

Carabao Group Public Company Limited and its subsidiaries  
Review report and consolidated interim financial statements  
For the three-month period ended 31 March 2019

## **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 31 March 2019, the related consolidated statements of income, comprehensive income, statements of changes in shareholders' equity and cash flows for the three-month period then ended, 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: 10 May 2019

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

**Statement of financial position**

**As at 31 March 2019**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March	31 December	31 March	31 December
		2019	2018	2019	2018
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	4	378,501	137,599	15,327	18,659
Trade and other receivables	3, 5	806,301	906,595	2,849	6,740
Short-term loans to related parties	3	-	-	3,465,441	3,995,936
Dividend receivable from related parties	3	-	-	479,998	479,998
Inventories	6	967,638	887,132	-	-
Other current assets	7	532,922	545,859	27	20
<b>Total current assets</b>		<b>2,685,362</b>	<b>2,477,185</b>	<b>3,963,642</b>	<b>4,501,353</b>
<b>Non-current assets</b>					
Investments in subsidiaries	8	-	-	4,937,173	4,364,853
Investment properties	9	105,541	99,968	-	-
Property, plant and equipment	10	11,018,451	11,090,295	-	-
Goodwill	11	506,503	499,923	-	-
Intangible assets	12	78,360	77,322	4,767	4,895
Deferred tax assets		56,019	63,183	6,620	6,258
Other long-term receivable - related party	3	-	-	26,172	26,172
Other non-current assets		12,277	12,045	-	-
<b>Total non-current assets</b>		<b>11,777,151</b>	<b>11,842,736</b>	<b>4,974,732</b>	<b>4,402,178</b>
<b>Total assets</b>		<b>14,462,513</b>	<b>14,319,921</b>	<b>8,938,374</b>	<b>8,903,531</b>

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 31 March 2019**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March	31 December	31 March	31 December
		2019	2018	2019	2018
		(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	108,922	275,000	-	-
Trade and other payables	3, 14	1,538,023	1,809,903	48,231	40,354
Current portion of long-term loans from financial institutions	15	474,000	401,250	-	-
Income tax payable		356,427	265,836	10,898	7,462
Other current liabilities		13,063	12,452	-	-
<b>Total current liabilities</b>		<b>2,490,435</b>	<b>2,764,441</b>	<b>59,129</b>	<b>47,816</b>
<b>Non-current liabilities</b>					
Long-term loans from financial institutions, net of current portion	15	1,261,000	1,278,700	-	-
Debentures	16	2,786,453	2,785,920	2,786,453	2,785,920
Provision for long-term employee benefits	17	121,185	109,049	62,821	61,543
Deferred tax liabilities		1,485	1,466	-	-
Deposits received for rental	3	15,758	15,636	-	-
<b>Total non-current liabilities</b>		<b>4,185,881</b>	<b>4,190,771</b>	<b>2,849,274</b>	<b>2,847,463</b>
<b>Total liabilities</b>		<b>6,676,316</b>	<b>6,955,212</b>	<b>2,908,403</b>	<b>2,895,279</b>

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 31 March 2019**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2019 (Unaudited but reviewed)	31 December 2018 (Audited)	31 March 2019 (Unaudited but reviewed)	31 December 2018 (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	(368,686)	(368,686)	-	-
Retained earnings				
Appropriated - statutory reserve	100,000	100,000	100,000	100,000
Unappropriated	2,559,478	2,140,042	858,032	836,313
Other components of shareholders' equity	(69,565)	(89,678)	-	-
Equity attributable to owners of the Company	7,616,382	7,176,833	6,029,971	6,008,252
Non-controlling interests of the subsidiary	169,815	187,876	-	-
<b>Total shareholders' equity</b>	<b>7,786,197</b>	<b>7,364,709</b>	<b>6,029,971</b>	<b>6,008,252</b>
<b>Total liabilities and shareholders' equity</b>	<b>14,462,513</b>	<b>14,319,921</b>	<b>8,938,374</b>	<b>8,903,531</b>
	-	-	-	-

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

Directors

(Unaudited but reviewed)

**Carabao Group Public Company Limited and its subsidiaries****Statement of income****For the three-month period ended 31 March 2019**

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

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018 (Restated)	2019	2018
<b>Revenues</b>					
Revenues from contracts with customers	18	3,360,781	3,341,268	-	-
Other income	19	29,811	53,021	95,492	96,088
<b>Total revenues</b>		<u>3,390,592</u>	<u>3,394,289</u>	<u>95,492</u>	<u>96,088</u>
<b>Expenses</b>					
Cost of sales		2,171,418	2,346,844	-	-
Selling and distribution expenses		480,441	618,462	-	-
Administrative expenses		195,003	194,946	50,584	55,317
Other expenses		9,219	-	148	-
<b>Total expenses</b>		<u>2,856,081</u>	<u>3,160,252</u>	<u>50,732</u>	<u>55,317</u>
<b>Profit before finance cost and income tax expenses</b>		<u>534,511</u>	<u>234,037</u>	<u>44,760</u>	<u>40,771</u>
Finance cost		<u>(34,701)</u>	<u>(24,533)</u>	<u>(17,609)</u>	<u>(14,391)</u>
<b>Profit before income tax expenses</b>		<u>499,810</u>	<u>209,504</u>	<u>27,151</u>	<u>26,380</u>
Income tax expenses	20	<u>(101,170)</u>	<u>(79,190)</u>	<u>(5,432)</u>	<u>(5,272)</u>
<b>Profit for the period</b>		<u><u>398,640</u></u>	<u><u>130,314</u></u>	<u><u>21,719</u></u>	<u><u>21,108</u></u>
<b>Profit attribution to</b>					
Equity holders of the Company		419,436	180,518	<u>21,719</u>	<u>21,108</u>
Non-controlling interest of the subsidiaries		<u>(20,796)</u>	<u>(50,204)</u>		
		<u><u>398,640</u></u>	<u><u>130,314</u></u>		
<b>Earnings per share</b>					
21					
Basic earnings per share					
Profit attributable to equity holders of the Company		<u>0.42</u>	<u>0.18</u>	<u>0.02</u>	<u>0.02</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 31 March 2019**

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Profit for the period</b>	<u>398,640</u>	<u>130,314</u>	<u>21,719</u>	<u>21,108</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>22,848</u>	<u>(18,763)</u>	<u>-</u>	<u>-</u>
<b>Other comprehensive income for the period</b>	<u>22,848</u>	<u>(18,763)</u>	<u>-</u>	<u>-</u>
<b>Total comprehensive income for the period</b>	<u>421,488</u>	<u>111,551</u>	<u>21,719</u>	<u>21,108</u>
<b>Total comprehensive income attribution to</b>				
Equity holders of the Company	439,549	156,921	<u>21,719</u>	<u>21,108</u>
Non-controlling interest of the subsidiaries	<u>(18,061)</u>	<u>(45,370)</u>		
<b>Total comprehensive income for the period</b>	<u>421,488</u>	<u>111,551</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 three-month period ended 31 March 2019**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<b>Cash flows from operating activities</b>				
Profit before tax	499,810	209,504	27,151	26,380
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	132,626	103,206	128	-
Gain on sales of short-term investments in trading securities	-	(9)	-	(9)
Allowance for doubtful accounts (reversal)	4,746	(103)	-	-
Reduction cost of inventory to net realisable value	794	1,713	-	-
Loss (gain) on sales of equipment	453	(995)	-	-
Provision for long-term employee benefits	12,136	4,908	1,278	1,733
Relised and unrealised loss (gain) on exchange	33,769	(18,388)	69	(1,943)
Interest income	(6)	(4)	(25,269)	(29,855)
Interest expenses	32,336	22,692	17,596	14,368
<b>Profit from operating activities before changes in operating assets and liabilities</b>	716,664	322,524	20,953	10,674
Operating assets (increase) decrease				
Trade and other receivables	94,287	(133,827)	279	2,519
Inventories	(81,355)	(147,153)	-	-
Other current assets	16,255	(49,682)	(7)	(213)
Other non-current assets	(232)	(82)	-	-
Operating liabilities increase (decrease)				
Trade and other payables	(134,460)	(92,459)	(7,975)	(19,539)
Other current liabilities	611	(706)	-	(168)
Other non-current liabilities	122	-	-	-
<b>Cash flows from (used in) operating activities</b>	611,892	(101,385)	13,250	(6,727)
Cash received from interest income	6	5	28,967	46,208
Interest paid	(15,812)	(21,665)	(1,211)	(13,966)
Cash paid for corporate income tax	(6,733)	(6,660)	(2,358)	(2,439)
<b>Net cash flows from (used in) operating activities</b>	589,353	(129,705)	38,648	23,076

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 three-month period ended 31 March 2019**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<b>Cash flows from investing activities</b>				
Cash received from sale of current investments	-	7,139	-	7,139
Increase in short-term loan to related parties	-	-	(637,000)	(238,000)
Cash received from repayment of short-term loan to related parties	-	-	1,167,340	682,599
Increase in investments in subsidiaries	-	-	(572,320)	(946,330)
Proceeds from sales of equipment	655	2,596	-	-
Increase in investments properties	-	(823)	-	-
Cash paid for acquisition of property, plant and equipment	(221,218)	(704,288)	-	-
Cash paid for acquisition of intangible assets	(3,943)	(1,006)	-	-
<b>Net cash flows used in investing activities</b>	<b>(224,506)</b>	<b>(696,382)</b>	<b>(41,980)</b>	<b>(494,592)</b>
<b>Cash flows from financing activities</b>				
Increase in short-term loans from financial institutions	1,721,922	1,869,000	1,175,000	899,000
Cash paid for repayment of short-term loans from financial institutions	(1,888,000)	(1,160,000)	(1,175,000)	(430,000)
Increase in long-term loans from financial institutions	55,050	502,690	-	-
Cash received from additional call up for the shares of subsidiary	-	31,200	-	-
<b>Net cash from (used in) financing activities</b>	<b>(111,028)</b>	<b>1,242,890</b>	<b>-</b>	<b>469,000</b>
Decrease in translation adjustments	(13,088)	(5,368)	-	-
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>240,731</b>	<b>411,435</b>	<b>(3,332)</b>	<b>(2,516)</b>
Cash and cash equivalents at beginning of period	137,599	146,767	18,659	15,330
Effect of change in foreign exchange rate on cash at banks	171	2,827	-	-
<b>Cash and cash equivalents at end of period</b>	<b>378,501</b>	<b>561,029</b>	<b>15,327</b>	<b>12,814</b>

**Supplemental disclosures of cash flows information**

## Non-cash related transactions

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	(151,468)	183,558	-	-
Increase (decrease) in payable for purchasing of intangible assets	(1,355)	570	-	780
Increase (decrease) in retention payable	(3,931)	2,645	-	-
Transfer property, plant and equipment to investment properties	6,569	-	-	-

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 three-month period ended 31 March 2019

(Unit: Thousand Baht)

Consolidated financial statements											
Equity attributable to owners of the Company											
	Issued and fully paid-up share capital	Share premium	Surplus on 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 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 for the period	-	-	-	-	-	-	180,518	-	180,518	(50,204)	130,314
Other comprehensive income for the period	-	-	-	-	-	-	-	(23,597)	(23,597)	4,834	(18,763)
Total comprehensive income for the period	-	-	-	-	-	-	180,518	(23,597)	156,921	(45,370)	111,551
Effect of additional call up for the shares of subsidiary	-	-	-	-	-	-	-	-	-	31,200	31,200
Effect of change in percentage of shareholding in overseas subsidiary	-	-	-	-	(368,686)	-	-	-	(368,686)	427,325	58,639
<b>Balance as at 31 March 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>1,855,107</u>	<u>(79,557)</u>	<u>6,902,019</u>	<u>304,676</u>	<u>7,206,695</u>
<b>Balance as at 1 January 2019</b>	1,000,000	3,962,980	323,216	108,959	(368,686)	100,000	2,140,042	(89,678)	7,176,833	187,876	7,364,709
Profit for the period	-	-	-	-	-	-	419,436	-	419,436	(20,796)	398,640
Other comprehensive income for the period	-	-	-	-	-	-	-	20,113	20,113	2,735	22,848
Total comprehensive income for the period	-	-	-	-	-	-	419,436	20,113	439,549	(18,061)	421,488
<b>Balance as at 31 March 2019</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>2,559,478</u>	<u>(69,565)</u>	<u>7,616,382</u>	<u>169,815</u>	<u>7,786,197</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 three-month period ended 31 March 2019**

(Unit: Thousand Baht)

	Separate financial statements					Total
	Issued and fully paid-up share capital	Share premium	Surplus on changes in percentage of shareholding in local subsidiary	Retained earnings Appropriated - statutory reserve	Unappropriated	
<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	-	-	-	-	21,108	21,108
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	21,108	21,108
<b>Balance as at 31 March 2018</b>	<u>1,000,000</u>	<u>3,962,980</u>	<u>108,959</u>	<u>100,000</u>	<u>785,218</u>	<u>5,957,157</u>
<b>Balance as at 1 January 2019</b>	1,000,000	3,962,980	108,959	100,000	836,313	6,008,252
Profit for the period	-	-	-	-	21,719	21,719
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	21,719	21,719
<b>Balance as at 31 March 2019</b>	<u>1,000,000</u>	<u>3,962,980</u>	<u>108,959</u>	<u>100,000</u>	<u>858,032</u>	<u>6,029,971</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 period ended 31 March 2019**

**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 2018. There have been no changes in the composition of the subsidiaries during the current period.

## **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 (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal periods beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Company's and its subsidiaries' financial statements. However, the new standard involves changes to key principles, which are summarised below:

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

IFRS 15 supersedes the following accounting standards together with related interpretations.

TAS 11 (revised 2017)	Construction Contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

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 recognised 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 Company and its subsidiaries adopted IFRS 15 using the full retrospective method of adoption.

The cumulative effect of the change is described in Note 2.

**(b) Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2020**

The Federation of Accounting Professions issued a number of new financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. These new standards involve changes to key principles, which are summarised below.

**Financial reporting standards related to financial instruments**

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

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

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.

## **TFRS 16 Leases**

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The management of the Company and its subsidiaries is currently evaluating the impact of this standard on the financial statements in the year when it is 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 2018, except for the change in the accounting policies due to the adoption of TFRS 15, Revenue from Contracts with Customers, as follow:

#### **Revenue recognition**

##### ***Sale of goods***

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns, discounts, allowances and price promotions to customers.

### **2. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standard**

As described in Note 1.4 to the financial statements, during the current period, the Company and its subsidiaries have adopted TFRS 15 using the full retrospective method of adoption. The cumulative effect of the change in accounting policy has no impact to the statement of financial position and changes in shareholders' equity.

The amounts of the adjustments affecting the income statement for the three-month period ended 31 March 2018 are summarised below:

	(Unit: Thousand Baht)
	Consolidated financial statements
	Decrease
<b>Income statement</b>	
Revenue from contracts with customers	8,318
Selling and distribution expenses	8,318

The nature of the adjustments are from promotion expenses which the subsidiaries have to recognise such promotion expenses consider certain promotion expenses as variable consideration. The subsidiaries as deduction from sales. Previously such promotion expenses were recognised as selling expenses.

### 3. 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 31 March				
	Consolidated		Separate		
	financial statements		financial statements		Transfer Pricing Policy
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	
<b><u>Transactions with subsidiaries</u></b>					
(Eliminated from the consolidated financial statements)					
Management income	-	-	70	64	Contract price
Interest income	-	-	25	30	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	238	201	-	-	Market price
Sales of goods	75	15	-	-	Market price
Promotion expenses	4	3	-	-	Contract price/ Mutually agreed prices
Rental and service expenses	4	-	-	-	Contract price
Other expenses	2	2	-	-	Mutually agreed prices
Service income	2	2	-	-	Contract price
Rental income	1	1	-	-	Contract price
Other income	1	1	-	-	Market price/ Mutually agreed prices



The balances of the accounts as at 31 March 2019 and 31 December 2018 between the Company and those related companies are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2019	2018	2019	2018
<b><u>Trade and other receivables - related parties</u></b>				
<b>(Note 5)</b>				
Subsidiaries	-	-	1,259	4,889
Related companies				
(related by shareholders and directors)	123,546	92,532	-	-
Total trade and other receivables - related parties	<u>123,546</u>	<u>92,532</u>	<u>1,259</u>	<u>4,889</u>
<b><u>Dividend receivable from related party</u></b>				
Subsidiary	-	-	479,998	479,998
Total dividend receivable from related party	<u>-</u>	<u>-</u>	<u>479,998</u>	<u>479,998</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>				
Subsidiary	-	-	48	-
Related companies				
(related by shareholders and directors)	27,961	32,301	-	-
Total trade and other payables - related parties	<u>27,961</u>	<u>32,301</u>	<u>48</u>	<u>-</u>
<b><u>Deposits received from rental - related parties</u></b>				
Related companies				
(related by shareholders and directors)	3,230	3,108	-	-
Total deposits received from rental - related parties	<u>3,230</u>	<u>3,108</u>	<u>-</u>	<u>-</u>

As at 31 March 2019 and 31 December 2018, 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 as at	Increase	Decrease	Gain (loss)	Balance as at
		31 December	during	during	on exchange	31 March
Loans to related parties	Related by	2018	the period	the period		2019
Carabao Tawandang Co., Ltd.	Subsidiary	3,585,000	637,000	(784,500)	-	3,437,500
Asia Pacific Glass Co., Ltd.	Subsidiary	57,000	-	(57,000)	-	-
Intercarabao Limited	Subsidiary	324,894	-	(325,840)	946	-
Carabao Trading (Hong Kong) Limited	Subsidiary	29,042	-	-	(1,101)	27,941
<b>Total</b>		<b>3,995,936</b>	<b>637,000</b>	<b>(1,167,340)</b>	<b>(155)</b>	<b>3,465,441</b>

As at 31 March 2019, short-term loans to related parties are in form of promissory notes which charged interest rate at 2.8 percent per annum (31 December 2018: 2.8 percent per annum).

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

During the three-month periods ended 31 March 2019 and 2018, 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 31 March			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Short-term employee benefits	36	39	36	39
Post-employment benefits	1	1	1	1
<b>Total</b>	<b>37</b>	<b>40</b>	<b>37</b>	<b>40</b>

### **Guarantee obligation**

As at 31 March 2019, the Company has guarantee obligations on credit facilities of the two subsidiaries, as described in Note 23.5.1 to the financial statements and guarantee obligations on loan of a subsidiary, as described in Note 23.5.2 to the financial statements.

**4. Cash and cash equivalents**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March	31 December	31 March	31 December
	2019	2018	2019	2018
Cash	220	220	10	10
Bank deposits	378,281	137,379	15,317	18,649
Total cash and cash equivalents	378,501	137,599	15,327	18,659

As at 31 March 2019, bank deposits in savings accounts carried interest between 0.05 and 0.63 percent per annum (31 December 2018: between 0.01 and 0.63 percent per annum).

**5. Trade and other receivables**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March	31 December	31 March	31 December
	2019	2018	2019	2018
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	58,815	75,934	-	-
Past due				
Not over 3 months	56,715	12,219	-	-
3 - 6 months	5,130	-	-	-
Total trade receivables - related parties	120,660	88,153	-	-
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	422,601	590,517	-	-
Past due				
Not over 3 months	71,246	73,096	-	-
3 - 6 months	22,726	23,061	-	-
6 - 12 months	25,479	13,857	-	-
Over 12 months	7,306	4,217	-	-
Total trade receivables - unrelated parties	549,358	704,748	-	-
Less: Allowance for doubtful debts	(12,113)	(7,223)	-	-
Total trade receivables - unrelated parties - net	537,245	697,525	-	-
Total trade receivables - net	657,905	785,678	-	-

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March	31 December	31 March	31 December
	2019	2018	2019	2018
<u>Other receivables</u>				
Other receivables - related parties	2,405	3,859	59	78
Other receivables - unrelated parties	3,155	4,055	-	-
Accrued income - related parties	481	520	1,200	4,811
Accrued income - unrelated parties	445	94	-	-
Prepaid expenses	132,283	107,687	1,590	1,851
Advances	7,431	1,778	-	-
Excise tax receivables	-	610	-	-
Others	2,196	2,314	-	-
Total other receivables	148,396	120,917	2,849	6,740
Total trade and other receivables	806,301	906,595	2,849	6,740

## 6. Reduction of inventory to net realisable value

Movements in reduction of inventory to net realisable value account during the three-month period ended 31 March 2019 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements
Balance as at 31 December 2018	8,620
Reduction of inventory value during the period	794
Translation adjustment	56
Balance as at 31 March 2019	9,470

## 7. Other current assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March	31 December	31 March	31 December
	2019	2018	2019	2018
VAT receivable	512,269	523,636	-	-
Undue input vat	5,565	9,250	27	20
Supplies for market promotion	6,174	7,300	-	-
Withholding tax deducted at sources	3,330	11	-	-
Others	5,584	5,662	-	-
Total other current assets	532,922	545,859	27	20

## 8. Investments in subsidiaries

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	
		31 March 2019	31 December 2018	31 March 2019	31 December 2018	31 March 2019	31 December 2018
		(Thousand Baht)	(Thousand Baht)	(Percent)	(Percent)	(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
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	700,000	74	74	518,000	518,000
<u>Overseas subsidiaries</u>							
Carabao Holdings (Hong Kong) Limited	Investment	USD 78.4 million	USD 60.5 million	100	100	2,608,461	2,036,141
Carabao Trading (Hong Kong) Limited	Trading business in overseas	USD 50,000	USD 50,000	100	100	1,758	1,758
Total						<u>4,937,173</u>	<u>4,364,853</u>

8.1 On 7 January 2019, 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 60.5 million to USD 78.4 million (increase USD 17.9 million). The Company had already made the payment for share subscription. Such subsidiary registered the share capital increase on 7 January 2019.

8.2 On 8 January 2019, the meeting of the Board of Directors of Intercarabao Limited (ICUK) (a subsidiary) pass a resolution to increase its registered share capital from GBP 54.6 million to GBP 74.6 million (increase GBP 20.0 million or EUR 22.3 million). Such subsidiary registered the share capital increase on 8 January 2019.

On 8 January 2019, CVHLUX purchase the additional ordinary shares of ICUK of GBP 20.0 million or EUR 22.3 million and had partially made the payment for such share subscription totaling GBP 13.9 million.

**9. Investment properties**

Movement of the investment properties account during the three-month period ended 31 March 2019 are summarised below.

	(Unit: Thousand Baht)
	Consolidated financial statements
Net book value as at 31 December 2018	99,968
Transfer from property, plant and equipment	6,569
Depreciation for the period	(996)
Net book value as at 31 March 2019	<u>105,541</u>

**10. Property, plant and equipment**

Movement in the property, plant and equipment account during the three-month period ended 31 March 2019 are summarised below.

	(Unit: Thousand Baht)
	Consolidated financial statements
Net book value as at 31 December 2018	11,090,295
Acquisition during the period - at cost	65,819
Disposal during the period - net book value at disposal date	(1,108)
Transfer to investment properties	(6,569)
Depreciation for the period	(130,069)
Translation adjustment	83
Net book value as at 31 March 2019	<u>11,018,451</u>

**11. Goodwill**

Movement in the goodwill account during the three-month period ended 31 March 2019 are summarised below.

	(Unit: Thousand Baht)
	Consolidated financial statements
Net book value as at 31 December 2018	499,923
Add: Translation adjustment	6,580
Net book value as at 31 March 2019	<u>506,503</u>

**12. Intangible assets**

Movement of the intangible assets account during the three-month period ended 31 March 2019 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 31 December 2018	77,322	4,895
Acquisition during the period - at cost	2,588	-
Amortisation for the period	(1,561)	(128)
Translation adjustment	11	-
Net book value as at 31 March 2019	<u>78,360</u>	<u>4,767</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 financial statements		Separate financial statements	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
Trade payables - related parties	20,406	20,165	-	-
Trade payables - unrelated parties	865,937	932,403	-	-
Other payables - related parties	4,555	11,814	48	-
Other payables - unrelated parties	142,671	318,916	5,743	9,585
Accrued expenses - related parties	3,000	322	-	-
Accrued expenses - unrelated parties	340,648	329,382	42,440	30,769
Accrued excise tax	106,344	162,611	-	-
Advance received	54,462	34,293	-	-
Total trade and other payables	<u>1,538,023</u>	<u>1,809,903</u>	<u>48,231</u>	<u>40,354</u>

(Unaudited but reviewed)

## 15. Long-term loans from financial institutions

(Unit: Thousand Baht)

	Consolidated financial statements	
	31 March 2019	31 December 2018
Long-term loans	1,735,000	1,679,950
Less: Portion due within one year	(474,000)	(401,250)
Long-term loans - net of current portion	<u>1,261,000</u>	<u>1,278,700</u>

During the three-month period ended 31 March 2019, movements in long-term loans from financial institutions are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements
Balance as at 31 December 2018	1,679,950
Add: Increase during the period	55,050
Balance as at 31 March 2019	<u>1,735,000</u>

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 23.5.2). 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 31 March 2019, such subsidiary had outstanding long-term loan of Baht 280 million (31 December 2018: Baht 280 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. Subsequently, on 21 January 2019, such subsidiary entered into an amendment to the agreement, extending the last drawn down period from 28 December 2018 to 31 January 2019. As at 31 March 2019, such subsidiary had outstanding long-term loan of Baht 1,455 million (31 December 2018: Baht 1,400 million).



(Unaudited but reviewed)

## 16. Debentures

(Unit: Thousand Baht)

	Interest rate (Percent)	Maturity date	Consolidated/separate financial statements	
			31 March 2019	31 December 2018
No. 1/2018 - Series 1	2.23	15 June 2020	1,700,000	1,400,000
- Series 2	2.42	15 June 2021	720,000	720,000
No. 2/2018	2.42	15 June 2021	370,000	370,000
Total			2,790,000	2,790,000
Less: Deferred transaction costs			(3,547)	(4,080)
Total debentures			2,786,453	2,785,920

During the three-month period ended 31 March 2019, movement in debentures are summarised below.

(Unit: Thousand Baht)

	Consolidated/ separate financial statements
Balance as at 31 December 2018	2,785,920
Add: Amortisation of transaction costs for debentures issuance during the period	533
Balance as at 31 March 2019	2,786,453

These debentures are in the name of specific holders, unsubordinated and unsecured.

These 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.

## 17. Provision for long-term employee benefits

During the three-month period ended 31 March 2019, 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 2018	109,049	61,543
Current service cost	3,065	918
Interest cost	504	149
Past service cost	8,567	211
Balance as at 31 March 2019	121,185	62,821

(Unaudited but reviewed)

On 5 April 2019, The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law is effective from 5 May 2019. This change is considered a post-employment benefits plan amendment and the Company and its subsidiaries have additional long-term employee benefit liabilities of Baht 8.6 million (The Company only: Baht 0.2 million) as a result. The Company and its subsidiaries reflected the effect of the change by recognising past service costs as expenses in income statement of this period.

## 18. Revenue from contracts with customers

	(Unit: Thousand Baht)	
	For the three-month periods ended	
	31 March	
	Consolidated financial statements	
	<u>2019</u>	<u>2018</u>
		(Restated)
Revenue from sales of energy drinks	2,926,806	2,823,505
Revenue from sales of products	139,436	236,012
under Carabao's trademark		
Revenue from other products	290,413	268,911
Others	4,126	12,840
Total revenue from contracts with customers - recognised at a point in time	<u>3,360,781</u>	<u>3,341,268</u>

## 19. Other income

	(Unit: Thousand Baht)			
	For the three-month periods ended 31 March			
	Consolidated financial statements		Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Rental and service income	18,092	17,252	-	-
Scrap sales income	3,229	4,061	-	-
Income from sales and trade-off premium goods	996	2,572	-	-
Interest income	6	4	25,269	29,855
Gain on exchange	-	20,679	-	1,948
Gain on sales fixed assets	-	995	-	-
Management income	-	-	70,050	63,600
Others	7,488	7,458	173	685
Total others income	<u>29,811</u>	<u>53,021</u>	<u>95,492</u>	<u>96,088</u>

**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 periods ended 31 March 2019 and 2018 are made up as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 31 March			
	Consolidated financial statements		Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Current income tax:</b>				
Interim corporate income tax charge	94,006	78,214	5,794	5,626
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	7,164	976	(362)	(354)
<b>Income tax expenses reported in the income statements</b>	<b>101,170</b>	<b>79,190</b>	<b>5,432</b>	<b>5,272</b>

**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 31 March			
	Consolidated financial statements		Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Profit for the periods attributable to equity holders the Company (Thousand Baht)	419,436	180,518	21,719	21,108
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)	0.42	0.18	0.02	0.02

## 22. Segment information

The Company and its subsidiaries are organised into business units based on their products and services. 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 periods ended 31 March 2019 and 2018.

(Unit: Million Baht)

	Consolidated financial statements									
	For the three-month periods ended 31 March									
	Manufacture and distribution of energy drinks		Manufacture and distribution of products under Carabao's trademark		Distribution of other products		Others		Total	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Revenue</b>		(Restated)		(Restated)		(Restated)		(Restated)		(Restated)
Revenue from external customers	2,927	2,824	139	236	290	269	5	12	3,361	3,341
<b>Segment gross profit</b>	1,143	941	18	21	27	29	1	3	1,189	994
Others income									30	53
Selling and distribution expenses									(480)	(618)
Administrative expenses									(195)	(195)
Other expenses									(9)	-
Finance cost									(35)	(25)
<b>Profit before income tax expenses</b>									500	209
Income tax expenses									(101)	(79)
<b>Profit for the period</b>									<u>399</u>	<u>130</u>

**Geographic information**

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

	(Unit: Million Baht)	
	For the three-month periods ended 31 March	
	<u>2019</u>	<u>2018</u> (Restated)
Revenue from external customers		
Domestic		
Thailand	1,706	1,790
Overseas		
CLMV group	1,444	1,276
China	52	209
United Kingdom	17	43
Others	142	23
Total	<u>3,361</u>	<u>3,341</u>

During the three-month period ended 31 March 2019, the Company and its subsidiaries had revenue from domestic sales at 51 percent and revenue from overseas sales at 49 percent (2018: revenue from domestic sales at 54 percent and revenue from overseas sales at 46 percent).

**Major customers**

During the three-month period ended 31 March 2019, the Company and its subsidiaries had revenue with 2 major customers with revenue of 10 percent or more than of its consolidated revenue (2018: 1 major customer).

## 23. Commitments and contingent liabilities

### 23.1 Capital commitments

As at 31 March 2019, the subsidiaries had capital commitments, relating to the construction of factory buildings and acquisition of machinery as follows:

	(Unit: Million)
	Consolidated
	<u>financial statements</u>
Foreign currencies:	
Thai Baht	26
Yen	14

### 23.2 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 31 March 2019, 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	157.2	4.3
In over 1 year and up to 5 years	105.0	1.6

### 23.3 Significant agreements with related parties

23.3.1 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 10 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.

23.3.2 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 stipulated in the agreement. This agreement is effective since the date on the agreement unless cancelled by either party.

23.3.3 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.

23.3.4 On 25 January 2018, the Company entered into a technical assistance and management agreement with a 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.

On 20 March 2019, the Company entered into a technical assistance and management agreement with other three subsidiaries. The agreements are effective for a period of 3 years between 1 January 2019 and 31 December 2021. Under the condition of this agreement, the Company receives a monthly service fee of Baht 22.2 million.

23.3.5 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 1.7 million.

23.3.6 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.

- 23.3.7 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 1 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.
- 23.3.8 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.
- 23.3.9 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.
- 23.3.10 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.
- 23.3.11 Carabao Tawandang Co., Ltd. (a subsidiary) and Tawandang DCM Co., Ltd., (another subsidiary), entered into car rental agreements for transportation with a related company. The agreements are effective for a period of 5 years. Under the condition of this agreement, the subsidiaries have obliged to pay a fee of Baht 1.5 million per month.



## 23.4 Sponsorship agreement

23.4.1 On 16 July 2015 and 1 April 2016, Carabao Tawandang Co., Ltd. (a subsidiary) entered into 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, respectively. Under conditions of this agreements, the subsidiary is obliged to pay total fee of Baht 6 million per annum.

23.4.2 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 31 March 2019, Carabao Tawandang Co., Ltd. and 2 overseas subsidiaries are obliged to pay a fee of Pound 2.2 million and Pound 3.8 million, respectively, to the football club under conditions of this agreement.

23.4.3 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.

23.4.4 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.

### **23.5 Guarantees**

23.5.1 As at 31 March 2019, 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.

23.5.2 As at 31 March 2019, the Company has guaranteed loan of Carabao Tawandang Co., Ltd. (a subsidiary) with a given credit facility of Baht 1,500 million.

23.5.3 As at 31 March 2019, the subsidiaries have outstanding bank guarantees of approximately Baht 42.2 million issued by banks on behalf of the subsidiaries to guarantee the use of electricity and natural gas, and the submission of excise tax.

**24. 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.

The balances of financial assets and liabilities denominated in foreign currencies as at 31 March 2019 are summarised below.

Foreign currencies	Consolidated		Separate		Average exchange rate	
	financial statements		financial statements		Bought	Sold
	Financial assets	Financial liabilities	Financial assets	Financial liabilities		
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	3.9	0.2	-	-	31.6449	31.9785
Euro	0.8	0.6	0.8	-	35.3682	36.0628
Pound sterling	0.2	-	-	-	41.1944	42.0200
Yen	-	0.7	-	-	0.2837	0.2907
Yuan	-	0.5	-	-	4.6662	4.7778
Hong Kong dollar	-	0.5	-	-	4.0160	4.0894

**25. Events after the reporting period**

On 23 April 2019, the Annual General Meeting of the Company's shareholders passed a resolution to approve the dividend payment in respect of 2018 earnings of Baht 0.6 per share, or a total of Baht 600 million, additional from the interim dividends amounting to Baht 200 million, which will be paid to the Company's shareholders within 10 May 2019. Such dividend will be recorded in the second quarter of 2019.

**26. Approval of financial statements**

These interim financial statements were authorised for issue by the Company's Board of Directors on 10 May 2019.