

Carabao Group Public Company Limited and its subsidiaries  
Review report and consolidated interim financial statements  
For the three-month and six-month periods ended 30 June 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 30 June 2019, the related consolidated statements of income and comprehensive income for the three-month and six-month periods then ended, the related consolidated statements of changes in shareholders' equity and cash flows for the six-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: 8 August 2019

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

**Statement of financial position**

**As at 30 June 2019**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2019 (Unaudited but reviewed)	31 December 2018 (Audited)	30 June 2019 (Unaudited but reviewed)	31 December 2018 (Audited)
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	4	388,229	137,599	18,680	18,659
Trade and other receivables	3, 5	959,484	906,595	3,438	6,740
Short-term loans to related parties	3	-	-	3,211,327	3,995,936
Dividend receivable from related parties	3	-	-	369,999	479,998
Inventories	6	966,674	887,132	-	-
Other current assets	7	527,455	545,859	73	20
<b>Total current assets</b>		<b>2,841,842</b>	<b>2,477,185</b>	<b>3,603,517</b>	<b>4,501,353</b>
<b>Non-current assets</b>					
Investments in subsidiaries	8	-	-	5,098,180	4,364,853
Investment properties	9	105,349	99,968	-	-
Property, plant and equipment	10	10,955,645	11,090,295	-	-
Goodwill	11	474,494	499,923	-	-
Intangible assets	12	78,477	77,322	4,638	4,895
Deferred tax assets		49,097	63,183	6,942	6,258
Other long-term receivable - related party	3	-	-	26,172	26,172
Other non-current assets		11,861	12,045	-	-
<b>Total non-current assets</b>		<b>11,674,923</b>	<b>11,842,736</b>	<b>5,135,932</b>	<b>4,402,178</b>
<b>Total assets</b>		<b>14,516,765</b>	<b>14,319,921</b>	<b>8,739,449</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 30 June 2019**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June	31 December	30 June	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	339,581	275,000	10,000	-
Trade and other payables	3, 14	1,719,390	1,809,903	52,287	40,354
Current portion of long-term loans from financial institutions	15	421,750	401,250	-	-
Current portion of debentures	16	1,698,742	-	1,698,742	-
Income tax payable		209,814	265,836	6,394	7,462
Other current liabilities		13,526	12,452	-	-
<b>Total current liabilities</b>		<b>4,402,803</b>	<b>2,764,441</b>	<b>1,767,423</b>	<b>47,816</b>
<b>Non-current liabilities</b>					
Long-term loans from financial institutions, net of current portion	15	1,188,250	1,278,700	-	-
Debentures, net of current portion	16	1,088,253	2,785,920	1,088,253	2,785,920
Provision for long-term employee benefits	17	124,755	109,049	63,888	61,543
Deferred tax liabilities		1,390	1,466	-	-
Deposits received for rental	3	15,758	15,636	-	-
<b>Total non-current liabilities</b>		<b>2,418,406</b>	<b>4,190,771</b>	<b>1,152,141</b>	<b>2,847,463</b>
<b>Total liabilities</b>		<b>6,821,209</b>	<b>6,955,212</b>	<b>2,919,564</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 30 June 2019**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
	(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	(368,686)	(368,686)	-	-
Retained earnings				
Appropriated - statutory reserve	100,000	100,000	100,000	100,000
Unappropriated	2,511,651	2,140,042	647,946	836,313
Other components of shareholders' equity	(104,897)	(89,678)	-	-
Equity attributable to owners of the Company	7,533,223	7,176,833	5,819,885	6,008,252
Non-controlling interests of the subsidiary	162,333	187,876	-	-
<b>Total shareholders' equity</b>	<b>7,695,556</b>	<b>7,364,709</b>	<b>5,819,885</b>	<b>6,008,252</b>
<b>Total liabilities and shareholders' equity</b>	<b>14,516,765</b>	<b>14,319,921</b>	<b>8,739,449</b>	<b>8,903,531</b>
	-	-	-	-

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

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Directors  
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(Unaudited but reviewed)

**Carabao Group Public Company Limited and its subsidiaries****Statement of income****For the three-month period ended 30 June 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	3,753,510	3,613,938	-	-
Dividend income from subsidiaries	8	-	-	369,999	203,999
Other income	19	27,861	29,003	94,321	97,795
<b>Total revenues</b>		<u>3,781,371</u>	<u>3,642,941</u>	<u>464,320</u>	<u>301,794</u>
<b>Expenses</b>					
Cost of sales		2,343,678	2,471,549	-	-
Selling and distribution expenses		531,054	701,295	-	-
Administrative expenses		191,182	192,227	51,714	54,514
Other expenses		-	11,458	626	-
<b>Total expenses</b>		<u>3,065,914</u>	<u>3,376,529</u>	<u>52,340</u>	<u>54,514</u>
<b>Profit before finance cost and income tax expenses</b>		<u>715,457</u>	<u>266,412</u>	<u>411,980</u>	<u>247,280</u>
Finance cost		(33,171)	(26,599)	(17,083)	(15,818)
<b>Profit before income tax expenses</b>		<u>682,286</u>	<u>239,813</u>	<u>394,897</u>	<u>231,462</u>
Income tax expenses	20	(134,107)	(81,834)	(4,983)	(5,503)
<b>Profit for the period</b>		<u>548,179</u>	<u>157,979</u>	<u>389,914</u>	<u>225,959</u>
<b>Profit attribution to</b>					
Equity holders of the Company		552,173	209,948	<u>389,914</u>	<u>225,959</u>
Non-controlling interest of the subsidiaries		(3,994)	(51,969)		
		<u>548,179</u>	<u>157,979</u>		
<b>Earnings per share</b>					
21					
Basic earnings per share					
Profit attributable to equity holders of the Company		<u>0.55</u>	<u>0.21</u>	<u>0.39</u>	<u>0.23</u>
Weighted average number of ordinary shares					
(Thousand shares)		<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>

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

(Unaudited but reviewed)

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

**Statement of comprehensive income**

**For the three-month period ended 30 June 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>548,179</u>	<u>157,979</u>	<u>389,914</u>	<u>225,959</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>(38,820)</u>	<u>1,415</u>	<u>-</u>	<u>-</u>
<b>Other comprehensive income for the period</b>	<u>(38,820)</u>	<u>1,415</u>	<u>-</u>	<u>-</u>
<b>Total comprehensive income for the period</b>	<u><u>509,359</u></u>	<u><u>159,394</u></u>	<u><u>389,914</u></u>	<u><u>225,959</u></u>
<b>Total comprehensive income attribution to</b>				
Equity holders of the Company	516,841	218,922	<u>389,914</u>	<u>225,959</u>
Non-controlling interest of the subsidiaries	<u>(7,482)</u>	<u>(59,528)</u>		
<b>Total comprehensive income for the period</b>	<u><u>509,359</u></u>	<u><u>159,394</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 income****For the six-month period ended 30 June 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	7,114,291	6,955,206	-	-
Dividend income from subsidiaries	8	-	-	369,999	203,999
Other income	19	56,122	70,566	189,813	193,883
<b>Total revenues</b>		<u>7,170,413</u>	<u>7,025,772</u>	<u>559,812</u>	<u>397,882</u>
<b>Expenses</b>					
Cost of sales		4,515,096	4,818,393	-	-
Selling and distribution expenses		1,011,495	1,319,757	-	-
Administrative expenses		386,185	387,173	102,298	109,831
Other expenses		7,669	-	774	-
<b>Total expenses</b>		<u>5,920,445</u>	<u>6,525,323</u>	<u>103,072</u>	<u>109,831</u>
<b>Profit before finance cost and income tax expenses</b>		<u>1,249,968</u>	<u>500,449</u>	<u>456,740</u>	<u>288,051</u>
Finance cost		(67,872)	(51,132)	(34,692)	(30,209)
<b>Profit before income tax expenses</b>		<u>1,182,096</u>	<u>449,317</u>	<u>422,048</u>	<u>257,842</u>
Income tax expenses	20	(235,277)	(161,024)	(10,415)	(10,775)
<b>Profit for the period</b>		<u>946,819</u>	<u>288,293</u>	<u>411,633</u>	<u>247,067</u>
<b>Profit attribution to</b>					
Equity holders of the Company		971,609	390,466	<u>411,633</u>	<u>247,067</u>
Non-controlling interest of the subsidiaries		(24,790)	(102,173)		
		<u>946,819</u>	<u>288,293</u>		
<b>Earnings per share</b>					
21					
Basic earnings per share					
Profit attributable to equity holders of the Company		<u>0.97</u>	<u>0.39</u>	<u>0.41</u>	<u>0.25</u>
Weighted average number of ordinary shares					
(Thousand shares)		<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>

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



(Unaudited but reviewed)

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

**Statement of comprehensive income**

**For the six-month period ended 30 June 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>946,819</u>	<u>288,293</u>	<u>411,633</u>	<u>247,067</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>(15,972)</u>	<u>(17,348)</u>	<u>-</u>	<u>-</u>
<b>Other comprehensive income for the period</b>	<u>(15,972)</u>	<u>(17,348)</u>	<u>-</u>	<u>-</u>
<b>Total comprehensive income for the period</b>	<u>930,847</u>	<u>270,945</u>	<u>411,633</u>	<u>247,067</u>
<b>Total comprehensive income attribution to</b>				
Equity holders of the Company	956,390	375,843	<u>411,633</u>	<u>247,067</u>
Non-controlling interest of the subsidiaries	<u>(25,543)</u>	<u>(104,898)</u>		
<b>Total comprehensive income for the period</b>	<u>930,847</u>	<u>270,945</u>		

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

(Unaudited but reviewed)

**Carabao Group Public Company Limited and its subsidiaries****Statement of cash flows****For the six-month period ended 30 June 2019**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<b>Cash flows from operating activities</b>				
Profit before tax	1,182,096	449,317	422,048	257,842
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities				
Dividend income	-	-	(369,999)	(203,999)
Depreciation and amortisation	265,759	215,397	257	43
Gain on sales of short-term investments				
in trading securities	-	(9)	-	(9)
Allowance for doubtful accounts (reversal)	10,503	(102)	-	-
Reduction cost of inventory to net realisable value	1,197	3,769	-	-
Loss (gain) on sales of equipment	227	(1,730)	-	-
Provision for long-term employee benefits	15,706	9,815	2,345	3,466
Amortisation of transaction cost for debentures issuance	1,075	76	1,075	76
Realised and unrealised loss (gain) on exchange	4,908	(6,013)	695	(1,963)
Interest income	(615)	(662)	(49,366)	(63,388)
Interest expenses	63,545	47,528	33,513	30,026
<b>Profit from operating activities before changes in operating assets and liabilities</b>	<b>1,544,401</b>	<b>717,386</b>	<b>40,568</b>	<b>22,094</b>
Operating assets (increase) decrease				
Trade and other receivables	(64,789)	(74,340)	(189)	2,194
Inventories	(80,526)	(164,411)	-	-
Other current assets	19,370	(151,171)	(53)	(69)
Other non-current assets	184	2,007	-	-
Operating liabilities increase (decrease)				
Trade and other payables	77,027	455,743	12,107	109
Other current liabilities	1,074	(201)	-	(168)
Deposits received for rental	122	-	-	-
Cash paid for long-term employee benefits	-	(126)	-	-
<b>Cash flows from operating activities</b>	<b>1,496,863</b>	<b>784,887</b>	<b>52,433</b>	<b>24,160</b>
Cash received from interest income	615	663	52,931	101,296
Interest paid	(63,790)	(45,330)	(33,687)	(28,800)
Cash paid for corporate income tax	(278,180)	(106,115)	(12,167)	(13,407)
<b>Net cash flows from operating activities</b>	<b>1,155,508</b>	<b>634,105</b>	<b>59,510</b>	<b>83,249</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 six-month period ended 30 June 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	-	-	(1,142,000)	(1,717,500)
Cash received from repayment of short-term loan to related parties	-	-	1,925,840	1,374,099
Increase in investments in subsidiaries	-	-	(733,327)	(1,020,330)
Increase in investments properties	-	(823)	-	-
Proceeds from sales of equipment	1,203	3,383	-	-
Cash paid for acquisition of property, plant and equipment	(304,868)	(1,593,616)	-	-
Cash paid for acquisition of intangible assets	(4,375)	(4,349)	-	(780)
Dividend income from subsidiaries	-	-	479,998	599,998
<b>Net cash flows from (used in) investing activities</b>	<b>(308,040)</b>	<b>(1,588,266)</b>	<b>530,511</b>	<b>(757,374)</b>
<b>Cash flows from financing activities</b>				
Increase in short-term loans from financial institutions	3,309,917	4,124,000	1,775,000	2,189,000
Cash paid for repayment of short-term loans from financial institutions	(3,245,336)	(4,309,000)	(1,765,000)	(2,434,000)
Increase in long-term loans from financial institutions	55,050	832,620	-	-
Cash paid for repayment of long-term loans from financial institutions	(125,000)	(1,517,900)	-	(1,000,000)
Net cash received from issuance of debentures	-	2,415,969	-	2,415,969
Cash received from additional call up for the shares of subsidiary	-	57,200	-	-
Dividend paid	(600,000)	(500,000)	(600,000)	(500,000)
<b>Net cash from (used in) financing activities</b>	<b>(605,369)</b>	<b>1,102,889</b>	<b>(590,000)</b>	<b>670,969</b>
Increase (decrease) in translation adjustments	8,640	(2,883)	-	-
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>250,739</b>	<b>145,845</b>	<b>21</b>	<b>(3,156)</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	(109)	(222)	-	-
<b>Cash and cash equivalents at end of period</b>	<b>388,229</b>	<b>292,390</b>	<b>18,680</b>	<b>12,174</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 six-month period ended 30 June 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>Supplemental disclosures of cash flows information</b>				
Non-cash related transactions				
Dividend receivable	-	-	369,999	203,999
Decrease in short-term loans from non-controlling interests of the subsidiary and interest payable from debt conversion	-	(58,639)	-	-
Decrease in payable for purchasing of plant and equipment	(165,859)	(84,672)	-	-
Increase (decrease) in payable for purchasing of intangible assets	(48)	677	-	780
Increase (decrease) in retention payable	(3,931)	2,683	-	-
Transfer property, plant and equipment to investment properties	7,424	-	-	-

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

(Unaudited but reviewed)

## Carabao Group Public Company Limited and its subsidiaries

## Statement of changes in shareholders' equity

For the six-month period ended 30 June 2019

(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 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		-	-	-	-	-	-	390,466	-	390,466	(102,173)	288,293
Other comprehensive income for the period		-	-	-	-	-	-	-	(14,623)	(14,623)	(2,725)	(17,348)
Total comprehensive income for the period		-	-	-	-	-	-	390,466	(14,623)	375,843	(104,898)	270,945
Dividend paid	23	-	-	-	-	-	-	(500,000)	-	(500,000)	-	(500,000)
Effect of additional call up for the shares of subsidiary		-	-	-	-	-	-	-	-	-	57,200	57,200
Effect of change in percentage of shareholding in overseas subsidiary		-	-	-	-	(368,686)	-	-	-	(368,686)	427,325	58,639
<b>Balance as at 30 June 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>1,565,055</u>	<u>(70,583)</u>	<u>6,620,941</u>	<u>271,148</u>	<u>6,892,089</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		-	-	-	-	-	-	971,609	-	971,609	(24,790)	946,819
Other comprehensive income for the period		-	-	-	-	-	-	-	(15,219)	(15,219)	(753)	(15,972)
Total comprehensive income for the period		-	-	-	-	-	-	971,609	(15,219)	956,390	(25,543)	930,847
Dividend paid	23	-	-	-	-	-	-	(600,000)	-	(600,000)	-	(600,000)
<b>Balance as at 30 June 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>2,511,651</u>	<u>(104,897)</u>	<u>7,533,223</u>	<u>162,333</u>	<u>7,695,556</u>

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

(Unaudited but reviewed)

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

**Statement of changes in shareholders' equity (continued)**

**For the six-month period ended 30 June 2019**

(Unit: Thousand Baht)

		Separate financial statements					
				Surplus on	Retained earnings		
				changes in			
				percentage of	Appropriated -		
				shareholding	statutory reserve	Unappropriated	Total
	Note	Issued and fully paid-up share capital	Share premium	in local subsidiary			
<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		-	-	-	-	247,067	247,067
Other comprehensive income for the period		-	-	-	-	-	-
Total comprehensive income for the period		-	-	-	-	247,067	247,067
Dividend paid	23	-	-	-	-	(500,000)	(500,000)
<b>Balance as at 30 June 2018</b>		<u>1,000,000</u>	<u>3,962,980</u>	<u>108,959</u>	<u>100,000</u>	<u>511,177</u>	<u>5,683,116</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		-	-	-	-	411,633	411,633
Other comprehensive income for the period		-	-	-	-	-	-
Total comprehensive income for the period		-	-	-	-	411,633	411,633
Dividend paid	23	-	-	-	-	(600,000)	(600,000)
<b>Balance as at 30 June 2019</b>		<u>1,000,000</u>	<u>3,962,980</u>	<u>108,959</u>	<u>100,000</u>	<u>647,946</u>	<u>5,819,885</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 six-month periods ended 30 June 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:

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

TFRS 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 TFRS 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.

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.

## **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.

(Unaudited but reviewed)

The amounts of the adjustments affecting the income statement for the three-month and six-month periods ended 30 June 2018 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements	
	For the three-month period ended 30 June 2018	For the six-month period ended 30 June 2018
	Decrease	Decrease
<b>Income statement</b>		
Revenue from contracts with customers	13,830	22,148
Selling and distribution expenses	13,830	22,148

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 30 June				Transfer Pricing Policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	<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)					
Dividend income	-	-	370	204	At the declared rate
Management income	-	-	70	63	Contract price
Interest income	-	-	24	33	Contract price
Rental and service expenses	-	-	1	1	Contract price
<b><u>Transactions with individuals or related parties</u></b>					
Purchase of goods	298	179	-	-	Market price
Sales of goods	235	20	-	-	Market price
Promotion expenses	4	4	-	-	Contract price/ Mutually agreed prices
Rental and service expenses	8	-	-	-	Contract price
Service income	2	2	-	-	Contract price
Rental income	2	2	-	-	Contract price
Other expenses	1	1	-	-	Mutually agreed prices
Other income	1	-	-	-	Market price/ Mutually agreed prices

(Unaudited but reviewed)

(Unit: Million Baht)

	For the six-month periods ended 30 June				Transfer Pricing Policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	<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)					
Dividend income	-	-	370	204	At the declared rate
Management income	-	-	140	127	Contract price
Interest income	-	-	49	63	Contract price
Rental and service expenses	-	-	2	2	Contract price
Other income	-	-	-	1	Market price
<b><u>Transactions with individuals or related parties</u></b>					
Purchase of goods	536	380	-	-	Market price
Sales of goods	310	35	-	-	Market price
Promotion expenses	8	7	-	-	Contract price/ Mutually agreed prices
Rental and service expenses	12	-	-	-	Contract price
Service income	4	4	-	-	Contract price
Rental income	3	3	-	-	Contract price
Other expenses	3	3	-	-	Mutually agreed prices
Other income	2	1	-	-	Market price/ Mutually agreed prices

(Unaudited but reviewed)

The balances of the accounts as at 30 June 2019 and 31 December 2018 between the Company and those related companies are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2019	2018	2019	2018
<b><u>Trade and other receivables - related parties</u></b>				
<b>(Note 5)</b>				
Subsidiaries	-	-	1,425	4,889
Related companies				
(related by shareholders and directors)	214,598	92,532	-	-
Total trade and other receivables - related parties	<u>214,598</u>	<u>92,532</u>	<u>1,425</u>	<u>4,889</u>
<b><u>Dividend receivable from related party</u></b>				
Subsidiary	-	-	369,999	479,998
Total dividend receivable from related party	<u>-</u>	<u>-</u>	<u>369,999</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>				
Related companies				
(related by shareholders and directors)	32,290	32,301	-	-
Total trade and other payables - related parties	<u>32,290</u>	<u>32,301</u>	<u>-</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 30 June 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		Balance as at
		31 December	during	during	Gain (loss)	30 June
Loans to related parties	Related by	2018	the period	the period	on exchange	2019
Carabao Tawandang Co., Ltd.	Subsidiary	3,585,000	1,142,000	(1,543,000)	-	3,184,000
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	-	-	(1,715)	27,327
<b>Total</b>		<b>3,995,936</b>	<b>1,142,000</b>	<b>(1,925,840)</b>	<b>(769)</b>	<b>3,211,327</b>

As at 30 June 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 and six-month periods ended 30 June 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 30 June			
		Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
Short-term employee benefits		36	40	36	40
Post-employment benefits		-	1	-	1
<b>Total</b>		<b>36</b>	<b>41</b>	<b>36</b>	<b>41</b>

(Unit: Million Baht)

		For the six-month periods ended 30 June			
		Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
Short-term employee benefits		72	79	72	79
Post-employment benefits		1	2	1	2
<b>Total</b>		<b>73</b>	<b>81</b>	<b>73</b>	<b>81</b>

**Guarantee obligation**

As at 30 June 2019, the Company has guarantee obligations on credit facilities of the two subsidiaries, as described in Note 24.5.1 to the financial statements and guarantee obligations on long-term loan of a subsidiary, as described in Note 24.5.2 to the financial statements.

**4. Cash and cash equivalents**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
Cash	190	220	10	10
Bank deposits	388,039	137,379	18,670	18,649
Total cash and cash equivalents	<u>388,229</u>	<u>137,599</u>	<u>18,680</u>	<u>18,659</u>

As at 30 June 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	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	203,572	75,934	-	-
Past due				
Not over 3 months	8,624	12,219	-	-
Total trade receivables - related parties	212,196	88,153	-	-
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	563,174	590,517	-	-
Past due				
Not over 3 months	91,068	73,096	-	-
3 - 6 months	9,754	23,061	-	-
6 - 12 months	25,564	13,857	-	-
Over 12 months	20,835	4,217	-	-
Total trade receivables - unrelated parties	710,395	704,748	-	-
Less: Allowance for doubtful debts	(16,867)	(7,223)	-	-
Total trade receivables - unrelated parties - net	693,528	697,525	-	-
Total trade receivables - net	905,724	785,678	-	-
<u>Other receivables</u>				
Other receivables - related parties	2,124	3,859	105	78
Other receivables - unrelated parties	4,080	4,055	-	-
Accrued income - related parties	278	520	1,320	4,811
Accrued income - unrelated parties	110	94	-	-
Prepaid expenses	39,172	107,687	2,013	1,851
Advances	6,035	1,778	-	-
Excise tax receivables	168	610	-	-
Others	1,793	2,314	-	-
Total other receivables	53,760	120,917	3,438	6,740
Total trade and other receivables	959,484	906,595	3,438	6,740



## 6. Reduction of inventory to net realisable value

Movements in reduction of inventory to net realisable value account during the six-month period ended 30 June 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	1,197
Translation adjustment	(213)
Balance as at 30 June 2019	<u>9,604</u>

## 7. Other current assets

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
VAT receivable	507,971	523,636	-	-
Undue input VAT	6,694	9,250	73	20
Supplies for market promotion	6,294	7,300	-	-
Withholding tax deducted at sources	977	11	-	-
Others	5,519	5,662	-	-
Total other current assets	<u>527,455</u>	<u>545,859</u>	<u>73</u>	<u>20</u>

## 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		Dividend received during the six-month periods ended	
		30 June 2019	31 December 2018	30 June 2019	31 December 2018	30 June 2019	31 December 2018	30 June 2019	30 June 2018
		(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	239,999	203,999
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	130,000	-
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 83.6 million	USD 60.5 million	100	100	2,769,468	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>5,098,180</u>	<u>4,364,853</u>	<u>369,999</u>	<u>203,999</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.

On 28 June 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 78.4 million to USD 83.6 million (increase USD 5.2 million). The Company had already made the payment for share subscription. Such subsidiary registered the share capital increase on 28 June 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.

On 26 June 2019, the meeting of the Board of Directors of Intercarabao Limited (ICUK) pass a resolution to additional call up the remaining amount of its registered share capital of GBP 4.1 million. CVHLUX paid for the share subscription on 28 June 2019.

## 9. Investment properties

Movement of the investment properties account during the six-month period ended 30 June 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	7,424
Depreciation for the period	(2,043)
Net book value as at 30 June 2019	<u>105,349</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	
	30 June	31 December	30 June	31 December
	2019	2018	2019	2018
Trade payables - related parties	23,174	20,165	-	-
Trade payables - unrelated parties	874,387	932,403	-	-
Other payables - related parties	2,356	11,814	-	-
Other payables - unrelated parties	156,014	318,916	6,741	9,585
Accrued expenses - related parties	6,760	322	-	-
Accrued expenses - unrelated parties	477,272	329,382	45,546	30,769
Accrued excise tax	137,956	162,611	-	-
Advance received	41,471	34,290	-	-
<b>Total trade and other payables</b>	<b>1,719,390</b>	<b>1,809,903</b>	<b>52,287</b>	<b>40,354</b>

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

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	30 June	31 December
	2019	2018
Long-term loans	1,610,000	1,679,950
Less: Portion due within one year	(421,750)	(401,250)
<b>Long-term loans - net of current portion</b>	<b>1,188,250</b>	<b>1,278,700</b>

During the six-month period ended 30 June 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
Less: Paid during the period	(125,000)
<b>Balance as at 30 June 2019</b>	<b>1,610,000</b>

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 24.5.2). The long-term loan agreement contains conditions that require the subsidiary to comply with certain conditions and restrictions stipulated in the agreement, i.e. to maintain the consolidated financial statements' debt to equity ratio at the rate prescribed in the agreement. As at 30 June 2019, such subsidiary had outstanding long-term loan of Baht 155 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 30 June 2019, such subsidiary had outstanding long-term loan of Baht 1,455 million (31 December 2018: Baht 1,400 million).

## 16. Debentures

	Interest rate	Maturity date	(Unit: Thousand Baht)	
			Consolidated/separate	
			financial statements	
	(Percent)		30 June	31 December
			2019	2018
No. 1/2018 - Series 1	2.23	15 June 2020	1,700,000	1,700,000
- 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			(3,005)	(4,080)
Total debentures			2,786,995	2,785,920
Less: Portion due within one year			(1,698,742)	-
Debentures - net of current portion			1,088,253	2,785,920

During the six-month period ended 30 June 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	1,075
Balance as at 30 June 2019	<u>2,786,995</u>

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 six-month period ended 30 June 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	6,130	1,836
Interest cost	1,009	298
Past service cost	8,567	211
Balance as at 30 June 2019	<u>124,755</u>	<u>63,888</u>

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.

(Unaudited but reviewed)

**18. Revenue from contracts with customers**

(Unit: Thousand Baht)

For the three-month periods  
ended 30 June

	Consolidated financial statements	
	<u>2019</u>	<u>2018</u>
		(Restated)
Revenue from sales of energy drinks	3,267,574	3,137,886
Revenue from sales of products under Carabao's trademark	149,450	228,068
Revenue from other products	315,210	245,992
Others	21,276	1,992
Total revenue from contracts with customers - recognised at a point in time	<u>3,753,510</u>	<u>3,613,938</u>

(Unit: Thousand Baht)

For the six-month periods  
ended 30 June

	Consolidated financial statements	
	<u>2019</u>	<u>2018</u>
		(Restated)
Revenue from sales of energy drinks	6,194,380	5,961,391
Revenue from sales of products under Carabao's trademark	288,886	464,080
Revenue from other products	605,623	514,903
Others	25,402	14,832
Total revenue from contracts with customers - recognised at a point in time	<u>7,114,291</u>	<u>6,955,206</u>

**19. Other income**

(Unit: Thousand Baht)

For the three-month periods ended 30 June

	Consolidated financial statements		Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Rental and service income	18,095	17,252	-	-
Scrap sales income	3,458	3,145	-	-
Income from sales and trade-off premium goods	413	358	-	-
Interest income	609	658	24,097	33,533
Gain on exchange	1,550	-	-	18
Gain on sales fixed assets	-	735	-	-
Management income	-	-	70,050	63,600
Others	3,736	6,855	174	644
<b>Total others income</b>	<b>27,861</b>	<b>29,003</b>	<b>94,321</b>	<b>97,795</b>

(Unit: Thousand Baht)

For the six-month periods ended 30 June

	Consolidated financial statements		Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Rental and service income	36,187	34,504	-	-
Scrap sales income	6,687	7,206	-	-
Income from sales and trade-off premium goods	1,409	2,930	-	-
Interest income	615	662	49,366	63,388
Gain on exchange	-	9,221	-	1,966
Gain on sales fixed assets	-	1,730	-	-
Management income	-	-	140,100	127,200
Others	11,224	14,313	347	1,329
<b>Total others income</b>	<b>56,122</b>	<b>70,566</b>	<b>189,813</b>	<b>193,883</b>



**20. Income tax**

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

Income tax expenses for the three-month and six-month periods ended 30 June 2019 and 2018 are made up as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 June			
	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	127,185	86,831	5,305	5,059
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	6,922	(4,997)	(322)	444
<b>Income tax expenses reported in the income statements</b>	<b>134,107</b>	<b>81,834</b>	<b>4,983</b>	<b>5,503</b>

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	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	221,191	165,045	11,099	10,685
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	14,086	(4,021)	(684)	90
<b>Income tax expenses reported in the income statements</b>	<b>235,277</b>	<b>161,024</b>	<b>10,415</b>	<b>10,775</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.

	For the three-month periods ended 30 June			
	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)	552,173	209,948	389,914	225,959
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)	0.55	0.21	0.39	0.23

	For the six-month periods ended 30 June			
	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)	971,609	390,466	411,633	247,067
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)	0.97	0.39	0.41	0.25

**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 and six-month periods ended 30 June 2019 and 2018.

(Unaudited but reviewed)

(Unit: Million Baht)

Consolidated financial statements										
For the three-month periods ended 30 June										
	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>
		(Restated)		(Restated)		(Restated)		(Restated)		(Restated)
<b>Revenue</b>										
Revenue from external customers	3,267	3,138	150	228	316	246	21	2	3,754	3,614
<b>Segment gross profit</b>	<b>1,357</b>	<b>1,095</b>	<b>18</b>	<b>20</b>	<b>27</b>	<b>26</b>	<b>7</b>	<b>1</b>	<b>1,409</b>	<b>1,142</b>
Others income									28	29
Selling and distribution expenses									(531)	(701)
Administrative expenses									(191)	(192)
Other expenses									-	(11)
Finance cost									(33)	(27)
<b>Profit before income tax expenses</b>									<b>682</b>	<b>240</b>
Income tax expenses									(134)	(82)
<b>Profit for the period</b>									<b>548</b>	<b>158</b>

(Unit: Million Baht)

Consolidated financial statements										
For the six-month periods ended 30 June										
	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>
		(Restated)		(Restated)		(Restated)		(Restated)		(Restated)
<b>Revenue</b>										
Revenue from external customers	6,194	5,961	289	464	606	515	25	15	7,114	6,955
<b>Segment gross profit</b>	<b>2,500</b>	<b>2,036</b>	<b>36</b>	<b>41</b>	<b>54</b>	<b>56</b>	<b>9</b>	<b>4</b>	<b>2,599</b>	<b>2,137</b>
Others income									56	70
Selling and distribution expenses									(1,011)	(1,320)
Administrative expenses									(386)	(387)
Other expenses									(8)	-
Finance cost									(68)	(51)
<b>Profit before income tax expenses</b>									<b>1,182</b>	<b>449</b>
Income tax expenses									(235)	(161)
<b>Profit for the period</b>									<b>947</b>	<b>288</b>

**Geographic information**

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

	(Unit: Million Baht)			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	<u>2019</u>	<u>2018</u> (Restated)	<u>2019</u>	<u>2018</u> (Restated)
Revenue from external customers				
Domestic				
Thailand	2,006	1,974	3,712	3,764
Overseas				
CLMV group	1,276	1,313	2,720	2,589
China	188	195	240	404
United Kingdom	12	20	29	63
Others	272	112	413	135
Total	<u>3,754</u>	<u>3,614</u>	<u>7,114</u>	<u>6,955</u>

During the six-month period ended 30 June 2019, the Company and its subsidiaries had revenue from domestic sales at 52 percent and revenue from overseas sales at 48 percent (2018: revenue from domestic sales at 54 percent and revenue from overseas sales at 46 percent).

**Major customers**

During the six-month period ended 30 June 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. 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 2019</u></b>				
Dividend from 2018 income	Annual General Meeting of the Shareholders on 23 April 2019	600	0.6	May 2019
<b>Total dividend for 2019</b>		<b>600</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
<b>Total dividend for 2018</b>		<b>500</b>		
<b><u>Subsidiaries</u></b>				
<b><u>For the year 2019</u></b>				
Interim dividend	Board of directors' meeting of Carabao Tawandang Co., Ltd. on 10 May 2019	240	80.0	September 2019
Interim dividend	Board of directors' meeting of Asia Pacific Glass Co., Ltd. on 10 May 2019	130	1.0	September 2019
<b>Total dividend for 2019</b>		<b>370<sup>(1)</sup></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>		<b>204<sup>(1)</sup></b>		

<sup>(1)</sup>As at 30 June 2019 and 2018, the Company had outstanding dividend receivable in separate financial statements of Baht 370 million and Baht 204 million, respectively, which the subsidiary will pay to shareholders within September 2019 and 2018, respectively.

**24. Commitments and contingent liabilities****24.1 Capital commitments**

As at 30 June 2019, the subsidiaries had capital commitments, relating to the construction of factory buildings and acquisition of machinery as follows:

	(Unit: Million) Consolidated financial statements
Foreign currencies:	
Thai Baht	13.4
Yen	5.5
Euro	0.2

## 24.2 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 June 2019, the Company and its subsidiaries had future minimum lease payments required under these non-cancellable operating leases and service contracts were as follows.

	Consolidated financial statements	(Unit: Million Baht) Separate financial statements
Payable:		
In up to 1 year	146.2	3.8
In over 1 year and up to 5 years	89.5	0.9

## 24.3 Significant agreements with related parties

24.3.1 On 17 July 2012, Carabao Tawandang Co., Ltd., (a subsidiary) and Tawandang DCM Co., Ltd., (another subsidiary), entered into an agency agreement whereby the Tawandang DCM 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.

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

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

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

24.3.4 On 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.

24.3.5 Carabao Tawandang Co., Ltd. (a subsidiary) entered into a rental and service agreement with the Company, two subsidiaries, and three 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.

24.3.6 On 1 February 2016, Carabao Tawandang Co., Ltd. (a subsidiary) and Tawandang DCM Co., Ltd. (another subsidiary), entered into a trademark license agreement for using trademark of Carabao Tawandang Co., Ltd. for certain product. The agreement is effective for a period of 2 years between 1 February 2016 and 31 January 2018 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.

24.3.7 Tawandang DCM Co., Ltd. (a subsidiary) entered into an agency agreement with three related companies whereby the Tawandang DCM Co., Ltd. agreed to be a sole distributor of such three related companies' products. The agreement is effective for a period of 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.

24.3.8 On 20 October 2016, Carabao Tawandang Co., Ltd. (a subsidiary) and Carabao Venture Holdings (Luxembourg) S.à r.l. (another subsidiary), entered into an agency agreement whereby the Carabao Venture Holdings (Luxembourg) S.à r.l. 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.

- 24.3.9 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.
- 24.3.10 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.
- 24.3.11 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.

#### **24.4 Sponsorship agreement**

- 24.4.1 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.
- 24.4.2 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 June 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.

24.4.3 On 16 June 2016, Intercarabao Limited (a subsidiary) entered into a sponsorship agreement with a football club registered in England concerning the marketing right to promote the brands and trademarks of the subsidiary in a football match. The agreement is effective for a period of 3 years between 1 June 2016 and 31 May 2019.

24.4.4 On 1 November 2016, Carabao Venture Holdings (Luxembourg) S.à r.l. (a subsidiary) entered into a sponsorship agreement with The Football League Limited which is incorporated in England. Under the condition of this agreement, the subsidiary is entitled to formally use the name and trademark of Carabao Tawandang Co., Ltd. (another subsidiary) to be the title of the football match and to promote the brand and trademark over a period of 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.

On 22 May 2019, the subsidiaries have entered into an amendment to the agreement to extend a period under the sponsorship agreement with The Football League Limited over a period of 2 seasons (from 2020/2021 Season to 2021/2022 Season). The subsidiaries are obliged to pay a fee to such company under the terms and conditions specified in this agreement. The agreement is effective from the date on the agreement until 31 May 2022.

## 24.5 Guarantees

24.5.1 As at 30 June 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.

24.5.2 As at 30 June 2019, the Company has guaranteed long-term loan of Carabao Tawandang Co., Ltd. (a subsidiary) with a given credit facility of Baht 1,500 million.

24.5.3 As at 30 June 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.

## 25. Financial instruments

### Foreign currency risk

The Company and its subsidiaries' 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 30 June 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	5.1	1.0	-	-	30.5733	30.9152
Euro	0.8	0.7	0.8	-	34.5912	35.3056
Pound sterling	0.2	-	-	-	38.5568	39.3988
Yen	-	6.8	-	-	0.2818	0.2892
Hong Kong dollar	-	0.6	-	-	3.9001	3.9771
Yuan	-	0.5	-	-	4.4187	4.5251

## 26. Approval of financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 8 August 2019.