Company Limited and its subsidiaries**

**Consolidated statement of financial position (continued)**

**As at 30 September 2018**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September	31 December	30 September	31 December
		2018	2017	2018	2017
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short-term loans from financial institutions	13	871,000	845,000	321,000	735,000
Trade and other payables	2, 14	2,207,787	1,897,197	105,916	53,135
Current portion of long-term loans from financial institutions	16	298,500	300,000	-	300,000
Short-term loans from non-controlling interests of the subsidiary	15	-	57,128	-	-
Income tax payable		131,171	94,722	-	8,487
Other current liabilities		12,097	12,533	-	168
<b>Total current liabilities</b>		<b>3,520,555</b>	<b>3,206,580</b>	<b>426,916</b>	<b>1,096,790</b>
<b>Non-current liabilities</b>					
Long-term loans from financial institutions, net of current portion	16	1,264,440	2,190,400	-	700,000
Debentures	17	2,785,379	-	2,785,379	-
Provision for long-term employee benefits	18	116,550	102,197	59,226	54,026
Deferred tax liabilities		1,513	152	-	-
Deposits received for rental	2	15,285	15,285	-	-
<b>Total non-current liabilities</b>		<b>4,183,167</b>	<b>2,308,034</b>	<b>2,844,605</b>	<b>754,026</b>
<b>Total liabilities</b>		<b>7,703,722</b>	<b>5,514,614</b>	<b>3,271,521</b>	<b>1,850,816</b>

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

**Carabao Group Public Company Limited and its subsidiaries**

**Consolidated statement of financial position (continued)**

**As at 30 September 2018**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	30 September	31 December	30 September	31 December	
	Note	2018	2017	2018	2017
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Liabilities and shareholders' equity (continued)</b>					
<b>Shareholders' equity</b>					
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
Surplus on business combination under common control		323,216	323,216	-	-
Surplus on changes in percentage of shareholding					
in local subsidiary		108,959	108,959	108,959	108,959
Deficit on changes in percentage of shareholding					
in overseas subsidiary	8.2.3	(368,686)	-	-	-
Retained earnings					
Appropriated - statutory reserve	19	100,000	100,000	100,000	100,000
Unappropriated		1,620,305	1,674,589	319,780	764,110
Other components of shareholders' equity		(84,279)	(55,960)	-	-
Equity attributable to owners of the Company		6,662,495	7,113,784	5,491,719	5,936,049
Non-controlling interests of the subsidiary		235,333	(108,479)	-	-
<b>Total shareholders' equity</b>		<b>6,897,828</b>	<b>7,005,305</b>	<b>5,491,719</b>	<b>5,936,049</b>
<b>Total liabilities and shareholders' equity</b>		<b>14,601,550</b>	<b>12,519,919</b>	<b>8,763,240</b>	<b>7,786,865</b>
		-	-	-	-

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 September 2018**

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

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b>Profit or loss</b>					
<b>Revenues</b>					
Sales		3,638,137	3,522,632	-	-
Other income	20	<u>19,386</u>	<u>45,499</u>	<u>95,211</u>	<u>96,256</u>
<b>Total revenues</b>		<u>3,657,523</u>	<u>3,568,131</u>	<u>95,211</u>	<u>96,256</u>
<b>Expenses</b>					
Cost of sales		2,429,901	2,372,828	-	-
Selling expenses		703,340	659,157	-	-
Administrative expenses		<u>210,171</u>	<u>185,615</u>	<u>64,336</u>	<u>64,213</u>
<b>Total expenses</b>		<u>3,343,412</u>	<u>3,217,600</u>	<u>64,336</u>	<u>64,213</u>
<b>Profit before finance cost and income tax expenses</b>		314,111	350,531	30,875	32,043
Finance cost		<u>(24,878)</u>	<u>(18,531)</u>	<u>(20,136)</u>	<u>(16,261)</u>
<b>Profit before income tax expenses</b>		289,233	332,000	10,739	15,782
Income tax expenses	21	<u>(84,106)</u>	<u>(60,313)</u>	<u>(2,136)</u>	<u>(3,151)</u>
<b>Profit for the period</b>		<u>205,127</u>	<u>271,687</u>	<u>8,603</u>	<u>12,631</u>
<b>Profit attribution to</b>					
Equity holders of the Company		255,250	389,150	<u>8,603</u>	<u>12,631</u>
Non-controlling interest of the subsidiaries		<u>(50,123)</u>	<u>(117,463)</u>		
		<u>205,127</u>	<u>271,687</u>		
<b>Earnings per share</b>	22				
Basic earnings per share					
Profit attributable to equity holders of the Company		<u>0.26</u>	<u>0.39</u>	<u>0.01</u>	<u>0.01</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 September 2018**

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b>Profit for the period</b>	<u>205,127</u>	<u>271,687</u>	<u>8,603</u>	<u>12,631</u>
<b>Other comprehensive income</b>				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>				
Exchange differences on translation of financial statements in foreign currencies	<u>(14,884)</u>	<u>(19,073)</u>	<u>-</u>	<u>-</u>
<b>Other comprehensive income for the period</b>	<u>(14,884)</u>	<u>(19,073)</u>	<u>-</u>	<u>-</u>
<b>Total comprehensive income for the period</b>	<u>190,243</u>	<u>252,614</u>	<u>8,603</u>	<u>12,631</u>
<b>Total comprehensive income attribution to</b>				
Equity holders of the Company	241,554	372,737	<u>8,603</u>	<u>12,631</u>
Non-controlling interest of the subsidiaries	<u>(51,311)</u>	<u>(120,123)</u>		
<b>Total comprehensive income for the period</b>	<u>190,243</u>	<u>252,614</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 nine-month period ended 30 September 2018**

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

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
<b>Profit or loss</b>					
<b>Revenues</b>					
Sales		10,615,491	9,706,960	-	-
Dividend income from subsidiary	2, 8	-	-	203,999	251,999
Other income	20	89,952	129,950	289,094	287,203
<b>Total revenues</b>		<u>10,705,443</u>	<u>9,836,910</u>	<u>493,093</u>	<u>539,202</u>
<b>Expenses</b>					
Cost of sales		7,248,294	6,553,782	-	-
Selling expenses		2,045,245	1,790,903	-	-
Administrative expenses		597,344	523,438	174,167	175,021
<b>Total expenses</b>		<u>9,890,883</u>	<u>8,868,123</u>	<u>174,167</u>	<u>175,021</u>
<b>Profit before finance cost and income tax expenses</b>		814,560	968,787	318,926	364,181
Finance cost		(76,010)	(28,789)	(50,345)	(34,424)
<b>Profit before income tax expenses</b>		738,550	939,998	268,581	329,757
Income tax expenses	21	(245,130)	(218,270)	(12,911)	(15,534)
<b>Profit for the period</b>		<u>493,420</u>	<u>721,728</u>	<u>255,670</u>	<u>314,223</u>
<b>Profit attribution to</b>					
Equity holders of the Company		645,716	1,036,520	<u>255,670</u>	<u>314,223</u>
Non-controlling interest of the subsidiaries		(152,296)	(314,792)		
		<u>493,420</u>	<u>721,728</u>		
<b>Earnings per share</b>					
22					
Basic earnings per share					
Profit attributable to equity holders of the Company		<u>0.65</u>	<u>1.04</u>	<u>0.26</u>	<u>0.31</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 nine-month period ended 30 September 2018**

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b>Profit for the period</b>	<u>493,420</u>	<u>721,728</u>	<u>255,670</u>	<u>314,223</u>
<b>Other comprehensive income:</b>				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>				
Exchange differences on translation of financial statements in foreign currencies	<u>(32,232)</u>	<u>(42,378)</u>	<u>-</u>	<u>-</u>
<b>Other comprehensive income for the period</b>	<u>(32,232)</u>	<u>(42,378)</u>	<u>-</u>	<u>-</u>
<b>Total comprehensive income for the period</b>	<u><u>461,188</u></u>	<u><u>679,350</u></u>	<u><u>255,670</u></u>	<u><u>314,223</u></u>
<b>Total comprehensive income attribution to</b>				
Equity holders of the Company	617,397	990,202	<u>255,670</u>	<u>314,223</u>
Non-controlling interest of the subsidiaries	<u>(156,209)</u>	<u>(310,852)</u>		
<b>Total comprehensive income for the period</b>	<u><u>461,188</u></u>	<u><u>679,350</u></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 nine-month period ended 30 September 2018**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Cash flows from operating activities</b>				
Profit before tax	738,550	939,998	268,581	329,757
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities				
Dividend income	-	-	(203,999)	(251,999)
Depreciation and amortisation	334,426	184,265	174	-
Gain on sales of short-term investments				
in trading securities	(9)	(2,811)	(9)	(2,811)
Gain on changes in value of short-term investments in trading securities	-	(19)	-	(19)
Reversal of allowance for doubtful accounts	(101)	-	-	-
Increase in reduction cost of inventory to net realisable value	4,360	2,411	-	-
Gain on sales of equipment	(2,912)	(2,315)	-	-
Provision for long-term employee benefits	14,722	11,643	5,200	3,919
Amortisation of transaction cost for debentures issuance	630	-	630	-
Realised and unrealised loss (gain) on exchange	23,481	(44,934)	11,477	3,025
Interest income	(670)	(2,078)	(96,776)	(104,127)
Interest expenses	70,379	23,960	49,530	34,269
<b>Profit from operating activities before changes in operating assets and liabilities</b>	<b>1,182,856</b>	<b>1,110,120</b>	<b>34,808</b>	<b>12,014</b>
Operating assets (increase) decrease				
Trade and other receivables	(214,698)	(897,985)	1,043	(1,330)
Inventories	(135,602)	(259,965)	-	-
Other current assets	(184,691)	(185,036)	(51)	(742)
Other non-current assets	2,465	(154)	-	-
Operating liabilities increase (decrease)				
Trade and other payables	353,829	206,733	35,384	17,734
Other current liabilities	(436)	109,710	(168)	8,011
Other non-current liabilities	-	1,229	-	-
Cash paid for long-term employee benefits	(369)	(398)	-	-
<b>Cash flows from operating activities</b>	<b>1,003,354</b>	<b>84,254</b>	<b>71,016</b>	<b>35,687</b>
Cash received from interest income	671	2,229	149,602	63,321
Interest paid	(51,622)	(21,869)	(32,133)	(33,594)
Cash paid for corporate income tax	(223,431)	(337,161)	(21,571)	(16,249)
<b>Net cash flows from (used in) operating activities</b>	<b>728,972</b>	<b>(272,547)</b>	<b>166,914</b>	<b>49,165</b>

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 nine-month period ended 30 September 2018**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Cash flows from investing activities</b>				
Increase in current investments	-	(1,207,000)	-	(1,207,000)
Cash received from sale of current investments	7,139	1,807,000	7,139	1,807,000
Increase in short-term loans to related parties	-	-	(3,197,095)	(3,846,807)
Cash received from repayment of short-term loans to related parties	-	-	2,614,891	2,781,625
Increase in investments in subsidiaries	-	-	(1,064,434)	(1,341,406)
Increase in investment properties	(823)	(104)	-	-
Proceeds from sales of equipment	4,591	3,240	-	-
Cash paid for acquisition of property, plant and equipment	(1,814,643)	(2,168,959)	-	-
Cash paid for acquisition of intangible assets	(9,293)	(3,781)	(1,560)	(1,820)
Dividend income from subsidiaries	-	-	803,997	978,996
<b>Net cash flows used in investing activities</b>	<b>(1,813,029)</b>	<b>(1,569,604)</b>	<b>(837,062)</b>	<b>(829,412)</b>
<b>Cash flows from financing activities</b>				
Increase in short-term loans from financial institutions	6,210,000	3,390,000	3,355,000	2,710,000
Cash paid for repayment of short-term loans from financial institutions	(6,184,000)	(2,775,000)	(3,769,000)	(2,145,000)
Increase in short-term loan from non-controlling interests of the subsidiary	-	56,222	-	-
Increase in long-term loans from financial institutions	910,440	1,897,000	-	750,000
Cash paid for repayment of long-term loans from financial institutions	(1,837,900)	-	(1,000,000)	-
Net cash received from debentures issuance	2,784,749	-	2,784,749	-
Cash received from additional call up for the shares of subsidiary	72,696	-	-	-
Increase in non-controlling interests of subsidiaries from joint investment	-	109,304	-	-
Dividend paid	(700,000)	(950,000)	(700,000)	(950,000)
<b>Net cash flows from financing activities</b>	<b>1,255,985</b>	<b>1,727,526</b>	<b>670,749</b>	<b>365,000</b>
Decrease in translation adjustments	(26,329)	(3,732)	-	-
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>145,599</b>	<b>(118,357)</b>	<b>601</b>	<b>(415,247)</b>
Cash and cash equivalents at beginning of period	146,767	745,060	15,330	428,754
Effect of change in foreign exchange rate on cash at banks	(416)	(426)	-	-
<b>Cash and cash equivalents at end of period</b>	<b>291,950</b>	<b>626,277</b>	<b>15,931</b>	<b>13,507</b>

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 nine-month period ended 30 September 2018**

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b>Supplemental disclosures of cash flows information</b>				
Non-cash related transactions				
Increase in non-controlling interests of subsidiaries				
from joint investment	-	69,306	-	-
Decrease in short-term loans from non-controlling interests				
of the subsidiary and interest payable from debt conversion	(58,639)	-	-	-
Increase (decrease) in payable for purchasing of				
plant and equipment	(59,238)	169,820	-	-
Increase in payable for purchasing of intangible assets	90	421	-	-
Increase in retention payable	4,323	4,625	-	-
Transfer property, plant and equipment to				
investment properties - net	-	3,248	-	-

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 nine-month period ended 30 September 2018

(Unit: Thousand Baht)

Consolidated financial statements												
Equity attributable to owners of the Company												
	Note	Issued and fully paid-up share capital	Share premium	Surplus on business combination under common control	Surplus on changes in percentage of shareholding in local subsidiary	Deficit on changes in percentage of shareholding in overseas subsidiary	Retained earnings		Other components of equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
							Appropriated - statutory reserve	Unappropriated				
<b>Balance as at 1 January 2017</b>		1,000,000	3,962,980	323,216	108,959	-	100,000	1,377,500	384	6,873,039	226,504	7,099,543
Profit (loss) for the period		-	-	-	-	-	-	1,036,520	-	1,036,520	(314,792)	721,728
Other comprehensive income for the period		-	-	-	-	-	-	-	(46,318)	(46,318)	3,940	(42,378)
Total comprehensive income for the period		-	-	-	-	-	-	1,036,520	(46,318)	990,202	(310,852)	679,350
Dividend paid	24	-	-	-	-	-	-	(950,000)	-	(950,000)	-	(950,000)
Increase in non-controlling interests of subsidiaries from joint investments	8.2.1, 8.2.2	-	-	-	-	-	-	-	-	-	178,610	178,610
<b>Balance as at 30 September 2017</b>		<u>1,000,000</u>	<u>3,962,980</u>	<u>323,216</u>	<u>108,959</u>	<u>-</u>	<u>100,000</u>	<u>1,464,020</u>	<u>(45,934)</u>	<u>6,913,241</u>	<u>94,262</u>	<u>7,007,503</u>
<b>Balance as at 1 January 2018</b>		1,000,000	3,962,980	323,216	108,959	-	100,000	1,674,589	(55,960)	7,113,784	(108,479)	7,005,305
Profit (loss) for the period		-	-	-	-	-	-	645,716	-	645,716	(152,296)	493,420
Other comprehensive income for the period		-	-	-	-	-	-	-	(28,319)	(28,319)	(3,913)	(32,232)
Total comprehensive income for the period		-	-	-	-	-	-	645,716	(28,319)	617,397	(156,209)	461,188
Dividend paid	24	-	-	-	-	-	-	(700,000)	-	(700,000)	-	(700,000)
Effect of additional call up for the shares of subsidiary	8.2.2	-	-	-	-	-	-	-	-	-	72,696	72,696
Effect of change in percentage of shareholding in overseas subsidiary	8.2.4	-	-	-	-	(368,686)	-	-	-	(368,686)	427,325	58,639
<b>Balance as at 30 September 2018</b>		<u>1,000,000</u>	<u>3,962,980</u>	<u>323,216</u>	<u>108,959</u>	<u>(368,686)</u>	<u>100,000</u>	<u>1,620,305</u>	<u>(84,279)</u>	<u>6,662,495</u>	<u>235,333</u>	<u>6,897,828</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 nine-month period ended 30 September 2018**

(Unit: Thousand Baht)

		Separate financial statements					
		Issued and fully paid-up share capital	Share premium	Surplus on changes in percentage of shareholding in local subsidiary	Retained earnings		Total
Note					Appropriated - statutory reserve	Unappropriated	
<b>Balance as at 1 January 2017</b>		1,000,000	3,962,980	108,959	100,000	763,960	5,935,899
Profit for the period		-	-	-	-	314,223	314,223
Other comprehensive income for the period		-	-	-	-	-	-
Total comprehensive income for the period		-	-	-	-	314,223	314,223
Dividend paid	24	-	-	-	-	(950,000)	(950,000)
<b>Balance as at 30 September 2017</b>		<u>1,000,000</u>	<u>3,962,980</u>	<u>108,959</u>	<u>100,000</u>	<u>128,183</u>	<u>5,300,122</u>
<b>Balance as at 1 January 2018</b>		1,000,000	3,962,980	108,959	100,000	764,110	5,936,049
Profit for the period		-	-	-	-	255,670	255,670
Other comprehensive income for the period		-	-	-	-	-	-
Total comprehensive income for the period		-	-	-	-	255,670	255,670
Dividend paid	24	-	-	-	-	(700,000)	(700,000)
<b>Balance as at 30 September 2018</b>		<u>1,000,000</u>	<u>3,962,980</u>	<u>108,959</u>	<u>100,000</u>	<u>319,780</u>	<u>5,491,719</u>

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

**Carabao Group Public Company Limited and its subsidiaries**

**Notes to consolidated interim financial statements**

**For the three-month and nine-month periods ended 30 September 2018**

**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 Thai Accounting Standard No. 34 (revised 2016) 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 2017. There have been change in the composition of its subsidiary from change in percentage of shareholding in overseas subsidiary during the period as discussed in Note 8 to the interim financial statements.

## **1.4 New financial reporting standards**

### **(a) Financial reporting standards that became effective in the current year**

During the period, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

### **(b) Financial reporting standards that will become effective in the future**

During the period, the Federation of Accounting Professions issued the financial reporting standard TFRS 15 Revenue from Contracts with Customers, which is effective for fiscal years beginning on or after 1 January 2019 and a set of 5 standards related to financial instruments, which are effective for fiscal years beginning on or after 1 January 2020. Key principles of these standards are summarized below.

#### **TFRS 15 Revenue from Contracts with Customers**

TFRS 15 supersedes TAS 11 Construction Contracts and TAS 18 Revenue, together with related Interpretations. Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

The management of the Company and its subsidiaries is currently evaluating the impact of this standard to the financial statements in the year when it is adopted.



### **Thai Financial Reporting Standards related to financial instruments**

The set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 9	Financial Instruments
TFRS 7	Financial Instruments: Disclosures

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Company and its subsidiaries is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

#### **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 2017.

## 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 September				Transfer Pricing Policy
	Consolidated financial statements		Separate financial statements		
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	
<b><u>Transactions with subsidiaries</u></b>					
(Eliminated from the consolidated financial statements)					
Management income	-	-	64	60	Contract price
Interest income	-	-	34	40	Contract price
Rental and service expenses	-	-	1	1	Contract price
Other income	-	-	1	-	Market price
<b><u>Transactions with individuals or related parties</u></b>					
Purchase of goods	225	149	-	-	Market price
Sales of goods	136	30	-	-	Market price
Promotion expenses	5	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	2	1	-	-	Market price/ Mutually agreed prices

(Unaudited but reviewed)

(Unit: Million Baht)

For the nine-month periods ended 30 September

	Consolidated financial statements		Separate financial statements		Transfer Pricing Policy
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	
<b><u>Transactions with subsidiaries</u></b>					
(Eliminated from the consolidated financial statements)					
Dividend income	-	-	204	252	At the declared rate
Management income	-	-	191	180	Contract price
Interest income	-	-	97	103	Contract price
Rental and service expenses	-	-	3	3	Contract price
Other income	-	-	2	-	Market price
<b><u>Transactions with individuals or related parties</u></b>					
Purchase of goods	605	338	-	-	Market price
Sales of goods	171	64	-	-	Market price
Promotion expenses	12	10	-	-	Contract price/ Mutually agreed prices
Service income	6	5	-	-	Contract price
Rental income	4	3	-	-	Contract price
Other expenses	3	3	-	-	Mutually agreed prices
Other income	3	2	-	-	Market price/ Mutually agreed prices

(Unaudited but reviewed)

The balances of the accounts as at 30 September 2018 and 31 December 2017 between the Company and those related companies are as follows:

	Consolidated financial statements		Separate financial statements	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
(Unit: Thousand Baht)				
<b><u>Trade and other receivables - related parties</u></b>				
<b>(Note 5)</b>				
Subsidiaries	-	-	2,446	58,005
Related companies				
(related by shareholders and directors)	125,429	17,213	-	-
Total trade and other receivables - related parties	<u>125,429</u>	<u>17,213</u>	<u>2,446</u>	<u>58,005</u>
<b><u>Dividend receivable from related party</u></b>				
Subsidiary	-	-	-	599,998
Total dividend receivable from related party	<u>-</u>	<u>-</u>	<u>-</u>	<u>599,998</u>
<b><u>Other long-term receivable - related party</u></b>				
Subsidiary	-	-	26,172	26,172
Total other long-term receivable - related party	<u>-</u>	<u>-</u>	<u>26,172</u>	<u>26,172</u>
<b><u>Trade and other payables - related parties</u></b>				
<b>(Note 14)</b>				
Related companies				
(related by shareholders and directors)	41,629	17,400	-	-
Total trade and other payables - related parties	<u>41,629</u>	<u>17,400</u>	<u>-</u>	<u>-</u>
<b><u>Deposits received from rental - related parties</u></b>				
Related companies				
(related by shareholders and directors)	2,757	2,757	-	-
Total deposits received from rental - related parties	<u>2,757</u>	<u>2,757</u>	<u>-</u>	<u>-</u>

As at 30 September 2018 and 31 December 2017, 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)

Loans to related parties	Related by	Separate financial statements				Balance as at 30 September 2018
		Balance as at 31 December 2017	Increase during the period	Decrease during the period	Gain (loss) on exchange	
Carabao Tawandang Co., Ltd.	Subsidiary	3,435,000	2,805,500	(2,237,500)	-	4,003,000
Asia Pacific Glass Co., Ltd.	Subsidiary	179,000	118,000	(220,000)	-	77,000
Intercarabao Limited	Subsidiary	108,800	243,390	(111,200)	(10,369)	230,621
Carabao Trading (Hong Kong) Limited	Subsidiary	46,586	30,205	(46,191)	(1,093)	29,507
<b>Total</b>		<b>3,769,386</b>	<b>3,197,095</b>	<b>(2,614,891)</b>	<b>(11,462)</b>	<b>4,340,128</b>

As at 30 September 2018, short-term loans to related parties are in form of promissory notes which charged interest rate at 2.8 percent per annum (31 December 2017: 3.5 - 5.0 percent per annum).

### **Directors and management's benefits**

During the three-month and nine-month periods ended 30 September 2018 and 2017, 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 September			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Short-term employee benefits	36	38	36	38
Post-employment benefits	1	1	1	1
<b>Total</b>	<b>37</b>	<b>39</b>	<b>37</b>	<b>39</b>

(Unit: Million Baht)

	For the nine-month periods ended 30 September			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Short-term employee benefits	115	114	115	114
Post-employment benefits	3	3	3	3
<b>Total</b>	<b>118</b>	<b>117</b>	<b>118</b>	<b>117</b>

**Guarantee obligation**

As at 30 September 2018, the Company has guarantee obligations on credit facilities of the two subsidiaries, as described in Note 25.5.1 to the financial statements and guarantee obligations on loan of a subsidiary, as described in Note 25.5.2 to the financial statements.

**3. Cash and cash equivalents**

As at 30 September 2018 and 31 December 2017, cash and cash equivalents consist of the following:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2018	2017	2018	2017
Cash	220	200	10	10
Bank deposits	291,730	146,567	15,921	15,320
Total cash and cash equivalents	<u>291,950</u>	<u>146,767</u>	<u>15,931</u>	<u>15,330</u>

As at 30 September 2018, bank deposits in savings account and fixed deposits carried interest between 0.01 and 0.63 percent per annum (31 December 2017: between 0.01 and 0.38 percent per annum).

**4. Current investments**

Movement in the current investments account, which were investments in trading securities, during the nine-month period ended 30 September 2018 are summarised below.

	(Unit: Thousand Baht)
	Consolidated/ separate financial statements
Net book value as at 31 December 2017	7,130
Sales during the period	
Proceeds from sales	(7,139)
Gain on sales	9
Total	<u>(7,130)</u>
Net book value as at 30 September 2018	<u>-</u>

**5. Trade and other receivables**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	117,469	12,475	-	-
Total trade receivables - related parties	117,469	12,475	-	-
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	518,843	615,512	-	-
Past due				
Not over 3 months	263,696	99,845	-	-
3 - 6 months	27,575	28,958	-	-
6 - 12 months	1,452	-	-	-
Over 12 months	2,309	-	-	-
Total trade receivables - unrelated parties	813,875	744,315	-	-
Less: Allowance for doubtful debts	(1,212)	(1,394)	-	-
Total trade receivables - unrelated parties - net	812,663	742,921	-	-
Total trade receivables - net	930,132	755,396	-	-
<u>Other receivables</u>				
Other receivables - related parties	7,738	4,526	57	2,776
Other receivables - unrelated parties	4,065	7,398	-	-
Accrued income - related parties	222	212	2,389	55,229
Accrued income - unrelated parties	93	128	-	1
Prepaid expenses	207,499	178,449	2,830	1,154
Advances	9,729	1,308	-	-
Excise tax receivables	-	12,079	-	-
Others	345	365	-	-
Total other receivables	229,691	204,465	5,276	59,160
Total trade and other receivables	1,159,823	959,861	5,276	59,160

## 6. Reduction of inventory to net realisable value

Movements in reduction of inventory to net realisable value account during the nine-month period ended 30 September 2018 are summarised below.

	(Unit: Thousand Baht)
	Consolidated financial statements
Balance as at 31 December 2017	1,298
Increase in reduction of inventory value during the period	4,360
Balance as at 30 September 2018	<u>5,658</u>

## 7. Other current assets

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
VAT receivable	554,533	354,322	-	-
Undue input vat	7,746	22,323	118	67
Supplies for market promotion	5,131	9,141	-	-
Withholding tax deducted at sources	4,150	517	-	-
Others	5,937	2,871	49	-
Total other current assets	<u>577,497</u>	<u>389,174</u>	<u>167</u>	<u>67</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 nine-month periods ended	
		30 September 2018	31 December 2017	30 September 2018	31 December 2017	30 September 2018	31 December 2017	30 September 2018	30 September 2017
		(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	203,999	251,999
Asia Pacific Glass Co., Ltd.	Manufacture and distribution of glass bottles and products	1,299,998	1,299,998	100	100	1,299,998	1,299,998	-	-
Tawandang DCM Co., Ltd.	Distribution management	100,000	100,000	100	100	99,998	99,998	-	-
Asia Can Manufacturing Co., Ltd.	Manufacture and distribution of aluminum can	700,000	420,400	74	74	518,000	311,096	-	-
<u>Overseas subsidiaries</u>									
Carabao Holdings (Hong Kong) Limited	Investment	USD 60.5 million	USD 34 million	100	100	2,036,141	1,178,611	-	-
Carabao Trading (Hong Kong) Limited	Trading business in overseas	USD 50,000	USD 50,000	100	100	1,758	1,758	-	-
Total						<u>4,364,853</u>	<u>3,300,419</u>	<u>203,999</u>	<u>251,999</u>



## 8.2 Investment in subsidiary companies which the Company previously held

8.2.1 On 22 February 2017, the meeting of the Company's Board of Directors passed a resolution to approve Carabao Holdings (Hong Kong) Limited (CHHK) (a subsidiary) in joining Intercarabao Private Limited (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.

On 6 October 2017, CVHHK has submitted for deregistration with government office of Hong Kong. Such deregistration has already completed on 15 February 2018.

8.2.2 On 29 March 2017, the meeting of the Company's Board of Directors passed a resolution to establish Asia Can Manufacturing 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 ordinary shares of Baht 100 each. The project is under the joint venture agreement between the Company and overseas unrelated group of company, with shareholding interest of 74 percent and 26 percent, respectively. The subsidiary has registered its establishment on 15 June 2017.

On 3 July 2017, the Extraordinary General Meeting of shareholders of Asia Can Manufacturing Co., Ltd. passed a resolution to increase its registered share capital from Baht 1 million (10,000 ordinary shares of Baht 100 each) to Baht 700 million (7,000,000 ordinary shares of Baht 100 each) through the issuance of additional 6,990,000 ordinary shares of Baht 100 each, called up Baht 60 each. The Company had already made the payment for share subscription on 5 July 2017. As a result, the issued and paid-up share capital of the subsidiary is Baht 420 million (10,000 ordinary shares of Baht 100 each, fully paid up and 6,990,000 ordinary shares of Baht 100 each, paid up Baht 60 each). The subsidiary registered such share capital increase with the Ministry of Commerce on 7 July 2017.

During the current period, Asia Can Manufacturing Co., Ltd. additional call up for the ordinary shares which were not fully paid up of 6,990,000 shares. Such subsidiary has already received such additional call up totaling Baht 279.6 million as detail as follows:

- Baht 120.0 million on 12 January 2018
- Baht 100.0 million on 18 May 2018
- Baht 59.6 million on 14 August 2018

8.2.3 On 5 January 2018, the meeting of the Board of Directors of Carabao Holdings (Hong Kong) Limited (CHHK) (a subsidiary) pass a resolution to increase its registered share capital from USD 34.0 million to USD 60.5 million (increase USD 26.5 million or EUR 22.0 million). The Company had already made the payment for share subscription. Such subsidiary registered the share capital increase on 5 January 2018.

8.2.4 On 8 January 2018, the meeting of the Board of Directors of Carabao Venture Holdings (Luxembourg) S.à r.l. (CVHLUX) (a subsidiary) pass a resolution to increase its registered share capital from EUR 16.9 million to EUR 62.3 million (increase EUR 45.4 million or GBP 40.3 million) in order to support the operation of Intercarabao Limited (ICUK) (another subsidiary) through the process as follows:

- 1) Issue and offer new ordinary shares to existing shareholders in proportion to their holdings in the amount not exceeding EUR 22.0 million or GBP 19.5 million. However, Intercarabao Private Limited (ICSG), another shareholder of CVHLUX, has notified of its intention not to purchase new ordinary shares of CVHLUX in proportion to its holding in full. On 8 January 2018, CHHK purchase the additional ordinary shares of CVHLUX of EUR 22.0 million or GBP 19.5 million and had already made the payment for such share subscription in full amount.
- 2) Convert debt from loans from Carabao Holdings (Hong Kong) Limited (CHHK) and Intercarabao Private Limited (ICSG) into equity in the amount of EUR 23.4 million or GBP 20.8 million.

Such subsidiary registered the share capital increase on 8 January 2018.

A result of such increase in share capital, CHHK's holding proportion in CVHLUX increased from 51 percent to 84.3 percent, whereby the effect to the consolidated statements of financial position are summarised below.

	(Unit: Thousand Baht)
	<u>Increase (decrease)</u>
Short-term loans from non-controlling interests of the subsidiary	(58,639)
Deficit on changes in percentage of shareholding in overseas subsidiary	(368,686)
Non-controlling interests of the subsidiary	427,325

8.2.5 On 12 January 2018, the meeting of the Board of Directors of Intercarabao Limited (ICUK) (a subsidiary) pass a resolution to increase its registered share capital from GBP 14.5 million to GBP 34.0 million (increase GBP 19.5 million or EUR 22.0 million). Such subsidiary registered the share capital increase on 12 January 2018.

On 12 January 2018, CVHLUX purchase the additional ordinary shares of ICUK of GBP 19.5 million or EUR 22.0 million and had already made the payment for such share subscription totaling GBP 19.2 million as detail as follows:

- GBP 12.5 million on 12 January 2018
- GBP 3.0 million on 25 April 2018
- GBP 3.7 million on 12 June 2018

For the remaining of GBP 0.3 million, CVHLUX settle such remaining amount with payable that ICUK convert debt to equity as described in Note 8.2.6.

8.2.6 On 2 July 2018, the meeting of the Board of Directors of Intercarabao Limited (ICUK) (a subsidiary) pass a resolution to increase its register share capital from GBP 34.0 million to GBP 54.6 million (increase GBP 20.6 million) through convert debt from loans, interest payable, other payable of Carabao Venture Holdings (Luxembourg) S.à r.l. (CVHLUX) (another subsidiary) totaling GBP 20.9 million net with unpaid share capital of GBP 0.3 million of such subsidiary, as described in Note 8.2.5, to equity in the amount of GBP 20.6 million. Such subsidiary registered the share capital increase on 1 August 2018.

### 8.3 Unestablished subsidiary company

On 11 August 2017, the meeting of the Company's Board of Directors passed a resolution to approve an establishment of a subsidiary in Thailand for engaging in the logistic business with a registered capital not exceeding Baht 100 million.

Subsequently, on 21 February 2018, the meeting of the Company's Board of Directors pass a resolution to approve the withdrawal of such establishment of a subsidiary in Thailand for engaging in the logistic business, because the Company's Board of Directors considered that it is not suitable with the group's business at present.

**9. Investment properties**

Movement of the investment properties account during the nine-month period ended 30 September 2018 are summarised below.

	(Unit: Thousand Baht)
	Consolidated financial statements
	<u>                    </u>
Net book value as at 31 December 2017	103,163
Acquisitions during the period - at cost	823
Depreciation for the period	(3,016)
Net book value as at 30 September 2018	<u>100,970</u>

**10. Property, plant and equipment**

Movement in the property, plant and equipment account during the nine-month period ended 30 September 2018 are summarised below.

	(Unit: Thousand Baht)
	Consolidated financial statements
	<u>                    </u>
Net book value as at 31 December 2017	9,608,940
Acquisition during the period - at cost	1,732,596
Capitalised interest	27,132
Disposal during the period - net book value at disposal date	(1,679)
Depreciation for the period	(327,545)
Translation adjustment	(309)
Net book value as at 30 September 2018	<u>11,039,135</u>

**11. Goodwill**

Movement in the goodwill account during the nine-month period ended 30 September 2018 are summarised below.

	(Unit: Thousand Baht)
	Consolidated financial statements
	<u>                    </u>
Net book value as at 31 December 2017	535,467
Less: Translation adjustment	(19,482)
Net book value as at 30 September 2018	<u>515,985</u>

**12. Intangible assets**

Movement of the intangible assets account during the nine-month period ended 30 September 2018 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 31 December 2017	67,007	3,640
Acquisition during the period - at cost	9,383	1,560
Amortisation for the period	(3,865)	(174)
Translation adjustment	(41)	-
Net book value as at 30 September 2018	<u>72,484</u>	<u>5,026</u>

**13. Short-term loans from financial institutions**

The short-term loans from financial institutions carry interest at a reference fix loan rate of commercial banks. The loans are unsecured loans and no any certain conditions of restrictions stipulated in the agreements.

**14. Trade and other payables**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
Trade payables - related parties	31,937	16,762	-	-
Trade payables - unrelated parties	1,089,445	987,902	-	-
Other payables - related parties	2,192	638	-	-
Other payables - unrelated parties	400,457	457,896	21,097	20,381
Accrued expenses - related parties	7,500	-	-	-
Accrued expenses - unrelated parties	418,557	261,445	84,819	32,754
Accrued excise tax	138,815	127,627	-	-
Advance received	118,884	44,927	-	-
Total trade and other payables	<u>2,207,787</u>	<u>1,897,197</u>	<u>105,916</u>	<u>53,135</u>

**15. Short-term loans from non-controlling interests of the subsidiary**

These short-term loans were loans which Carabao Venture Holdings (Luxembourg) S.à r.l. (CVHLUX) (a subsidiary) borrowed from Intercarabao Private Limited (ICSG), non-controlling interests of such subsidiary. As at 31 December 2017, the outstanding balance of these loans were GBP 1.3 million (or equivalent to Baht 57.1 million), carries interest at fix rate and is due at call.

Subsequently, on 8 January 2018, CVHLUX converted all of such loans and interest payable of GBP 1.3 million (or equivalent to Baht 58.6 million) to equity, as mentioned in Note 8.2.4 to the financial statements.

**16. Long-term loans from financial institutions**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
Long-term loans	1,562,940	2,490,400	-	1,000,000
Less: Portion due within one year	(298,500)	(300,000)	-	(300,000)
Long-term loans - net of current portion	1,264,440	2,190,400	-	700,000

During the nine-month period ended 30 September 2018, movements in long-term loans from financial institutions are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 31 December 2017	2,490,400	1,000,000
Add: Increase during the period	910,440	-
Less: Repayment during the period	(1,837,900)	(1,000,000)
Balance as at 30 September 2018	1,562,940	-

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 fix rate per annum. The loan is repayable in 10 periods by 3-months installments, 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. During the current period, the Company made repayment for such long-term loan in full amount.

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, which the last drawn down period is within the last working day of March 2018. The interest is charged at the Minimum Loan Rate (MLR) reference rate minus fix rate per annum. The loan is repayable in 12 periods by 3-months installments, with the first of these due in June 2019. This long-term loan is secured by the Company (as mentioned in note 25.5.2). 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 consolidated financial statements' debt to equity ratio at the rate prescribed in the agreement. As at 30 September 2018, such subsidiary had outstanding long-term loan of Baht 280 million (31 December 2017: Baht 1,078 million).

On 12 July 2017, a subsidiary had entered into long-term loan agreement with a financial institution with a given credit facilities of Baht 1,455 million, which the last drawn down period is within 28 December 2018. The interest charged is at the fixed rate for the first 2 years and the Minimum Loan Rate (MLR) reference rate minus fix rate per annum for the following years. The loan is repayable in 1-month installments over a period of 5 years, with the first of these due in August 2019. This long-term loan is unsecured. 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 subsidiary's debt to equity ratio at the rate prescribed in the agreement. As at 30 September 2018, such subsidiary had outstanding long-term loan of Baht 1,283 million (31 December 2017: Baht 412 million).

## **17. Debentures**

On 25 April 2018, the Annual General Meeting of the shareholders of the Company approved the issuance and offering of debentures in principal amount not exceeding Baht 5,000 million or in foreign currencies in equivalent value, depending on the market conditions at the time of issuance and offering of each debentures.

On 15 June 2018, the Company issued debentures No. 1/2561 which are 2 series of name-registered, unsubordinated, unsecured and no debenture holder representative debentures, as detailed below.

- The debenture series 1 for the total number of 1,700,000 units, at the price of Baht 1,000 per unit, totaling Baht 1,700 million. The debenture is 2-year tenor, due on 15 June 2020, at the coupon rate of 2.23 percent per annum. Interest is repayable every 6 months.
- The debenture series 2 for the total number of 720,000 units, at the price of Baht 1,000 per unit, totaling Baht 720 million. The debenture is 3-year tenor, due on 15 June 2021, at the coupon rate of 2.42 percent per annum. Interest is repayable every 6 months.

(Unaudited but reviewed)

On 6 July 2018, the Company issued debentures No. 2/2561 which are name-registered, unsubordinated, unsecured and debenture holder representative debentures for total number of 370,000 units, at the price of Baht 1,000 per unit, totalling Baht 370 million. The debenture is 2 year 11 month 9 day tenor, due on 15 June 2021, at the coupon rate of 2.42 percent per annum. Interest is repayable every 6 months.

Such debentures contain a covenant that require the Company to maintain financial ratio, i.e. to maintain the consolidated financial statements' debt to equity ratio at the rate prescribed.

During the nine-month period ended 30 September 2018, movement in debentures are summarised below.

	(Unit: Thousand Baht)
	Consolidated/ separate financial statements
Balance as at 31 December 2017	-
Add: Debentures issuance during the period	2,790,000
Less: Transaction cost for debentures issuance during the period	(5,251)
Net cash received from debentures issuance during the period	2,784,749
Add: Amortisation of transaction costs for debentures issuance during the period	630
Balance as at 30 September 2018	<u>2,785,379</u>

## 18. Provision for long-term employee benefits

During the nine-month period ended 30 September 2018, movements in the provision for long-term employee benefits, which were employee retirement benefits, are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 31 December 2017	102,197	54,026
Current service cost	12,497	4,361
Interest cost	2,225	839
Benefits paid during the period	(369)	-
Balance as at 30 September 2018	<u>116,550</u>	<u>59,226</u>



**19. 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.

**20. Other income**

(Unit: Thousand Baht)

	For the three-month periods ended 30 September			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Rental and service income	17,826	17,005	-	-
Scrap sales income	3,897	4,073	-	-
Income from sales and trade-off premium goods	2,183	1,215	-	-
Gain on sales of fixed assets	1,182	1,637	-	-
Interest income	8	101	33,388	39,207
Gain (loss) on exchange	(9,221)	15,460	(1,966)	(3,289)
Management income	-	-	63,600	60,000
Others	3,511	6,008	189	338
<b>Total other income</b>	<b>19,386</b>	<b>45,499</b>	<b>95,211</b>	<b>96,256</b>

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Rental and service income	52,330	48,552	-	-
Scrap sales income	11,103	11,215	-	-
Income from sales and trade-off premium goods	5,113	8,474	-	-
Gain on sales of fixed assets	2,912	2,315	-	-
Interest income	670	2,078	96,776	104,127
Gain on exchange	-	36,837	-	-
Management income	-	-	190,800	180,000
Others	17,824	20,479	1,518	3,076
<b>Total other income</b>	<b>89,952</b>	<b>129,950</b>	<b>289,094</b>	<b>287,203</b>

**21. 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 nine-month periods ended 30 September 2018 and 2017 are made up as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 September			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Current income tax:</b>				
Interim corporate income tax charge	91,203	56,228	2,350	3,413
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(7,097)	4,085	(214)	(262)
<b>Income tax expenses reported in the income statements</b>	<b>84,106</b>	<b>60,313</b>	<b>2,136</b>	<b>3,151</b>

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Current income tax:</b>				
Interim corporate income tax charge	256,248	207,756	13,035	16,319
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(11,118)	10,514	(124)	(785)
<b>Income tax expenses reported in the income statements</b>	<b>245,130</b>	<b>218,270</b>	<b>12,911</b>	<b>15,534</b>

**22. 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 September			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Profit for the periods attributable to equity holders the Company (Thousand Baht)	255,250	389,150	8,603	12,631
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)	0.26	0.39	0.01	0.01

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Profit for the periods attributable to equity holders the Company (Thousand Baht)	645,716	1,036,520	255,670	314,223
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	1.04	0.26	0.31

### **23. 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. During the current period, the Company and its subsidiaries have changed the organisation of their reportable segments from 2017 to the following:

- (1) Manufacture and distribution of energy drinks
- (2) Manufacture and distribution of products under Carabao's trademark
- (3) Distribution of other products

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 following table presents revenue and profit information regarding the Company and its subsidiaries' operating segments for the three-month and nine-month periods ended 30 September 2018 and 2017.

(Unaudited but reviewed)

(Unit: Million Baht)

Consolidated financial statements					
For the three-month period ended 30 September 2018					
	Manufacture and distribution of energy drinks	Manufacture and distribution of products under Carabao's trademark	Distribution of other products	Others	Total
<b>Revenue</b>					
Revenue from external customers	3,204	178	233	23	3,638
<b>Segment gross profit</b>	1,147	27	24	10	1,208
Others income					19
Selling expenses					(703)
Administrative expenses					(210)
Finance cost					(25)
<b>Profit before income tax expenses</b>					289
Income tax expenses					(84)
<b>Profit for the period</b>					205

(Unit: Million Baht)

Consolidated financial statements					
For the nine-month period ended 30 September 2018					
	Manufacture and distribution of energy drinks	Manufacture and distribution of products under Carabao's trademark	Distribution of other products	Others	Total
<b>Revenue</b>					
Revenue from external customers	9,185	644	748	38	10,615
<b>Segment gross profit</b>	3,203	71	80	13	3,367
Others income					90
Selling expenses					(2,045)
Administrative expenses					(598)
Finance cost					(76)
<b>Profit before income tax expenses</b>					738
Income tax expenses					(245)
<b>Profit for the period</b>					493

(Unaudited but reviewed)

(Unit: Million Baht)

Consolidated financial statements					
For the three-month period ended 30 September 2017					
	Manufacture	Manufacture	Distribution of	Others	Total
	and distribution	and distribution	of products		
	of products	of products	under Carabao's		
	under Carabao's	under Carabao's	trademark		
	trademark	trademark	other products		
	energy drinks	energy drinks	other products		
<b>Revenue</b>					
Revenue from external customers	3,076	242	173	32	3,523
<b>Segment gross profit</b>	1,096	30	22	2	1,150
Others income					45
Selling expenses					(659)
Administrative expenses					(186)
Finance cost					(18)
<b>Profit before income tax expenses</b>					332
Income tax expenses					(60)
<b>Profit for the period</b>					272

(Unit: Million Baht)

Consolidated financial statements					
For the nine-month period ended 30 September 2017					
	Manufacture	Manufacture	Distribution of	Others	Total
	and distribution	and distribution	of products		
	of products	of products	under Carabao's		
	under Carabao's	under Carabao's	trademark		
	trademark	trademark	other products		
	energy drinks	energy drinks	other products		
<b>Revenue</b>					
Revenue from external customers	8,438	673	544	52	9,707
<b>Segment gross profit</b>	2,996	86	67	4	3,153
Others income					130
Selling expenses					(1,791)
Administrative expenses					(523)
Finance cost					(29)
<b>Profit before income tax expenses</b>					940
Income tax expenses					(218)
<b>Profit for the period</b>					722

**Geographic information**

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

	(Unit: Million Baht)			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Revenue from external customers				
Domestic				
Thailand	2,040	2,051	5,826	5,759
Overseas				
Cambodia	1,176	605	3,171	1,751
China	116	407	520	1,019
Myanmar	131	68	473	296
Vietnam	39	142	276	282
United Kingdom	40	33	103	104
Others	96	217	246	496
Total	<u>3,638</u>	<u>3,523</u>	<u>10,615</u>	<u>9,707</u>

During the nine-month period ended 30 September 2018, the Company and its subsidiaries had revenue from domestic sales at 55 percent and revenue from overseas sales at 45 percent (30 September 2017: revenue from domestic sales at 59 percent and revenue from overseas sales at 41 percent).

**Major customers**

During the nine-month period ended 30 September 2018, the Company and its subsidiaries had revenue with 1 major customers with revenue of 10 percent or more than of its consolidated revenue (30 September 2017: 1 major customer).

**24. Dividend**

Dividend	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)	Paid on
<b><u>The Company</u></b>				
<b><u>For the year 2018</u></b>				
Dividend from 2017 income	Annual General Meeting of the Shareholders on 25 April 2018	500	0.5	May 2018
Interim dividend	Board of directors' meeting of the Company on 10 August 2018	200	0.2	September 2018
<b>Total dividend for 2018</b>		700		
<b><u>For the year 2017</u></b>				
Dividend from 2016 income	Annual General Meeting of the Shareholders on 25 April 2017	600	0.6	May 2017
Interim dividend	Board of directors' meeting of the Company on 11 August 2017	350	0.4	September 2017
<b>Total dividends for 2017</b>		950		
<b><u>Subsidiaries</u></b>				
<b><u>For the year 2018</u></b>				
Interim dividend	Board of directors' meeting of Carabao Tawandang Co., Ltd. on 9 May 2018	204	68.0	September 2018
<b>Total dividend for 2018</b>		204		
<b><u>For the year 2017</u></b>				
Interim dividend	Board of directors' meeting of Carabao Tawandang Co., Ltd. on 12 May 2017	252	84.0	September 2017
<b>Total dividend for 2017</b>		252		

**25. Commitments and contingent liabilities****25.1 Capital commitments**

As at 30 September 2018, the subsidiaries had capital commitments, relating to the construction of factory buildings, acquisition of machinery and development of intangible assets as follows:

	(Unit: Million) Consolidated financial statements
Foreign currencies:	
Thai Baht	59.3
US dollar	1.1
Euro	2.0



## 25.2 Operating lease and service commitments

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

As at 30 September 2018, the Company and its subsidiaries had future minimum lease payments required under these non-cancellable operating leases and service contracts were as follows.

	(Unit: Million Baht)	
	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>
Payable:		
In up to 1 year	131.8	4.5
In over 1 year and up to 5 years	154.3	3.3

## 25.3 Significant agreements with related parties

25.3.1 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 Co., Ltd. agreed to be a sole distributor of Carabao Tawandang Co., Ltd.'s beverage. The agreement is effective for a period of ten years, to be expired on 14 October 2022 and renewable every five 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.

25.3.2 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 deputed in the agreement. This agreement is effective since the date on the agreement unless cancelled by either party.

25.3.3 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 three 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.

25.3.4 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 to 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.

On 25 January 2018, the Company entered into a technical assistance and management agreement with another subsidiary. The agreement is effective since 1 November 2017 unless cancelled by either party. Under the condition of this agreement, the Company receives a monthly service fee of Baht 1.2 million.

25.3.5 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 1.6 million.

25.3.6 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 or unless cancelled by either party. 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.

25.3.7 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 two 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.

- 25.3.8 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. 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 9 years, to be expired on 19 October 2025.
- 25.3.9 On 1 July 2017, Asia Can Manufacturing Co., Ltd. (a subsidiary) entered into license agreement for using the knowhow for manufacturing with an unrelated company in overseas. This agreement is effective since the date on the agreement unless cancelled by either party. Under the condition of this agreement, such subsidiary has already paid for such license fee of Baht 50 million. In addition, such subsidiary is obliged to pay a royalty fee in quarterly basis at a rate specified in the agreement.
- 25.3.10 On 1 September 2017, Asia Pacific Glass Co., Ltd. (a subsidiary) entered into a land lease agreement with Asia Can Manufacturing Co., Ltd. (another subsidiary). The agreement is effective for a period of 30 years, to be expired on 31 August 2047 and renewable. Under the conditions of this agreement, Asia Pacific Glass Co., Ltd. received rental in advance of Baht 50 million.

#### **25.4 Sponsorship agreement**

- 25.4.1 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.
- 25.4.2 On 18 November 2015, Carabao Tawandang Co., Ltd. (a subsidiary) and an 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 September 2018, Carabao Tawandang Co., Ltd. and 2 overseas subsidiaries are obliged to pay a fee of Pound 2.6 million and Pound 5.8 million, respectively, to the football club under conditions of this agreement.

25.4.3 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 3 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.

25.4.4 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 3 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 3 years between 1 June 2017 and 31 May 2020.

On 30 March 2018, Carabao Venture Holdings (Luxembourg) S.à r.l. has entered into an amendment to the agreement to transfer its rights and obligations under the sponsorship agreement with The Football League Limited to Intercarabao Limited (another subsidiary) and Carabao Tawandang Co., Ltd. (another subsidiary). The agreement is effective on 30 March 2018 onwards.

## 25.5 Guarantees

25.5.1 As at 30 September 2018, the Company has guaranteed for credit facilities, in form of letter of credit and forward contract, of Carabao Tawandang Co., Ltd. (a subsidiary) and Asia Pacific Glass Co., Ltd. (another subsidiary) amounting to Baht 1,100 million.

25.5.2 As at 30 September 2018, the Company has guaranteed loan of Carabao Tawandang Co., Ltd. (a subsidiary) with a given credit facility of Baht 1,500 million.

25.5.3 As at 30 September 2018, the subsidiaries have outstanding bank guarantees of approximately Baht 57 million issued by banks on behalf of the subsidiaries to guarantee the use of electricity and natural gas, and the submission of excise tax.

## 26. Financial instruments

### Foreign currency risk

The Company and its subsidiaries's exposure to foreign currency risk arises mainly from trading transactions and services that are denominated in foreign currencies. However, as at 30 September 2018 the Company and its subsidiary had no forward exchange contract for hedging.

The balances of financial assets and liabilities denominated in foreign currencies as at 30 September 2018 are summarised below.

Foreign currencies	Consolidated		Separate		Average exchange rate	
	financial statements		financial statements		as at 30 September 2018	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities	Bought	Sold
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
Pound sterling	0.3	-	5.5	-	41.9311	42.8411
Euro	0.4	4.4	0.8	-	37.3504	38.0908
US dollar	2.5	0.1	-	-	32.2364	32.5767
Japanese Yen	-	10.9	-	-	0.2817	0.2892
China Yuan	43.0	0.5	-	-	4.6455	4.7692

## 27. Approval of financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 9 November 2018.