

Carabao Group Public Company Limited and its subsidiaries
Review report and interim financial information
For the three-month and six-month periods ended 30 June 2020

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 2020, 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 interim consolidated financial statements, and have also reviewed the separate financial information of Carabao Group Public Company Limited for the same periods (collectively "interim financial information"). 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.

Emphasis of Matter

I draw attention to Note 1.2 to the interim consolidated financial statements regarding the COVID-19 pandemic which is resulting in an economic slowdown and adversely impacting most businesses and industries. This situation affects the Group's business activities in terms of ability to achieve the expected sales and profit of the entity in the United Kingdom and may significantly impact the financial performance and cash flows used in the consideration of the impairment of investments in subsidiaries and goodwill. However, the impact cannot be reasonably estimated at this stage. The Group's management has continuously monitored the ongoing developments and assessed the financial impact and will record the impact when it is possible to do so.

Moreover, I draw attention to Note 1.5 to the interim consolidated financial statements. Due to the impact of the COVID-19 outbreak, in preparing the interim financial information for the three-month and six-month periods ended 30 June 2020, the Group has adopted the Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic issued by the Federation of Accounting Professions.

My conclusion is not modified in respect of the above matters.

Kamontip Lertwitworatep

Certified Public Accountant (Thailand) No. 4377

EY Office Limited

Bangkok: 7 August 2020

Carabao Group Public Company Limited and its subsidiaries

Statement of financial position

As at 30 June 2020

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June	31 December	30 June	31 December
		2020	2019	2020	2019
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents	4	868,192	961,954	22,245	576,955
Trade and other receivables	3, 5	1,182,307	1,140,321	3,196	2,652
Short-term loans to related parties	3	-	-	3,442,122	2,486,368
Dividend receivable from related parties	3	-	-	299,999	2,949,991
Inventories	6	1,239,716	991,625	-	-
Other current financial assets	7	19,880	-	19,880	-
Other current assets	8	107,853	103,510	595	73
Total current assets		3,417,948	3,197,410	3,788,037	6,016,039
Non-current assets					
Investments in subsidiaries	9	-	-	4,092,116	3,670,617
Investment properties	10	109,159	103,220	-	-
Property, plant and equipment	11	10,952,231	10,872,367	-	-
Right-of-use assets	12	273,506	-	58,851	-
Goodwill	13	462,623	481,115	-	-
Intangible assets	14	89,863	81,156	4,117	4,376
Deferred tax assets		46,362	33,492	308,226	307,742
Other long-term receivable - related party	3	-	-	26,172	26,172
Other non-current assets		11,090	11,275	-	-
Total non-current assets		11,944,834	11,582,625	4,489,482	4,008,907
Total assets		15,362,782	14,780,035	8,277,519	10,024,946

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 2020

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June	31 December	30 June	31 December
		2020	2019	2020	2019
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	15	1,095,000	6,762	795,000	-
Trade and other payables	3, 16	1,663,223	1,446,721	77,012	75,661
Current portion of long-term loan from financial institution	17	291,000	291,000	-	-
Current portion of lease liabilities	3, 18	90,544	-	1,732	-
Current portion of debentures	19	1,089,133	1,699,428	1,089,133	1,699,428
Income tax payable		672,088	320,547	-	1,606
Other current liabilities		9,473	12,822	19	-
Total current liabilities		4,910,461	3,777,280	1,962,896	1,776,695
Non-current liabilities					
Long-term loan from financial institution, net of current portion	17	897,250	1,042,750	-	-
Lease liabilities, net of current portion	3, 18	184,550	-	57,511	-
Debentures, net of current portion	19	-	1,088,692	-	1,088,692
Provision for long-term employee benefits	20	135,063	135,780	62,814	68,006
Deferred tax liabilities		-	1,411	-	-
Deposits received for rental	3	4,114	15,758	-	-
Total non-current liabilities		1,220,977	2,284,391	120,325	1,156,698
Total liabilities		6,131,438	6,061,671	2,083,221	2,933,393

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 2020

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2020 (Unaudited but reviewed)	31 December 2019 (Audited)	30 June 2020 (Unaudited but reviewed)	31 December 2019 (Audited)
Liabilities and shareholders' equity (continued)				
Shareholders' equity				
Share capital				
Registered				
1,000,000,000 ordinary shares of Baht 1 each	1,000,000	1,000,000	1,000,000	1,000,000
Issued and fully paid up				
1,000,000,000 ordinary shares of Baht 1 each	1,000,000	1,000,000	1,000,000	1,000,000
Share premium	3,962,980	3,962,980	3,962,980	3,962,980
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	4,018,932	3,536,648	1,022,359	1,919,614
Other components of shareholders' equity	(127,583)	(97,307)	-	-
Equity attributable to owners of the Company	9,017,818	8,565,810	6,194,298	7,091,553
Non-controlling interests of the subsidiary	213,526	152,554	-	-
Total shareholders' equity	9,231,344	8,718,364	6,194,298	7,091,553
Total liabilities and shareholders' equity	15,362,782	14,780,035	8,277,519	10,024,946
	-	-	-	-

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 2020**

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

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Revenues					
Revenues from contracts with customers	21	4,507,640	3,753,510	-	-
Dividend income from subsidiaries		-	-	299,999	369,999
Other income	22	31,588	27,861	94,052	94,321
Total revenues		4,539,228	3,781,371	394,051	464,320
Expenses					
Cost of sales		2,673,725	2,343,678	-	-
Selling and distribution expenses		470,420	531,054	-	-
Administrative expenses		294,174	191,182	68,865	51,714
Other expenses		-	-	1,028	626
Total expenses		3,438,319	3,065,914	69,893	52,340
Profit from operating activities		1,100,909	715,457	324,158	411,980
Finance cost		(31,690)	(33,171)	(17,910)	(17,083)
Profit before income tax expenses		1,069,219	682,286	306,248	394,897
Income tax expenses	23	(178,595)	(134,107)	(1,750)	(4,983)
Profit for the period		890,624	548,179	304,498	389,914
Profit or loss attributable to					
Equity holders of the Company		881,336	552,173	304,498	389,914
Non-controlling interest of the subsidiaries		9,288	(3,994)		
		<u>890,624</u>	<u>548,179</u>		
Earnings per share					
Basic earnings per share	24				
Profit attributable to equity holders of the Company (Baht)		<u>0.88</u>	<u>0.55</u>	<u>0.30</u>	<u>0.39</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 2020

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Profit for the period	<u>890,624</u>	<u>548,179</u>	<u>304,498</u>	<u>389,914</u>
Other comprehensive income:				
<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>(53,447)</u>	<u>(38,820)</u>	<u>-</u>	<u>-</u>
Other comprehensive income for the period	<u>(53,447)</u>	<u>(38,820)</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u>837,177</u>	<u>509,359</u>	<u>304,498</u>	<u>389,914</u>
Total comprehensive income attributable to				
Equity holders of the Company	825,893	516,841	<u>304,498</u>	<u>389,914</u>
Non-controlling interest of the subsidiaries	<u>11,284</u>	<u>(7,482)</u>		
Total comprehensive income for the period	<u>837,177</u>	<u>509,359</u>		

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

Carabao Group Public Company Limited and its subsidiaries**Statement of income****For the six-month period ended 30 June 2020**

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

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Revenues					
Revenues from contracts with customers	21	8,568,483	7,114,291	-	-
Dividend income from subsidiaries		-	-	299,999	369,999
Other income	22	57,402	56,122	181,306	189,813
Total revenues		8,625,885	7,170,413	481,305	559,812
Expenses					
Cost of sales		5,012,915	4,515,096	-	-
Selling and distribution expenses		969,731	1,011,495	-	-
Administrative expenses		521,882	386,185	141,882	102,298
Other expenses		-	7,669	-	774
Total expenses		6,504,528	5,920,445	141,882	103,072
Profit from operating activities		2,121,357	1,249,968	339,423	456,740
Finance cost		(62,834)	(67,872)	(35,179)	(34,692)
Profit before income tax expenses		2,058,523	1,182,096	304,244	422,048
Income tax expenses	23	(344,578)	(235,277)	(1,499)	(10,415)
Profit for the period		1,713,945	946,819	302,745	411,633
Profit or loss attributable to					
Equity holders of the Company		1,682,284	971,609	302,745	411,633
Non-controlling interest of the subsidiaries		31,661	(24,790)		
		<u>1,713,945</u>	<u>946,819</u>		
Earnings per share					
Basic earnings per share	24				
Profit attributable to equity holders of the Company (Baht)		1.68	0.97	0.30	0.41
Weighted average number of ordinary shares (Thousand shares)		1,000,000	1,000,000	1,000,000	1,000,000

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 2020

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Profit for the period	<u>1,713,945</u>	<u>946,819</u>	<u>302,745</u>	<u>411,633</u>
Other comprehensive income:				
<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>(30,965)</u>	<u>(15,972)</u>	<u>-</u>	<u>-</u>
Other comprehensive income for the period	<u>(30,965)</u>	<u>(15,972)</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u>1,682,980</u>	<u>930,847</u>	<u>302,745</u>	<u>411,633</u>
Total comprehensive income attributable to				
Equity holders of the Company	1,652,008	956,390	<u>302,745</u>	<u>411,633</u>
Non-controlling interest of the subsidiaries	<u>30,972</u>	<u>(25,543)</u>		
Total comprehensive income for the period	<u>1,682,980</u>	<u>930,847</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 2020**

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Cash flows from operating activities				
Profit before tax	2,058,523	1,182,096	304,244	422,048
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities				
Dividend income	-	-	(299,999)	(369,999)
Depreciation and amortisation	330,296	265,759	1,498	257
Gain on sales of investments in trading securities	(178)	-	(178)	-
Gain on changes in value of investments in trading securities	(4)	-	(4)	-
Allowance for expected credit losses	4,253	10,503	-	-
Reduction of inventories to net realisable value	13,428	1,197	-	-
Loss (gain) on disposals of equipment	(2,487)	227	-	-
Provision for long-term employee benefits	7,810	15,706	1,407	2,345
Amortisation of transaction cost for debenture issuance	1,013	1,075	1,013	1,075
Realised and unrealised loss (gain) on exchange	2,429	4,908	(757)	695
Interest income	(3,505)	(615)	(40,117)	(49,366)
Interest expenses	58,295	63,545	34,088	33,513
Profit from operating activities before changes in operating assets and liabilities	2,469,873	1,544,401	1,195	40,568
Operating assets (increase) decrease				
Trade and other receivables	(46,873)	(64,789)	(563)	(189)
Inventories	(261,530)	(80,526)	-	-
Other current assets	(399)	19,370	52	(53)
Other non-current assets	185	184	-	-
Operating liabilities increase (decrease)				
Trade and other payables	245,146	77,027	3,166	12,107
Other current liabilities	(3,349)	1,074	19	-
Deposits received for rental	(11,644)	122	-	-
Cash paid for long-term employee benefits	(8,527)	-	(6,599)	-
Cash from (used in) operating activities	2,382,882	1,496,863	(2,730)	52,433
Cash received from interest income	3,794	615	40,139	52,931
Interest paid	(57,219)	(63,790)	(35,000)	(33,687)
Cash paid for income tax	(11,273)	(278,180)	(4,163)	(12,167)
Net cash from (used in) operating activities	2,318,184	1,155,508	(1,754)	59,510

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 2020**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from investing activities				
Increase in investments in trading securities	(840,000)	-	(840,000)	-
Cash received from sales of investments in trading securities	820,302	-	820,302	-
Increase in short-term loans to related parties	-	-	(1,940,000)	(1,142,000)
Cash received from repayment of short-term loans to related parties	-	-	985,000	1,925,840
Increase in investments in subsidiaries	-	-	(421,499)	(733,327)
Proceeds from disposals of equipment	2,922	1,203	-	-
Cash paid for acquisitions of property, plant and equipment	(379,986)	(304,868)	-	-
Cash paid for acquisitions of intangible assets	(5,736)	(4,375)	-	-
Cash paid for acquisitions of investment properties	(333)	-	-	-
Dividend income from subsidiaries	-	-	2,949,991	479,998
Net cash from (used in) investing activities	(402,831)	(308,040)	1,553,794	530,511
Cash flows from financing activities				
Increase in short-term loans from financial institutions	2,206,853	3,309,917	1,000,000	1,775,000
Cash paid for repayment of short-term loans from financial institutions	(1,118,780)	(3,245,336)	(205,000)	(1,765,000)
Increase in long-term loan from financial institution	-	55,050	-	-
Cash paid for repayment of long-term loan from financial institution	(145,500)	(125,000)	-	-
Cash paid for lease liabilities	(65,088)	-	(1,750)	-
Cash paid for redemption of debentures	(1,700,000)	-	(1,700,000)	-
Cash received from non-controlling interests of the subsidiary for issuance of ordinary shares of subsidiary	30,000	-	-	-
Dividend paid	(1,200,000)	(600,000)	(1,200,000)	(600,000)
Net cash used in financing activities	(1,992,515)	(605,369)	(2,106,750)	(590,000)
Increase (decrease) in translation adjustments	(12,896)	8,640	-	-
Net increase (decrease) in cash and cash equivalents	(90,058)	250,739	(554,710)	21
Cash and cash equivalents at beginning of period	961,954	137,599	576,955	18,659
Effect of change in foreign exchange rate on cash at banks	(3,704)	(109)	-	-
Cash and cash equivalents at end of period	868,192	388,229	22,245	18,680

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 2020

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Supplemental disclosures of cash flows information				
Non-cash related transactions				
Dividend receivable	-	-	299,999	369,999
Decrease in payable for purchasing of plant and equipment	(35,301)	(165,859)	-	-
Increase (decrease) in payable for purchasing of intangible assets	6,146	(48)	-	-
Increase (decrease) in retention payable	5,457	(3,931)	-	-
Transfer property, plant and equipment to investment properties	7,821	7,424	-	-
Right-of-use assets increase from lease agreements	2,005	-	-	-

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 2020

(Unit: Thousand Baht)

Consolidated financial statements												
Equity attributable to owners of the Company												
	Note	Issued and 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				
		share capital	Share premium	common control	local subsidiary	overseas subsidiary	reserve	Unappropriated	foreign currencies	the Company	the subsidiaries	equity
Balance as at 1 January 2019		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	26	-	-	-	-	-	-	(600,000)	-	(600,000)	-	(600,000)
Balance as at 30 June 2019		1,000,000	3,962,980	323,216	108,959	(368,686)	100,000	2,511,651	(104,897)	7,533,223	162,333	7,695,556
Balance as at 1 January 2020		1,000,000	3,962,980	323,216	108,959	(368,686)	100,000	3,536,648	(97,307)	8,565,810	152,554	8,718,364
Profit for the period		-	-	-	-	-	-	1,682,284	-	1,682,284	31,661	1,713,945
Other comprehensive income for the period		-	-	-	-	-	-	-	(30,276)	(30,276)	(689)	(30,965)
Total comprehensive income for the period		-	-	-	-	-	-	1,682,284	(30,276)	1,652,008	30,972	1,682,980
Dividend paid	26	-	-	-	-	-	-	(1,200,000)	-	(1,200,000)	-	(1,200,000)
Increase in non-controlling interests of subsidiaries												
from joint investments	9.2.2	-	-	-	-	-	-	-	-	-	30,000	30,000
Balance as at 30 June 2020		1,000,000	3,962,980	323,216	108,959	(368,686)	100,000	4,018,932	(127,583)	9,017,818	213,526	9,231,344

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 2020

(Unit: Thousand Baht)

		Separate financial statements					
		Issued and paid-up share capital	Share premium	Surplus on changes in percentage of shareholding in local subsidiary	Retained earnings		Total
					Appropriated - statutory reserve	Unappropriated	
Note							
	Balance as at 1 January 2019	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	26	-	-	-	(600,000)	(600,000)
	Balance as at 30 June 2019	<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>
	Balance as at 1 January 2020	1,000,000	3,962,980	108,959	100,000	1,919,614	7,091,553
	Profit for the period	-	-	-	-	302,745	302,745
	Other comprehensive income for the period	-	-	-	-	-	-
	Total comprehensive income for the period	-	-	-	-	302,745	302,745
	Dividend paid	26	-	-	-	(1,200,000)	(1,200,000)
	Balance as at 30 June 2020	<u>1,000,000</u>	<u>3,962,980</u>	<u>108,959</u>	<u>100,000</u>	<u>1,022,359</u>	<u>6,194,298</u>

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

Carabao Group Public Company Limited and its subsidiaries

Notes to interim consolidated financial statements

For the three-month and six-month periods ended 30 June 2020

1. General information

1.1 Corporate information

Carabao Group Public Company Limited (“the Company”) was incorporated as a limited company on 28 August 2013, 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 domiciled in Thailand and is principally engaged in the investment in subsidiaries. The registered office of the Company is at 393, 393 Silom Building, 7th - 10th Floor, Silom Road, Silom, Bangrak, Bangkok.

1.2 Coronavirus disease 2019 pandemic

The Coronavirus disease 2019 pandemic is resulting in an economic slowdown and adversely impacting most businesses and industries in terms of supply chains, consumer spending, limited or suspended production, operational delays, and more.

This situation affects the Group’s business activities in terms of ability to achieve the expected sales and profit of the entity in the United Kingdom and may significantly impact the financial performance and cash flows used in the consideration of the impairment of investments in subsidiaries and goodwill. However, the impact cannot be reasonably estimated at this stage. The Group’s management has continuously monitored the ongoing developments and assessed the financial impact and will record the impact when it is possible to do so.

1.3 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 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.

1.4 Basis of consolidation

These consolidated interim financial statements include the financial statements of Carabao Group Public 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 2019. There have been changes in the composition of its subsidiaries from the establishment of new subsidiaries as discussed in Note 9 to the financial statements.

1.5 New financial reporting standards that became effective in the current period

During the period, the Group has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2020. 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 Group's financial statements. However, the 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.

These standards do not have any significant impact on the Group's financial statements.

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.

The Group adopted these financial reporting standards using the modified retrospective method of initial adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

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

Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the Covid-19 Pandemic

The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the Covid-19 Pandemic. Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On 22 April 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between 1 January 2020 and 31 December 2020.

The Group has elected to apply the following temporary relief measures on accounting alternatives:

- Not to consider the COVID-19 situation as an indication that an asset may be impaired in accordance with TAS 36, Impairment of Assets. This relief measure may affect the carrying amount of investments in subsidiaries.
- Not to use information relating to the COVID-19 situation that may affect the cash flow forecasts used in testing goodwill. This relief measure may affect the carrying amount of goodwill.

1.6 Significant accounting policies

The interim financial statements are prepared by using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2019 except the changes in accounting policies related to financial instruments and leases.

1.6.1 Financial instruments

Classification and measurement

Financial assets that are debt instruments are measured at fair value through profit or loss, fair value through other comprehensive income, or amortised cost. Classification is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets that are equity instruments are measured at fair value through profit or loss.

Financial liabilities are classified and measured at amortised cost.

Derivatives are classified and measured at fair value through profit or loss.

Impairment of financial assets

The Group recognises an allowance for expected credit losses on its financial assets measured at amortised cost, without requiring a credit-impaired event to have occurred prior to the recognition. The Group accounts for changes in expected credit losses in stages, with differing methods of determining allowance for credit losses and the effective interest rate applied at each stage. An exception from this approach is that for trade receivables that do not contain a significant financing component, the Group applies a simplified approach to determine the lifetime expected credit losses.

1.6.2 Leases

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised through initial measurement, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

Unless the Group is reasonably certain that it will obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use asset is depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of the lease payments to be made over the lease term, discounted by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or reassessment.

Short-term leases and Leases of low-value assets

Payments under leases that, have a lease term of 12 months or less at the commencement date, or are leases of low-value assets, are recognised as expenses on a straight-line basis over the lease term.

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

As described in Note 1.5 to the financial statements, during the current period, the Group has adopted financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards is recognised as an adjustment to retained earnings as at 1 January 2020. Therefore, the comparative information was not restated.

The impacts from changes in accounting policies due to the adoption of TFRS 16 are presented as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		
	31 December 2019	The impacts of TFRS 16	1 January 2020
Statement of financial position			
Assets			
Non-current assets			
Right-of-use assets	-	334,537	334,537
Liabilities and shareholders' equity			
Current liabilities			
Current portion of lease liabilities	-	113,126	113,126
Non-current liabilities			
Lease liabilities, net of current portion	-	221,411	221,411

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements		
	31 December 2019	The impacts of TFRS 16	1 January 2020
Statement of financial position			
Assets			
Non-current assets			
Right-of-use assets	-	60,090	60,090
Liabilities and shareholders' equity			
Current liabilities			
Current portion of lease liabilities	-	1,706	1,706
Non-current liabilities			
Lease liabilities, net of current portion	-	58,384	58,384

Upon initial application of TFRS 16, the Group recognised lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at 1 January 2020. For leases previously classified as finance leases, the Group recognised the carrying amount of the right-of-use assets and lease liabilities based on the carrying amounts of the lease assets and lease liabilities immediately before the date of initial application of TFRS 16.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Operating lease commitments as at 31 December 2019	162,654	2,735
Add: Operating lease commitments with related parties	68,778	-
Option to extend lease term	138,797	83,981
Less: Short-term leases and leases of low-value assets	(486)	-
Contracts reassessed as service contracts	(15,266)	(1,860)
Deferred interest expenses	(19,940)	(24,766)
Lease liabilities as at 1 January 2020	<u>334,537</u>	<u>60,090</u>
Comprise:		
Current lease liabilities	113,126	1,706
Non-current lease liabilities	221,411	58,384
	<u>334,537</u>	<u>60,090</u>

The adjustments of right-of-use assets due to TFRS 16 adoption as at 1 January 2020 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Building and structures	180,478	60,090
Machinery and equipment	14,616	-
Furniture, fixtures and office equipment	990	-
Motor vehicles	138,453	-
Total right-of-use assets	334,537	60,090

3. Related party transactions

During the periods, the Group 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.

	For the three-month periods ended 30 June				Transfer Pricing Policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Dividend income	-	-	300	370	At the declared rate
Management income	-	-	70	70	Contract price
Interest income	-	-	23	24	Contract price
Rental and service expenses	-	-	1	1	Contract price
<u>Transactions with individuals or related companies</u>					
Sales of goods	275	235	-	-	Market price
Service income	2	2	-	-	Contract price
Rental income	2	2	-	-	Contract price
Other income	-	1	-	-	Market price/ Mutually agreed prices
Purchase of goods	496	298	-	-	Market price
Promotion expenses	7	4	-	-	Contract price/ Mutually agreed prices
Rental and service expenses	6	8	-	-	Contract price
Other expenses	-	1	-	-	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>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Dividend income	-	-	300	370	At the declared rate
Management income	-	-	140	140	Contract price
Interest income	-	-	38	49	Contract price
Rental and service expenses	-	-	2	2	Contract price
<u>Transactions with individuals or related companies</u>					
Sales of goods	409	310	-	-	Market price
Service income	4	4	-	-	Contract price
Rental income	3	3	-	-	Contract price
Other income	1	2	-	-	Market price/ Mutually agreed prices
Purchase of goods	930	536	-	-	Market price
Promotion expenses	12	8	-	-	Contract price/ Mutually agreed prices
Rental and service expenses	13	12	-	-	Contract price
Other expenses	3	3	-	-	Mutually agreed prices

(Unaudited but reviewed)

The balances of the accounts as at 30 June 2020 and 31 December 2019 between the Company and those related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2020	2019	2020	2019
<u>Trade and other receivables - related parties</u>				
(Note 5)				
Subsidiaries	-	-	1,151	592
Related companies				
(related by shareholders and directors)	385,346	181,747	-	-
Total trade and other receivables - related parties	<u>385,346</u>	<u>181,747</u>	<u>1,151</u>	<u>592</u>
<u>Dividend receivable from related party</u>				
Subsidiary	-	-	299,999	2,949,991
Total dividend receivable from related party	<u>-</u>	<u>-</u>	<u>299,999</u>	<u>2,949,991</u>
<u>Other long-term receivable - related party</u>				
Subsidiary	-	-	26,172	26,172
Total other long-term receivable - related party	<u>-</u>	<u>-</u>	<u>26,172</u>	<u>26,172</u>
<u>Trade and other payables - related parties</u>				
(Note 16)				
Subsidiaries	-	-	3	-
Related companies				
(related by shareholders and directors)	32,611	22,917	-	-
Total trade and other payables - related parties	<u>32,611</u>	<u>22,917</u>	<u>3</u>	<u>-</u>
<u>Lease liabilities - related parties (Note 18)</u>				
Subsidiary	-	-	59,243	-
Related companies				
(related by shareholders and directors)	57,734	-	-	-
Total lease liabilities - related parties	<u>57,734</u>	<u>-</u>	<u>59,243</u>	<u>-</u>
<u>Deposits received from rental - related parties</u>				
Related companies				
(related by shareholders and directors)	3,714	3,230	-	-
Total deposits received from rental - related parties	<u>3,714</u>	<u>3,230</u>	<u>-</u>	<u>-</u>

(Unaudited but reviewed)

As at 30 June 2020 and 31 December 2019, the balance of short-term loans between the Company and those related parties and the movements are as follows:

Short-term loans to related parties

(Unit: Thousand Baht)

		Separate financial statements				
Loans to related parties	Related by	Balance as at 31 December 2019	Increase during the period	Decrease during the period	Gain on exchange	Balance as at 30 June 2020
Carabao Tawandang Co., Ltd.	Subsidiary	2,460,000	1,770,000	(985,000)	-	3,245,000
Asia Carabao Venture Co., Ltd.	Subsidiary	-	170,000	-	-	170,000
Carabao Trading (Hong Kong) Limited	Subsidiary	26,368	-	-	754	27,122
Total		2,486,368	1,940,000	(985,000)	754	3,442,122

As at 30 June 2020, short-term loans to related parties are in form of promissory notes, carrying interest at 2.8 percent per annum (31 December 2019: 2.8 percent per annum).

Directors and management's benefits

During the three-month and six-month periods ended 30 June 2020 and 2019, the Group had employee benefit expenses payable to its directors and management as below.

(Unit: Million Baht)

	For the three-month periods ended 30 June			
	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Short-term employee benefits	56.3	36.6	56.3	36.6
Post-employment benefits	0.6	0.5	0.6	0.5
Total	56.9	37.1	56.9	37.1

(Unit: Million Baht)

	For the six-month periods ended 30 June			
	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Short-term employee benefits	113.3	72.4	113.3	72.4
Post-employment benefits	1.1	1.0	1.1	1.0
Total	114.4	73.4	114.4	73.4

Guarantee obligation

As at 30 June 2020, the Company has guarantee obligations on credit facilities of the two subsidiaries, as described in Note 27.5.1 to the financial statements.

4. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
Cash	210	210	10	10
Bank deposits	867,982	275,744	22,235	21,945
Call deposit receipts	-	686,000	-	555,000
Total cash and cash equivalents	<u>868,192</u>	<u>961,954</u>	<u>22,245</u>	<u>576,955</u>

As at 30 June 2020, bank deposits in savings accounts carried interest between 0.01 and 0.55 percent per annum (31 December 2019: bank deposits in savings accounts and call deposit receipts carried interest between 0.01 and 1.00 percent per annum).

5. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	267,090	122,921	-	-
Past due				
Not over 3 months	57,565	55,633	-	-
Total trade receivables - related parties	<u>324,655</u>	<u>178,554</u>	<u>-</u>	<u>-</u>
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	639,955	752,210	-	-
Past due				
Not over 3 months	85,486	111,601	-	-
3 - 6 months	23	221	-	-
6 - 12 months	2	659	-	-
Over 12 months	18,734	14,650	-	-
Total trade receivables - unrelated parties	<u>744,200</u>	<u>879,341</u>	<u>-</u>	<u>-</u>
Less: Allowance for expected credit losses	<u>(18,178)</u>	<u>(14,687)</u>	<u>-</u>	<u>-</u>
Total trade receivables - unrelated parties - net	<u>726,022</u>	<u>864,654</u>	<u>-</u>	<u>-</u>
Total trade receivables - net	<u>1,050,677</u>	<u>1,043,208</u>	<u>-</u>	<u>-</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June	31 December	30 June	31 December
	2020	2019	2020	2019
<u>Other receivables</u>				
Other receivables - related parties	2,170	2,922	296	1
Other receivables - unrelated parties	2,473	6,794	3	-
Accrued income - related parties	56	271	855	591
Accrued income - unrelated parties	2	367	-	283
Prepaid expenses	63,584	81,150	2,042	1,777
Advance payments for purchase of goods - related party	58,465	-	-	-
Advances	3,608	1,922	-	-
Others	1,272	3,687	-	-
Total other receivables	<u>131,630</u>	<u>97,113</u>	<u>3,196</u>	<u>2,652</u>
Total trade and other receivables - net	<u>1,182,307</u>	<u>1,140,321</u>	<u>3,196</u>	<u>2,652</u>

6. Reduction of inventories to net realisable value

Movements in reduction of inventories to net realisable value account during the six-month period ended 30 June 2020 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements
Balance as at 31 December 2019	7,293
Reduction of inventory value during the period	13,428
Write-off due to inventory destruction	(5,348)
Translation adjustment	11
Balance as at 30 June 2020	<u>15,384</u>

7. Other current financial assets

As at 30 June 2020, other current financial assets which were investments in trading securities are summarised below.

	(Unit: Thousand Baht)	
	Consolidated/Separate financial statements	
	Cost	Fair value
Open-ended fund in debt instruments of a financial institution	19,876	19,880
Add: Gain on change in value	4	
Total investments in trading securities	<u>19,880</u>	

Movements of investments in trading securities for the six-month period ended 30 June 2020 are summarised below.

	(Unit: Thousand Baht)
	Consolidated/ Separate financial statements
Net book value as at 31 December 2019	-
Acquisition during the period - at cost	840,000
Sales during the period	
Proceeds from sales	(820,302)
Gain on sales	178
Total	(820,124)
Gain on change in value	4
Net book value as at 30 June 2020	<u>19,880</u>

8. Other current assets

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
VAT receivable	84,868	78,861	-	-
Undue input VAT	8,413	11,220	21	73
Supplies for marketing promotion	7,918	7,690	-	-
Withholding tax deducted at sources	3,944	11	574	-
Others	2,710	5,728	-	-
Total other current assets	<u>107,853</u>	<u>103,510</u>	<u>595</u>	<u>73</u>

9. Investments in subsidiaries

Investments in subsidiaries presented in the separate financial statements are as follows:

Company's name	Paid-up capital		Percentage of shareholding		Cost method		Allowance for impairment of investment		Carrying amount - net		Dividend received during the six-month periods ended	
	30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December	30 June	30 June
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	(Thousand Baht)	(Thousand Baht)	(Percent)	(Percent)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)
<u>Local subsidiaries</u>												
Carabao Tawandang Co., Ltd.	300,000	300,000	100	100	408,958	408,958	-	-	408,958	408,958	299,999	239,999
Asia Pacific Glass Co., Ltd.	1,299,998	1,299,998	100	100	1,299,998	1,299,998	-	-	1,299,998	1,299,998	-	130,000
Tawandang DCM Co., Ltd.	100,000	100,000	100	100	99,998	99,998	-	-	99,998	99,998	-	-
Asia Can Manufacturing Co., Ltd.	700,000	700,000	74	74	518,000	518,000	-	-	518,000	518,000	-	-
Asia Packaging Manufacturing Co., Ltd.	175,000	-	100	-	175,000	-	-	-	175,000	-	-	-
Asia Carabao Venture Co., Ltd.	5,000	-	100	-	5,000	-	-	-	5,000	-	-	-
<u>Overseas subsidiaries</u>												
Carabao Holdings (Hong Kong) Limited	USD 93.6 million	USD 85.9 million	100	100	3,082,160	2,840,661	(1,498,756)	(1,498,756)	1,583,404	1,341,905	-	-
Carabao Trading (Hong Kong) Limited	USD 50,000	USD 50,000	100	100	1,758	1,758	-	-	1,758	1,758	-	-
Total					<u>5,590,872</u>	<u>5,169,373</u>	<u>(1,498,756)</u>	<u>(1,498,756)</u>	<u>4,092,116</u>	<u>3,670,617</u>	<u>299,999</u>	<u>369,999</u>

9.1 Change in investments in Carabao Holdings (Hong Kong) Limited and its subsidiaries

9.1.1 On 6 February 2020, the meeting of the Board of Directors of Intercarabao Limited (ICUK) passed a resolution to additionally call up the remaining amount of its registered share capital of GBP 0.1 million. Carabao Venture Holdings (Luxembourg) S.à.r.l. (CVHLUX) paid for the share subscription on 6 February 2020.

On 6 February 2020, the meeting of the Board of Directors of Intercarabao Limited (ICUK) (a subsidiary) passed a resolution to increase its registered share capital from GBP 74.6 million to GBP 80.6 million (increase GBP 6.0 million or EUR 7.1 million). Such subsidiary registered the share capital increase on 6 February 2020.

On 6 February 2020, CVHLUX purchased the additional ordinary shares of ICUK of GBP 6.0 million or EUR 7.1 million and had partially made the payment for such share subscription totaling GBP 2.9 million.

On 6 February 2020, the meeting of the Board of Directors of Carabao Holdings (Hong Kong) Limited (CHHK) (a subsidiary) passed a resolution to increase its registered share capital from USD 85.9 million to USD 89.8 million (increase USD 3.9 million). The Company had already made the payment for share subscription. Such subsidiary registered the share capital increase on 6 February 2020.

9.1.2 On 8 June 2020, the meeting of the Board of Directors of Intercarabao Limited (ICUK) passed a resolution to additionally call up the remaining amount of its registered share capital of GBP 3.0 million. Carabao Venture Holdings (Luxembourg) S.à.r.l. (CVHLUX) paid for the share subscription on 11 June 2020.

On 11 June 2020, the meeting of the Board of Directors of Carabao Holdings (Hong Kong) Limited (CHHK) (a subsidiary) passed a resolution to increase its registered share capital from USD 89.8 million to USD 93.6 million (increase USD 3.8 million). The Company already made the payment for share subscription. Such subsidiary registered the share capital increase on 11 June 2020.

9.2 Investments in new subsidiaries

During the period, the Company invested in the new subsidiary companies as follows:

9.2.1 On 20 February 2020, the meeting of the Company's Board of Directors passed a resolution to approve an establishment of Asia Packaging Manufacturing Co., Ltd. (APM), incorporated in Thailand, being engaged in the manufacture and distribution of packaging with a registered capital of Baht 700 million (7,000,000 ordinary shares of Baht 100 each). The Company holds 100 percent interest in APM.

APM registered its establishment with the Ministry of Commerce on 2 March 2020. The share capital was called up at Baht 25 each, or equivalent to 25 percent of its registered share capital. The Company already made payment for such called up capital.

On 25 June 2020, APM additionally called up for its shares at Baht 50 each which was due for payment on 16 July 2020. The Company already made payment for such additional called up capital on 16 July 2020.

9.2.2 On 10 March 2020, the meeting of the Company's Board of Directors passed a resolution to approve an establishment of Asia Carabao Venture Co., Ltd. (ACV), incorporated in Thailand, being engaged in the investment with other commercial partners, with a registered capital of Baht 20 million (200,000 ordinary shares of Baht 100 each). The Company holds 100 percent interest in ACV.

ACV registered its establishment with the Ministry of Commerce on 10 March 2020. The share capital was called up at Baht 25 each, or equivalent to 25 percent of its registered share capital. The Company already made payment for such called up capital.

Moreover, the meeting of the Company's Board of Directors passed a resolution to approve ACV to enter into joint venture agreement with an unrelated person for investing in A Woody Drink Co., Ltd. (AWD), a company newly established on 26 February 2020, being engaged in marketing and sales of functional drinks, with a registered capital of Baht 0.1 million (1,000 ordinary shares of Baht 100 each). According to such joint venture agreement, ACV and such unrelated person hold 85 percent interest and 15 percent interest, respectively, in AWD. The share capital was fully called up and paid by ACV.

On 27 March 2020, the Extraordinary General Meeting of the shareholders of A Woody Drink Co., Ltd. (AWD) (a subsidiary) passed a resolution to approve an increase its registered share capital from Baht 0.1 million (1,000 ordinary shares of Baht 100 each) to Baht 200 million (2,000,000 ordinary shares of Baht 100 each) through the issuance of additional 1,999,000 ordinary shares of Baht 100 each.

AWD registered the share capital increase with the Ministry of Commerce on 10 April 2020. The share capital was fully called up and paid by ACV.

10. Investment properties

Movements of the investment properties account during the six-month period ended 30 June 2020 are summarised below.

	(Unit: Thousand Baht) Consolidated financial statements
Net book value as at 31 December 2019	103,220
Cost of asset improvement	333
Transfer from property, plant and equipment	7,821
Depreciation for the period	(2,215)
Net book value as at 30 June 2020	<u>109,159</u>

11. Property, plant and equipment

Movements in the property, plant and equipment account during the six-month period ended 30 June 2020 are summarised below.

	(Unit: Thousand Baht) Consolidated financial statements
Net book value as at 31 December 2019	10,872,367
Acquisitions during the period - at cost	350,142
Disposals during the period - net book value at disposal date	(435)
Transfer to investment properties	(7,821)
Depreciation for the period	(261,879)
Translation adjustment	(143)
Net book value as at 30 June 2020	<u>10,952,231</u>

12. Right-of-use assets

Movements in the right-of-use assets account during the six-month period ended 30 June 2020 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2020	-	-
The adjustment due to TFRS 16 adoption	334,537	60,090
Net book value as at 1 January 2020 - adjusted	334,537	60,090
Increase during the period	2,005	-
Depreciation for the period	(63,036)	(1,239)
Net book value as at 30 June 2020	<u>273,506</u>	<u>58,851</u>

13. Goodwill

Movements in the goodwill account during the six-month period ended 30 June 2020 are summarised below.

	(Unit: Thousand Baht)
	Consolidated financial statements
Net book value as at 31 December 2019	481,115
Translation adjustment	(18,492)
Net book value as at 30 June 2020	<u>462,623</u>

14. Intangible assets

Movements of the intangible assets account during the six-month period ended 30 June 2020 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 31 December 2019	81,156	4,376
Acquisitions during the period - at cost	11,882	-
Amortisation for the period	(3,166)	(259)
Translation adjustment	(9)	-
Net book value as at 30 June 2020	<u>89,863</u>	<u>4,117</u>

15. Short-term loans from financial institutions

The short-term loans from financial institutions carry interest at a reference fixed loan rate of commercial banks. The loans are unsecured loans with no imposed financial conditions or covenants.

16. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
Trade payables - related parties	21,144	16,611	-	-
Trade payables - unrelated parties	679,558	614,553	-	-
Other payables - related parties	4,129	5,339	3	-
Other payables - unrelated parties	223,088	297,781	6,301	22,087
Accrued expenses - related parties	7,338	967	-	-
Accrued expenses - unrelated parties	496,445	319,501	70,708	53,574
Accrued excise tax	147,970	137,700	-	-
Advances received	83,551	54,269	-	-
Total trade and other payables	<u>1,663,223</u>	<u>1,446,721</u>	<u>77,012</u>	<u>75,661</u>

17. Long-term loan from financial institution

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	30 June 2020	31 December 2019
Long-term loan	1,188,250	1,333,750
Less: Portion due within one year	(291,000)	(291,000)
Long-term loan - net of current portion	<u>897,250</u>	<u>1,042,750</u>

During the six-month period ended 30 June 2020, movements in long-term loan from financial institution are summarised below.

	(Unit: Thousand Baht)
	Consolidated financial statements
Balance as at 31 December 2019	1,333,750
Less: Payment during the period	(145,500)
Balance as at 30 June 2020	<u>1,188,250</u>

On 12 July 2017, a subsidiary entered into long-term loan agreement with a financial institution with given credit facilities of Baht 1,455 million, which the last drawn down period was within 28 December 2018. The interest is charged at the fixed rate for the first 2 years and the reference Minimum Loan Rate (MLR) minus fixed 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.

18. Lease liabilities

Lease liabilities as at 30 June 2020 are presented below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Lease liabilities	291,508	83,106
Less: Deferred interest expenses	(16,414)	(23,863)
Total	275,094	59,243
Less: Portion due within one year	(90,544)	(1,732)
Lease liabilities - net of current portion	184,550	57,511
Of which with related parties	57,734	59,243

Movements in lease liabilities during the six-month period ended 30 June 2020 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2020	-	-
The adjustment due to TFRS 16 adoption	334,537	60,090
Balance as at 1 January 2020 - adjusted	334,537	60,090
Add: Additions during the period	2,005	-
Accretion of interest	3,640	903
Less: Payments during the period	(65,088)	(1,750)
Balance as at 30 June 2020	275,094	59,243

19. Debentures

	Interest rate (Percent per annum)	Maturity date	(Unit: Thousand Baht)	
			Consolidated/Separate financial statements	
			30 June 2020	31 December 2019
No. 1/2018 - Series 1	2.23	15 June 2020	-	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			1,090,000	2,790,000
Less: Deferred transaction costs			(867)	(1,880)
Total debentures			1,089,133	2,788,120
Less: Portion due within one year			(1,089,133)	(1,699,428)
Debentures - net of current portion			-	1,088,692

During the six-month period ended 30 June 2020, movements in debentures are summarised below.

	(Unit: Thousand Baht)
	Consolidated/ Separate financial statements
Balance as at 31 December 2019	2,788,120
Add: Amortisation of transaction costs for debenture issuance during the period	1,013
Less: Redemption of debentures during the period	(1,700,000)
Balance as at 30 June 2020	1,089,133

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

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

On 22 June 2020, the Annual General Meeting of the shareholders of the Company approved the issuance and offering of debentures in principal amount not exceeding Baht 5,000 million or in foreign currencies in equivalent value, depending on the market conditions at the time of issuance and offering of each debentures.

20. Provision for long-term employee benefits

During the six-month period ended 30 June 2020, movements in the provision for long-term employee benefits, which are post-employment benefits, are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Balance as at 31 December 2019	135,780	68,006
Current service cost	7,012	1,248
Interest cost	798	159
Benefits paid during the period	(8,527)	(6,599)
Balance as at 30 June 2020	<u>135,063</u>	<u>62,814</u>

21. Revenue from contracts with customers

	(Unit: Thousand Baht)	
	For the three-month periods	
	ended 30 June	
	Consolidated financial statements	
	<u>2020</u>	<u>2019</u>
Revenue from sales of drinks under Group's trademark	3,713,280	3,267,574
Revenue from sales of OEM products under Group's trademark	87,350	149,450
Revenue from other products	597,646	315,210
Others	109,364	21,276
Total revenue from contracts with customers - recognised at a point in time	<u>4,507,640</u>	<u>3,753,510</u>

	(Unit: Thousand Baht)	
	For the six-month periods	
	ended 30 June	
	Consolidated financial statements	
	<u>2020</u>	<u>2019</u>
Revenue from sales of drinks under Group's trademark	7,127,147	6,194,380
Revenue from sales of OEM products under Group's trademark	206,141	288,886
Revenue from other products	1,072,613	605,623
Others	162,582	25,402
Total revenue from contracts with customers - recognised at a point in time	<u>8,568,483</u>	<u>7,114,291</u>

22. Other income

(Unit: Thousand Baht)

For the three-month periods ended 30 June

	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Management income	-	-	70,050	70,050
Rental and service income	4,098	18,095	-	-
Gain on exchange	12,216	1,550	-	-
Scrap sales	2,836	3,458	-	-
Interest income	2,246	609	24,002	24,097
Gain on disposals of fixed assets	384	-	-	-
Income from sales and trade-off premium goods	75	413	-	-
Others	9,733	3,736	-	174
Total other income	31,588	27,861	94,052	94,321

(Unit: Thousand Baht)

For the six-month periods ended 30 June

	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Management income	-	-	140,100	140,100
Rental and service income	20,433	36,187	-	-
Gain on exchange	6,123	-	757	-
Scrap sales	5,548	6,687	-	-
Interest income	3,505	615	40,117	49,366
Gain on disposals of fixed assets	2,491	-	-	-
Income from sales and trade-off premium goods	939	1,409	-	-
Others	18,363	11,224	332	347
Total other income	57,402	56,122	181,306	189,813

23. 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 2020 and 2019 are made up as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 June			
	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Current income tax:				
Interim corporate income tax charge	190,338	127,185	1,983	5,305
Deferred tax:				
Relating to origination and reversal of temporary differences	(11,743)	6,922	(233)	(322)
Income tax expenses reported in the income statements	<u>178,595</u>	<u>134,107</u>	<u>1,750</u>	<u>4,983</u>

	(Unit: Thousand Baht)			
	For the six-month periods ended 30 June			
	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Current income tax:				
Interim corporate income tax charge	358,870	221,191	1,983	11,099
Deferred tax:				
Relating to origination and reversal of temporary differences	(14,292)	14,086	(484)	(684)
Income tax expenses reported in the income statements	<u>344,578</u>	<u>235,277</u>	<u>1,499</u>	<u>10,415</u>

24. Earnings per share

Basic earnings per share is calculated by dividing profit 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>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Profit for the period attributable to equity holders of the Company (Thousand Baht)	881,336	552,173	304,498	389,914
Weighted average number of ordinary shares (Thousand shares)	1,000,000	1,000,000	1,000,000	1,000,000
Basic earnings per share (Baht/share)	0.88	0.55	0.30	0.39

	For the six-month periods ended 30 June			
	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Profit for the period attributable to equity holders of the Company (Thousand Baht)	1,682,284	971,609	302,745	411,633
Weighted average number of ordinary shares (Thousand shares)	1,000,000	1,000,000	1,000,000	1,000,000
Basic earnings per share (Baht/share)	1.68	0.97	0.30	0.41

25. Segment information

The Group is organised into business units based on its products and services. During the current period, the Group has not changed the organisation of its reportable segments.

The following table presents revenue and profit information regarding the Group's operating segments for the three-month and six-month periods ended 30 June 2020 and 2019.

(Unaudited but reviewed)

(Unit: Million Baht)

Consolidated financial statements										
For the three-month periods ended 30 June										
	Manufacture and distribution of drinks under Group's trademark		Distribution of OEM products under Group's trademark		Distribution of other products		Others		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Revenue										
Revenue from external customers	3,713	3,267	87	150	598	316	110	21	4,508	3,754
Segment gross profit	1,733	1,357	16	18	43	27	42	7	1,834	1,409
Other income									32	28
Selling and distribution expenses									(470)	(531)
Administrative expenses									(294)	(191)
Finance cost									(32)	(33)
Profit before income tax expenses									1,070	682
Income tax expenses									(179)	(134)
Profit for the period									891	548

(Unit: Million Baht)

Consolidated financial statements										
For the six-month periods ended 30 June										
	Manufacture and distribution of drinks under Group's trademark		Distribution of OEM products under Group's trademark		Distribution of other products		Others		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Revenue										
Revenue from external customers	7,127	6,194	206	289	1,073	606	162	25	8,568	7,114
Segment gross profit	3,383	2,500	31	36	80	54	63	9	3,557	2,599
Other income									57	56
Selling and distribution expenses									(970)	(1,011)
Administrative expenses									(522)	(386)
Other expenses									-	(8)
Finance cost									(63)	(68)
Profit before income tax expenses									2,059	1,182
Income tax expenses									(345)	(235)
Profit for the period									1,714	947

Geographic information

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

	(Unit: Million Baht)			
	For the three-month periods ended		For the six-month periods ended	
	30 June		30 June	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenue from external customers				
Domestic				
Thailand	2,288	2,006	4,193	3,712
Overseas				
CLMV group	1,800	1,276	3,769	2,720
China	157	188	223	240
United Kingdom	15	12	17	29
Others	248	272	366	413
Total	<u>4,508</u>	<u>3,754</u>	<u>8,568</u>	<u>7,114</u>

During the six-month period ended 30 June 2020, the Group had revenue from domestic sales of 49 percent (2019: 52 percent) and revenue from overseas sales of 51 percent (2019: 48 percent).

Major customers

During the six-month period ended 30 June 2020, the Group had revenue from 2 major customers with revenue of more than 10 percent of its consolidated revenue (2019: 2 major customers).

26. Dividend

Dividend	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)	Paid on
<u>The Company</u>				
<u>For the year 2020</u>				
Interim dividend	Board of Director's meeting of the Company on 30 March 2020	1,200	1.2	April 2020
Total dividend for 2020		1,200		
<u>For the year 2019</u>				
Dividend from 2018 income	Annual General Meeting of the Shareholders on 23 April 2019	600	0.6	May 2019
Total dividend for 2019		600		
<u>Subsidiaries</u>				
<u>For the year 2020</u>				
Interim dividend	Board of directors' meeting of Carabao Tawandang Co., Ltd. on 8 May 2020	300	100.0	September 2020
Total dividend for 2020		300 ⁽¹⁾		
<u>For the year 2019</u>				
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
Total dividend for 2019		370		

⁽¹⁾ As at 30 June 2020, the Company had dividend receivable of Baht 300 million, which the subsidiary will pay to the Company within September 2020.

27. Commitments and contingent liabilities

27.1 Capital commitments

As at 30 June 2020, the subsidiaries had capital commitments, relating to the construction of factory buildings and acquisitions of machinery as follows:

	(Unit: Million) Consolidated <u>financial statements</u>
Currencies:	
Thai Baht	302.1
Euro	9.1

27.2 Lease and service commitments

The Group entered into several lease agreements in respect of the lease of accommodation for employees and service agreements. The terms of the agreements are generally between 1 year and 5 years.

As at 30 June 2020, the future minimum lease payments required under these non-cancellable lease and service contracts were as follows:

	(Unit: Million Baht)	
	<u>Consolidated financial statements</u>	<u>Separate financial statements</u>
Payable:		
In up to 1 year	29.8	1.1
In over 1 year and up to 5 years	0.9	-

27.3 Significant agreements with related parties

27.3.1 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, expiring 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.

27.3.2 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, 250 ml clear glass bottle, and 140 ml green glass bottle in accordance with quantity and design as depicted in the agreement. This agreement is effective since the date on the agreement unless being cancelled by either party.

27.3.3 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 is 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 annum. This agreement is effective on 1 July 2014 onwards.

27.3.4 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 being 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. Subsequently, the Company agreed to change the expiration date of the agreement from 31 December 2021 to 31 December 2019.

On 10 March 2020, the Company agreed to change the expiration date of the agreement from 31 December 2019 to 31 December 2020.

27.3.5 Carabao Tawandang Co., Ltd. (a subsidiary) and Tawandang DCM Co., Ltd. (another subsidiary) entered into a trademark license agreements for using trademark of Carabao Tawandang Co., Ltd. for certain products. The agreements are effective for a period of 1 year (expiring on 31 January 2019 and 21 June 2019) and 5 years (expiring on 19 October 2023) unless being cancelled by either party. Under the conditions of these agreements, Tawandang DCM Co., Ltd. is obliged to pay trademark license fees as specified in the agreements and Carabao Tawandang Co., Ltd. is obliged to support the marketing expenses incurred in respect of such trademark.

- 27.3.6 Tawandang DCM Co., Ltd. (a subsidiary) entered into agency agreements with three related companies whereby Tawandang DCM Co., Ltd. agreed to be a sole distributor of such related companies' products. The agreements are effective for a period of 1 year, and renewable every year. Under the conditions of these agreements, such 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 agreements.
- 27.3.7 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 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, expiring on 19 October 2025.
- 27.3.8 On 1 July 2017, Asia Can Manufacturing Co., Ltd. (a subsidiary) entered into license agreement with an overseas unrelated company for using manufacturing knowhow. This agreement is effective since the date on the agreement unless being cancelled by either party. Under the conditions of this agreement, such subsidiary paid for license fee of Baht 50 million, and it is obliged to pay a royalty fee quarterly at a rate specified in the agreement.
- 27.3.9 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, expiring 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.
- 27.3.10 On 11 March 2020, A Woody Drink Co., Ltd. (a subsidiary) and Carabao Tawandang Co., Ltd. (another subsidiary) entered into a sale and purchase agreement for a product as depicted in the agreement. This agreement is effective since the date on the agreement unless being cancelled by either party.
- 27.3.11 On 11 March 2020, A Woody Drink Co., Ltd. (a subsidiary) entered into an agency agreement with Tawandang DCM Co., Ltd. (another subsidiary) whereby the Tawandang DCM Co., Ltd. agreed to be a sole distributor of A Woody Drink Co., Ltd.'s product. The agreement is effective since the date of the agreement unless being cancelled by either party. Under the conditions of this agreement, A Woody Drink Co., Ltd. is obliged to support Tawandang DCM Co., Ltd. according to the terms and conditions of the agreement.

27.3.12 On 20 May 2020, A Woody Drink Co., Ltd. (a subsidiary) and Carabao Tawandang Co., Ltd. (another subsidiary) entered into the licensing agreement for using name, brand and trademark of A Woody Drink Co., Ltd. for export products outside Thailand. The agreement is effective for a period of 10 years, expiring on 19 May 2030. Under the conditions of this agreement, Carabao Tawandang Co., Ltd. is obliged to pay license fees as specified in the agreement.

27.4 Sponsorship agreements

27.4.1 On 1 April 2016, Carabao Tawandang Co., Ltd. (a subsidiary) entered into a sponsorship agreement with a local football club concerning the marketing right regarding privileges and public relations as stipulated in the agreement. The agreement is effective from the date on the agreement until 31 December 2020. As at 30 June 2020, such subsidiary is obliged to pay total fee of Baht 2.5 million to the football club under conditions of this agreement.

27.4.2 On 18 November 2015, Carabao Tawandang Co., Ltd. (a subsidiary) and an overseas unrelated company 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 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 three 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 lower from Principal Partner to be Global Sponsorship.

On 10 January 2020, such three subsidiaries entered into an amendment to the agreement to transfer all of their rights and obligations solely to Carabao Tawandang Co., Ltd. The agreement is effective on 1 January 2020 onwards.

As at 30 June 2020, Carabao Tawandang Co., Ltd. is obliged to pay a fee of Pound 3 million to the football club under conditions of this agreement.

27.4.3 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 was 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. 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, such two subsidiaries 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.

On 7 January 2020, such two subsidiaries entered into an amendment to the agreement to transfer all of its rights and obligations solely to Carabao Tawandang Co., Ltd. The agreement is effective on 1 January 2020 onwards.

27.5 Guarantees

27.5.1 As at 30 June 2020, the Company 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.

27.5.2 As at 30 June 2020, the subsidiaries had outstanding bank guarantees of approximately Baht 31.5 million issued by banks on behalf of the subsidiaries to guarantee the use of electricity and natural gas, and the submission of excise tax.

28. Financial instruments**Foreign currency risk**

The Group'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 30 June 2020 are summarised below.

Foreign currencies	Consolidated financial statements		Separate financial statements		Average exchange rate	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities	Bought	Sold
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	8.4	0.6	-	-	30.7151	31.0658
Euro	1.6	0.1	0.8	-	34.3318	35.0711
Pound sterling	0.1	-	-	-	37.5784	38.4269
Yen	-	1.6	-	-	0.2830	0.2906
Hong Kong dollar	-	0.8	-	-	3.9463	4.0289
Yuan	-	0.5	-	-	4.3085	4.4269

29. Fair value hierarchy

As at 30 June 2020, the Group had the financial assets that were measured at fair value using different levels of inputs as follows:

	(Unit: Thousand Baht)	
	Consolidated/Separate financial statements	
	Level 2	Total
Financial assets measured at fair value		
Investments in trading securities	19,880	19,880

30. Approval of financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 7 August 2020.