

Carabao Group Public Company Limited
and its subsidiaries

Review report and consolidated interim financial statements
For the three-month period ended 31 March 2015

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Carabao Group Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Carabao Group Public Company Limited and its subsidiaries as at 31 March 2015, the related consolidated statements of income and comprehensive income for the three-month period ended 31 March 2015, the related consolidated statements of changes in shareholders' equity and cash flows for the three-month period ended 31 March 2015, 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: 15 May 2015

Carabao Group Public Company Limited and its subsidiaries

Consolidated statement of financial position

As at 31 March 2015

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
		31 March	31 December	31 March	31 December
	<u>Note</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents	3	328,188	528,084	149,828	392,990
Current investment	4	1,200,000	900,100	1,200,000	900,000
Trade and other receivables	2, 5	454,314	308,444	34,968	107,556
Short-term loans to related parties	2	-	-	2,919,000	2,943,000
Dividend receivable from related parties	2	-	-	589,996	589,996
Inventories	6	420,163	317,990	-	-
Other current assets	7	52,273	65,282	42	9
Total current assets		<u>2,454,938</u>	<u>2,119,900</u>	<u>4,893,834</u>	<u>4,933,551</u>
Non-current assets					
Restricted bank deposits	3	-	7,567	-	-
Investment in subsidiaries	8	-	-	958,954	958,954
Investment properties	9	110,309	135,661	-	-
Property, plant and equipment	10	4,766,219	4,753,772	-	-
Intangible assets	11	17,142	17,343	-	-
Deferred tax assets		15,401	25,409	1,158	929
Other long-term receivable - related party	2	-	-	26,172	26,172
Other non-current assets		4,268	3,859	-	-
Total non-current assets		<u>4,913,339</u>	<u>4,943,611</u>	<u>986,284</u>	<u>986,055</u>
Total assets		<u>7,368,277</u>	<u>7,063,511</u>	<u>5,880,118</u>	<u>5,919,606</u>

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

Carabao Group Public Company Limited and its subsidiaries

Consolidated statement of financial position (continued)

As at 31 March 2015

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
		31 March	31 December	31 March	31 December
	Note	2015	2014	2015	2014
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	2, 12	768,070	797,133	18,244	68,907
Income tax payable		146,040	105,294	2,059	1,430
Liabilities under cross currency interest rate swap contract	22.1	23,276	30,444	-	-
Other current liabilities	13	23,025	38,291	2,997	9,579
Total current liabilities		960,411	971,162	23,300	79,916
Non-current liabilities					
Provision for long-term employee benefits	14	55,901	52,914	31,963	30,818
Deposits received for rental	2	10,814	10,814	-	-
Total non-current liabilities		66,715	63,728	31,963	30,818
Total liabilities		1,027,126	1,034,890	55,263	110,734
Shareholders' equity					
Share capital	15				
Registered					
1,000,000,000 ordinary shares of Baht 1 each		1,000,000	1,000,000	1,000,000	1,000,000
Issued and fully paid up					
1,000,000,000 ordinary shares of Baht 1 each		1,000,000	1,000,000	1,000,000	1,000,000
Share premium		3,962,980	3,962,980	3,962,980	3,962,980
Retained earnings					
Appropriated - statutory reserve	16	51,000	51,000	51,000	51,000
Unappropriated		894,996	582,466	701,916	685,933
Other components of shareholders' equity -					
Surplus on business combination					
under common control		323,216	323,216	-	-
Surplus on change in percentage of					
shareholding in a subsidiary	8.3	108,959	108,959	108,959	108,959
Total shareholders' equity		6,341,151	6,028,621	5,824,855	5,808,872
Total liabilities and shareholders' equity		7,368,277	7,063,511	5,880,118	5,919,606

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

Directors

(Unaudited but reviewed)

Carabao Group Public Company Limited and its subsidiaries**Consolidated income statement****For the three-month period ended 31 March 2015**

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

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Profit or loss					
Revenues					
Sales		1,720,548	1,717,001	-	-
Dividend income from subsidiaries	2, 8	-	-	-	293,598
Other income	2, 17	40,763	40,807	62,700	30,000
Total revenues		<u>1,761,311</u>	<u>1,757,808</u>	<u>62,700</u>	<u>323,598</u>
Expenses					
Cost of sales		1,090,006	1,142,831	-	-
Selling expenses		218,468	218,155	-	-
Administrative expenses		84,361	66,512	42,717	25,024
Total expenses		<u>1,392,835</u>	<u>1,427,498</u>	<u>42,717</u>	<u>25,024</u>
Profit before finance cost and income tax expenses		<u>368,476</u>	<u>330,310</u>	<u>19,983</u>	<u>298,574</u>
Finance cost		(222)	(30,222)	(4)	(83)
Profit before income tax expenses		<u>368,254</u>	<u>300,088</u>	<u>19,979</u>	<u>298,491</u>
Income tax expenses	18	(55,724)	(60,080)	(3,996)	(978)
Profit for the period		<u>312,530</u>	<u>240,008</u>	<u>15,983</u>	<u>297,513</u>
Profit attribution to					
Equity holders of the Company		312,530	188,776	<u>15,983</u>	<u>297,513</u>
Non-controlling interest of the subsidiaries		-	51,232		
		<u>312,530</u>	<u>240,008</u>		
Basic earnings per share	19				
Profit attributable to equity holders of the Company		<u>0.31</u>	<u>0.30</u>	<u>0.02</u>	<u>0.48</u>
Weighted average number of ordinary shares (Thousand shares)		<u>1,000,000</u>	<u>620,000</u>	<u>1,000,000</u>	<u>620,000</u>

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

(Unaudited but reviewed)

Carabao Group Public Company Limited and its subsidiaries

Consolidated statement of comprehensive income

For the three-month period ended 31 March 2015

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Profit for the period	<u>312,530</u>	<u>240,008</u>	<u>15,983</u>	<u>297,513</u>
Other comprehensive income				
Other comprehensive income for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u>312,530</u>	<u>240,008</u>	<u>15,983</u>	<u>297,513</u>
Total comprehensive income attribution to				
Equity holders of the Company	312,530	188,776	<u>15,983</u>	<u>297,513</u>
Non-controlling interest of the subsidiaries	<u>-</u>	<u>51,232</u>		
Total comprehensive income for the period	<u>312,530</u>	<u>240,008</u>		

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

(Unaudited but reviewed)

Carabao Group Public Company Limited and its subsidiaries**Consolidated statement of cash flows****For the three-month period ended 31 March 2015**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cash flows from operating activities				
Profit before tax	368,254	300,088	19,979	298,491
Adjustments to reconcile profit before tax to				
net cash provided by (paid from) operating activities				
Dividend income	-	-	-	(293,598)
Depreciation and amortisation	56,663	29,168	-	-
Increase in reduction cost of inventory to net realisable value	7,153	398	-	-
Gain on sales of equipment	(1,825)	(7,447)	-	-
Provision for long-term employee benefits	2,987	2,603	1,145	1,155
Gain on changes in fair value of cross currency				
interest swap contract	(7,168)	(9,078)	-	-
Unrealised gain on exchange	(4,318)	(4,205)	-	-
Interest income	(9,701)	(2,355)	(32,700)	-
Interest expenses	-	30,024	-	81
Profit (loss) from operating activities before				
changes in operating assets and liabilities	412,045	339,196	(11,576)	6,129
Operating assets (increase) decrease				
Trade and other receivables	(137,630)	(146,162)	90,718	(32,100)
Inventories	(109,326)	11,305	-	-
Other current assets	13,009	(13,226)	(33)	(28)
Other non-current assets	(409)	287	-	-
Operating liabilities increase (decrease)				
Trade and other payables	(24,742)	172,305	(50,663)	9,601
Other current liabilities	(15,266)	(31,778)	(6,582)	3,861
Cash paid for long-term employee benefits	-	(3,500)	-	-
Cash flows from (used in) operating activities	137,681	328,427	21,864	(12,537)
Cash received from interest income	1,458	8,108	14,570	-
Cash paid for interest expenses	-	(31,168)	-	(81)
Cash paid for corporate income tax	(4,970)	(884)	(3,596)	-
Net cash flows from (used in) operating activities	134,169	304,483	32,838	(12,618)

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

Consolidated statement of cash flows (continued)

For the three-month period ended 31 March 2015

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Cash flows from investing activities				
Cash receipt from deposits for rental	-	1,090	-	-
Decrease in restrict bank deposit	7,567	-	-	-
Proceeds from sales of equipment	2,818	9,540	-	-
Cash paid for acquisition of equipment	(43,811)	(800,938)	-	-
Cash paid for acquisition of intangible assets	(739)	(145)	-	-
Increase in current investment	(299,900)	-	(300,000)	-
Increase in short-term loan to related parties	-	-	(335,000)	-
Cash received from repayment of short-term loan to related parties	-	329,000	359,000	-
Net cash flows used in investing activities	<u>(334,065)</u>	<u>(461,453)</u>	<u>(276,000)</u>	<u>-</u>
Cash flows from financing activities				
Decrease in bank overdraft and short-term loans from financial institutions	-	(3,463)	-	-
Cash paid for long-term loan	-	(43,500)	-	-
Cash receipt from short-term loan from related parties	-	-	-	15,907
Net cash flows from (used in) financing activities	<u>-</u>	<u>(46,963)</u>	<u>-</u>	<u>15,907</u>
Net increase (decrease) in cash and cash equivalents	<u>(199,896)</u>	<u>(203,933)</u>	<u>(243,162)</u>	<u>3,289</u>
Cash and cash equivalents at beginning of period	<u>528,084</u>	<u>485,566</u>	<u>392,990</u>	<u>105</u>
Cash and cash equivalents at end of period	<u><u>328,188</u></u>	<u><u>281,633</u></u>	<u><u>149,828</u></u>	<u><u>3,394</u></u>

Supplemental disclosures of cash flows information

Non-cash related transactions

Dividend receivable	-	-	-	293,598
Dividend payable	-	104,402	-	-
Transfer advance payment to property, plant and equipment	-	1,140	-	-
Transfer investment properties to property, plant and equipment	24,305	-	-	-

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

(Unaudited but reviewed)

Carabao Group Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the three-month period ended 31 March 2015

(Unit: Thousand Baht)

Consolidated financial statements									
Equity attributable to owners of the Company									
	Retained earnings (deficit)			Other components of equity			Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
				Surplus on business combination under common control	Surplus on changes in percentage of shareholding in a subsidiary	Total other components of shareholders' equity			
	Issued and paid-up share capital	Share premium	Appropriated - statutory reserve	Unappropriated					
Balance as at 1 January 2014	620,000	-	-	(330)	323,216	-	323,216	942,886	1,147,732
Profit for the period	-	-	-	188,776	-	-	188,776	51,232	240,008
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	188,776	-	-	188,776	51,232	240,008
Decrease in non-controlling interest of subsidiaries from dividend of subsidiaries	-	-	-	-	-	-	-	(104,402)	(104,402)
Balance as at 31 March 2014	<u>620,000</u>	<u>-</u>	<u>-</u>	<u>188,446</u>	<u>323,216</u>	<u>-</u>	<u>323,216</u>	<u>1,131,662</u>	<u>1,283,338</u>
Balance as at 1 January 2015	1,000,000	3,962,980	51,000	582,466	323,216	108,959	432,175	6,028,621	6,028,621
Profit for the period	-	-	-	312,530	-	-	312,530	-	312,530
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	312,530	-	-	312,530	-	312,530
Balance as at 31 March 2015	<u>1,000,000</u>	<u>3,962,980</u>	<u>51,000</u>	<u>894,996</u>	<u>323,216</u>	<u>108,959</u>	<u>432,175</u>	<u>6,341,151</u>	<u>6,341,151</u>

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

(Unaudited but reviewed)

Carabao Group Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the three-month period ended 31 March 2015

(Unit: Thousand Baht)

	Separate financial statements				Other components	
			Retained earnings (deficit)		of equity	
	Issued and paid-up share capital	Share premium	Appropriated - statutory reserve	Unappropriated	Surplus on changes in percentage of shareholding in a subsidiary	Total
Balance as at 1 January 2014	620,000	-	-	(330)	-	619,670
Profit for the period	-	-	-	297,513	-	297,513
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	297,513	-	297,513
Balance as at 31 March 2014	620,000	-	-	297,183	-	917,183
Balance as at 1 January 2015	1,000,000	3,962,980	51,000	685,933	108,959	5,808,872
Profit for the period	-	-	-	15,983	-	15,983
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	15,983	-	15,983
Balance as at 31 March 2015	1,000,000	3,962,980	51,000	701,916	108,959	5,824,855

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

Carabao Group Public Company Limited
Notes to consolidated financial statements
For the three-month period ended 31 March 2015

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 Carabao Tawandang Co., Ltd., Tawandang DCM Co., Ltd. and Asia Pacific Glass Co., Ltd. The registered office of the Company is at 393 Silom Building 393, 7 - 10 Floor, Silom Road, Silom, Bangrak, Bangkok.

1.2 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Accounting Standard No. 34 (revised 2014) “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 2014 with no structural changes related to subsidiaries during the current period.

1.4 New financial reporting standards

During the period, the Company has adopted the revised and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements. However, some of these standards involve changes to key principles, which are summarised below:

TAS 19 (revised 2014) Employee Benefits

This revised standard requires that the entity recognise actuarial gains and losses immediately in other comprehensive income while the existing standard allows the entity to recognise such gains and losses immediately in profit or loss, or in other comprehensive income, or to recognise them gradually in profit or loss.

This revised standard does not have any impact on the financial statements as the Company and its subsidiaries already recognised actuarial gains and losses immediately in other comprehensive income.

TFRS 13 Fair Value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurements. Entities are to apply the guidance under this standard if they are required by other accounting standards to measure their assets or liabilities at fair value. The effect of the change from the adoption of this standard is to be recognised prospectively.

Based on the preliminary analysis, the management of the Company and its subsidiaries believes that this standard will not have any significant impact on the Company and its subsidiaries' financial statements.

1.5 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2014.

2. Related party transactions

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

(Unaudited but reviewed)

(Unit: Million Baht)

For the three-month periods ended 31 March					
Consolidated financial statements		Separate financial statements		Transfer Pricing Policy	
2015	2014	2015	2014		
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Management income	-	-	30	30	Contract price
Dividend income	-	-	-	294	At the declared rate
Interest income	-	-	23	-	Contract price
<u>Transactions with related parties</u>					
Sales of goods	7	5	-	-	Market price
Promotion expenses	3	3	-	-	Contract price
Other expenses	1	1	-	-	Mutually agreed prices
Service income	1	-	-	-	Contract price
Rental income	1	-	-	-	Contract price
<u>Transactions with management and directors</u>					
Interest income	-	2	-	-	Contract price

The balances of the accounts as at 31 March 2015 and 31 December 2014 between the Company and those related companies are as follows:

(Unit: Thousand Baht)				
Consolidated financial statements		Separate financial statements		
31 March 2015	31 December 2014	31 March 2015	31 December 2014	
<u>Trade and other receivables - related parties</u>				
(Note 5)				
Subsidiaries	-	-	22,785	103,849
Related companies				
(related by shareholders and directors)	5,769	2,873	-	-
Total trade and other receivables - related parties	5,769	2,873	22,785	103,849
<u>Other long-term receivable - related party</u>				
Subsidiary	-	-	26,172	26,172
Total other long-term receivable - related party	-	-	26,172	26,172

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
<u>Dividend receivable - related parties</u>				
(Note 8.5 and 8.6)				
Subsidiaries	-	-	589,996	589,996
Total dividend receivable - related parties	-	-	589,996	589,996

Trade and other payables - related parties

(Note 12)

Related companies				
(related by shareholders and directors)	2,530	856	-	-
Total trade and other payables - related parties	2,530	856	-	-

Deposits received for rental - related parties

Related companies				
(related by shareholders and directors)	988	988	-	-
Total deposits received for rental - related parties	988	988	-	-

As at 31 March 2015 and 31 December 2014, the balance of short-term loans between the Company and those related companies and the movement are as follows.

Short-term loans to related parties

(Unit: Thousand Baht)

		Separate financial statements			
		Balance as at 31 December 2014	Increase during the period	Decrease during the period	Balance as at 31 March 2015
Loans to related parties	Related by				
Carabao Tawandaeng Co., Ltd.	Subsidiary	1,730,000	335,000	(176,000)	1,889,000
Asia Pacific Glass Co., Ltd.	Subsidiary	1,213,000	-	(183,000)	1,030,000
		2,943,000	335,000	(359,000)	2,919,000

Short-term loans to related parties are in from of promissory notes which charged interest rate at 3.2 percent per annum (31 December 2014: 3.2 - 4.3 percent per annum).

Directors and management's benefits

During the three-month periods ended 31 March 2015 and 2014, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Million Baht)

	For the three-month periods ended 31 March			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Short-term employee benefits	34	23	34	23
Post-employment benefits	1	1	1	1
Total	35	24	35	24

Guarantee obligation with related parties

A subsidiary has outstanding guarantee obligations with its related parties, as described in Note 21.5 to the financial statements.

3. Cash and cash equivalents

As at 31 March 2015 and 31 December 2014, cash and cash equivalents consist of the followings.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2015	2014	2015	2014
Cash and bank deposits	183,188	145,695	4,828	3,990
Short-term investment in fixed deposit	145,000	389,000	145,000	389,000
Investment in K-Money Market Fund	-	956	-	-
Total	328,188	535,651	149,828	392,990
Less: Restricted bank deposits	-	(7,567)	-	-
Total cash and cash equivalents	328,188	528,084	149,828	392,990

As at 31 March 2015, bank deposits in savings account, fixed deposits and bills of exchange carried interest between 0.1 and 2.1 percent per annum (31 December 2014: between 0.1 and 2.1 percent per annum).

Restricted bank deposits represent fixed deposits pledge with the bank as to guarantee the subsidiary's fleet credit card. However, the subsidiary released such guarantee in March 2015.

4. Current investment

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
Fixed deposit	1,200,000	900,100	1,200,000	900,000
Total current investment	1,200,000	900,100	1,200,000	900,000

As at 31 March 2015, the Company and its subsidiary had current investment in the form of fixed deposit amounting to Baht 1,200 million (31 December 2014: Baht 900 million) (the Company only: Baht 1,200 million and Baht 900.0 million, respectively) carried interests between 2.9 and 3.2 percent per annum (31 December 2014: 2.9 and 3.2 percent per annum) and due for redemption within November 2015.

5. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	5,752	2,830	-	-
Total trade receivables - related parties	5,752	2,830	-	-
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	405,751	281,066	-	-
Past due				
Not over 3 months	4,879	9,623	-	-
Over 12 months	310	310	-	-
Total trade receivables - unrelated parties	410,940	290,999	-	-
Less: Allowance for doubtful debts	(310)	(310)	-	-
Total trade receivables - unrelated parties - net	410,630	290,689	-	-
Total trade receivables - net	416,382	293,519	-	-

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
<u>Other receivables</u>				
Other receivables - unrelated parties	3	31	10,700	101,650
Other receivables - related parties	260	1,359	-	-
Accrued income - related parties	14	12	12,085	2,199
Accrued income - unrelated parties	12,015	3,848	11,781	3,537
Prepaid expenses	14,512	5,117	402	170
Advances	10,682	3,032	-	-
Others	446	1,526	-	-
Total other receivables	37,932	14,925	34,968	107,556
Total trade and other receivables	454,314	308,444	34,968	107,556

6. Reduction of inventory to net realisable value

Movements in reduction of inventory to net realisable value account during the three-month period ended 31 March 2015 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements
Balance as at 31 December 2014	1,339
Add: Increase in reduction of inventory value during the period	7,153
Balance as at 31 March 2015	8,492

7. Other current assets

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
Undue input vat	24,798	27,078	41	9
Vat receivable	14,438	22,392	1	-
Supplies for market promotion	7,728	9,117	-	-
Advance for purchase of goods	3,566	5,025	-	-
Others	1,743	1,670	-	-
Total other current assets	52,273	65,282	42	9

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 three-month periods ended	
		31 March	31 December	31 March	31 December	31 March	31 December	31 March	31 March
		2015	2014	2015	2014	2015	2014	2015	2014
		(Thousand Baht)	(Thousand Baht)	(Percent)	(Percent)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)
Carabao Tawandang Co., Ltd.	Manufacture and distribution of beverage	300,000	300,000	100	100	408,958	408,958	-	243,599
Asia Pacific Glass Co., Ltd.	Manufacture and distribution of glass bottles and products	450,000	450,000	100	100	449,998	449,998	-	-
Tawandang DCM Co., Ltd.	Distribution of beverage	100,000	100,000	100	100	99,998	99,998	-	49,999
Total						958,954	958,954	-	293,598

- 8.1 On 28 March 2014, the Board of Directors Meeting of Carabao Tawandang Co., Ltd. (a subsidiary) passed a resolution to approve interim dividend payment to the Company's shareholders at Baht 116 per share, totaling Baht 348 million, which was paid on 2 July 2014.
- 8.2 On 28 March 2014, the Board of Directors Meeting of Tawandang DCM Co., Ltd., (a subsidiary) passed a resolution to approve an interim dividend payment to the Company's shareholders at Baht 50 per share, totaling Baht 50 million, which was paid to the shareholders on 2 July 2014.
- 8.3 In July 2014, the Company acquired an additional 30 percent interest in the ordinary shares of Carabao Tawandang Co., Ltd. (a subsidiary) from the former shareholders, consisting of 900,000 ordinary shares at a price of Baht 100 per share, which was equal to the par value, or for a total of Baht 90 million. This acquisition increased the Company's shareholding in this subsidiary to 100 percent. The Company made payment for the shares to the former shareholders by issuing 90 million additional ordinary shares with a par value of Baht 1 per share, as described in Notes 15.1. The Company recorded the cost of investment in the subsidiary at the net book value of the shares acquired as at the transaction date, and the difference between the value of the additional ordinary shares issued and the net book value of the shares acquired was recorded as surplus on changes in percentage of shareholding in a subsidiary in shareholders' equity in the statement of financial position.
- 8.4 On 3 July 2014, the Board of Directors Meeting of Asia Pacific Glass Co., Ltd. (a subsidiary) called up the remaining uncalled portion of its registered capital, amounting to Baht 140 million, and the Company has made full payment for the shares. As a result, investment in this subsidiary has increased from Baht 310 million to Baht 450 million.

- 8.5 On 12 December 2014, the Board of Directors Meeting of Carabao Tawandang Co., Ltd. (a subsidiary) passed a resolution to approve interim dividend payment to the Company's shareholders at Baht 150 per share, totaling Baht 450 million, which will be paid on 31 May 2015.
- 8.6 On 12 December 2014, the Board of Directors Meeting of Tawandang DCM Co., Ltd., (a subsidiary) passed a resolution to approve interim dividend payment to the Company's shareholders at Baht 140 per share, totaling Baht 140 million, which will be paid on 31 May 2015.

9. Investment properties

Movement of the investment properties account during the three-month period ended 31 March 2015 are summarised below.

	(Unit: Thousand Baht)
	Consolidated financial statements
Net book value as at 31 December 2014	135,661
Transfer to property, plant and equipment	(24,305)
Depreciation for the period	(1,047)
Net book value as at 31 March 2015	<u>110,309</u>

10. Property, plant and equipment

Movements in the property, plant and equipment account during the three-month period ended 31 March 2015 are summarised below.

	(Unit: Thousand Baht)
	Consolidated financial statements
Net book value as at 31 December 2014	4,753,772
Acquisition during the period - at cost	43,811
Transfer from investment properties	24,305
Disposal during the period - net book value at disposal date	(993)
Depreciation for the period	(54,676)
Net book value as at 31 March 2015	<u>4,766,219</u>

A subsidiary has mortgaged its land and construction thereon as collateral for credit facilities granted by commercial bank. However, the subsidiary is in process of redemption the mortgage of land and construction thereon from the commercial bank.

11. Intangible assets

Movement of the intangible assets account during the three-month period ended 31 March 2015 are summarised below.

	(Unit: Thousand Baht)
	Consolidated financial statements
Net book value as at 31 December 2014	17,343
Acquisition during the period - at cost	739
Amortisation for the period	(940)
Net book value as at 31 March 2015	<u>17,142</u>

12. Trade and other payables

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
	31 March 2015	31 December 2014
Trade payables - unrelated parties	562,976	494,417
Other payables - related parties	-	787
Other payables - unrelated parties	85,874	88,469
Accrued expenses - related parties	2,530	69
Accrued expenses - unrelated parties	94,007	160,726
Advance received	22,683	52,665
Total trade and other payables	<u>768,070</u>	<u>797,133</u>

13. Other current liabilities

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
	31 March 2015	31 December 2014
Accrued withholding tax	4,686	12,092
Undue output VAT	1,001	7,062
Value added tax payable	4,431	4,086
Retention	446	3,320
Social security fund payable	1,824	2,168
Others	10,637	9,563
Total other current liabilities	<u>23,025</u>	<u>38,291</u>

14. Provision for long-term employee benefits

Movements in the provision for long-term employee benefits account for the three-month period ended 31 March 2015 were summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance at beginning of period	52,914	30,818
Current service cost	2,283	766
Interest cost	704	379
Balance at end of period	<u>55,901</u>	<u>31,963</u>

15. Share capital

15.1 On 30 June 2014, the Extraordinary General Meeting of shareholders No. 2/2014 pass a resolution to approve the followings.

To increase the registered share capital of the Company from Baht 620 million (6.2 million ordinary shares of Baht 100 each) to Baht 850 million (8.5 million ordinary shares of Baht 100 each) through the issuance of an additional 2.3 million ordinary shares of Baht 100 each to be offered to the existing shareholders of the Company Baht 140 million and to acquisition of ordinary shares of Carabao Tawandang Co., Ltd. from its former shareholders Baht 90 million as discussed in Note 8.3. The Company registered the increase in its share capital with the Ministry of Commerce on 8 July 2014.

To change the par value of the Company's ordinary shares from Baht 100 per share to Baht 1 per share, resulting in an increase in the number of ordinary shares from 8.5 million shares to 850 million shares. The Company registered the par value decrease with the Ministry of Commerce on 8 July 2014.

To increase the registered share capital of the Company from Baht 850 million (850 million ordinary shares of Baht 1 each subsequent to the increase in the registered share capital and the decrease in the par value of the Company's ordinary shares to Baht 1,000 million (1,000 million ordinary shares of Baht 1 each) through an issuance of 150 million new ordinary shares at a par value of Baht 1 each to be reserved for an initial public offering (IPO). The Company registered the ordinary share increase with the Ministry of Commerce on 8 July 2014.

15.2 During 12 - 14 November 2014, the Company offered 250 million ordinary shares (150 million ordinary shares offered by the Company and 100 million ordinary shares offered by existing shareholders), with a par value of Baht 1 each, at a price of Baht 28 each through the Initial Public Offering and employees of the Company.

During such periods, the Company received share subscription amounting to Baht 150 million for 150 million and shares premium amounting to Baht 4,050 million. As a result, the issued and fully paid-up share capital increase from Baht 850 million (850 million ordinary shares with a par value of Baht 1 per share) to Baht 1,000 million (1,000 million ordinary shares with a par value of Baht 1 per share). The Company registered the increase in its paid up share capital with the Ministry of Commerce on 18 November 2014 and the Stock Exchange of Thailand approved the 1,000 million ordinary shares with a par value of Baht 1 each as listed securities for trading, effective from 21 November 2014. The Company incurred expenses relating to the share offering totaling Baht 87 million (net of income tax of Baht 22 million), which were presented as a deduction from the share premium.

16. Statutory reserve

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

17. Other income

	(Unit: Thousand Baht)			
	For the three-month periods ended 31 March			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Rental and service income	12,153	8,128	-	-
Interest income	9,701	2,354	32,700	-
Gain on changes in fair value of cross currency interest swap contracts	7,168	9,078	-	-
Scrap sales income	2,438	3,525	-	-
Gain on exchange	2,317	6,507	-	-
Gain on sales fixed assets	1,825	7,447	-	-
Income from sales and trade-off premium goods	1,324	1,075	-	-
Management income	-	-	30,000	30,000
Others	3,837	2,693	-	-
Total others income	40,763	40,807	62,700	30,000

18. Income tax

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

Income tax expenses for the three-month periods ended 31 March 2015 and 2014 are made up as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 31 March			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Current income tax:				
Interim corporate income tax charge	45,716	43,500	4,225	1,127
Deferred tax:				
Relating to origination and reversal of temporary differences	10,008	16,580	(229)	(149)
Income tax expenses reported in the income statements	55,724	60,080	3,996	978

19. Earnings per share

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

	(Unit: Thousand Baht)			
	For the three-month periods ended 31 March			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Profit for the periods attributable to equity holders the Company (Thousand Baht)	312,530	188,776	15,983	297,513
Weighted average number of ordinary shares (Thousand shares)	1,000,000	620,000	1,000,000	620,000
Earnings per share (Baht/share)	0.31	0.30	0.02	0.48

20. Segment information

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

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

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

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

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

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

The following table presents revenue and profit information regarding the Company and its subsidiaries' operating segments for the three-month periods ended 31 March 2015 and 2014:

(Unit: Million Baht)

	Consolidated financial statements					
	For the three-month period ended 31 March 2015					
	Manufacture and distribution		Distribution of beverage	Total reportable segments	Adjustments and eliminations	Consolidated
	Beverage	Glass bottle				
Revenue						
Revenue from external customers	523	-	1,198	1,721	-	1,721
Inter-segment revenue	1,105	276	-	1,381	(1,381)	-
Total	1,628	276	1,198	3,102	(1,381)	1,721
Result						
Segment gross profit	437	97	97	631	-	631
Others income						41
Selling expenses						(219)
Administrative expenses						(84)
Profit before income tax expenses						369
Income tax expenses						(56)
Profit for the period						313

(Unaudited but reviewed)

(Unit: Million Baht)

Consolidated financial statements						
For the three-month period ended 31 March 2014						
	Manufacture and distribution		Distribution		Adjustments	
	Beverage	Glass bottle	of beverage	Total	and eliminations	Consolidated
Revenue						
Revenue from external customers	491	-	1,226	1,717	-	1,717
Inter-segment revenue	1,127	277	-	1,404	(1,404)	-
Total	1,618	277	1,226	3,121	(1,404)	1,717
Result						
Segment gross profit	446	28	100	574	-	574
Others income						41
Selling expenses						(218)
Administrative expenses						(67)
Finance cost						(30)
Profit before income tax expenses						300
Income tax expenses						(60)
Profit for the period						240

Geographic information

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

(Unit: Million Baht)		
For the three-month periods ended 31 March		
	2015	2014
Revenue from external customers		
Domestic		
Thailand	1,198	1,226
Overseas		
Cambodia	325	214
Myanmar	73	45
Afghanistan	40	201
Yemen	37	-
Vietnam	22	7
Others	26	24
Total	1,721	1,717

During the three-month period ended 31 March 2015, the Company and its subsidiaries have revenue from domestic sales at 70 percent and revenue from overseas sales at 30 percent (2014: revenue from domestic sales at 71 percent and revenue from overseas sales at 29 percent).

The Company and its subsidiaries operates in Thailand only. As a result, all of the assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

Major customers

During the three-month period ended 31 March 2015, the Company and its subsidiaries have revenue with 1 major customer with revenue of 10 percent or more than of its consolidated revenue (2014: 2 major customers).

21. Commitments and contingent liabilities

21.1 Capital commitments

As at 31 March 2015, the subsidiaries had capital commitments of approximately Euro 0.4 million (31 December 2014: Baht 9.8 million and Euro 1.4 million), relating to the construction of factory buildings and acquisition of machinery.

21.2 Operating lease commitments

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

As at 31 March 2015, future minimum lease payments required under these non-cancellable operating leases contracts were as follows.

	(Unit: Million Baht)	
	Consolidated financial statements	Separate financial statements
	As at 31 March 2015	As at 31 March 2015
Payable:		
In up to 1 year	30.6	3.5
In over 1 and up to 5 years	29.4	3.5

21.3 Service agreement commitments

The Company entered into a service agreement with a consultant of the Company in respect of business operation whereby the Company was obliged to pay for the service fee on a basis and at a rate as stipulated in the agreement.

21.4 Significant agreements with related parties

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

21.4.2 On 14 February 2013, the Carabao Tawandang Co., Ltd. (a subsidiary) and Asia Pacific Glass Co., Ltd., (a subsidiary), entered into a sale and purchase agreement for 150 ml amber glass bottle. This agreement is effective until all debts under credit facility agreement of the subsidiary are repaid or the credit facility is cancelled.

On 3 February 2014, the Company and its subsidiary entered into a supplement agreement to purchase and sell a 250ml clear glass bottle. This agreement is effective on 3 February 2014 until all debts under credit facility agreement of the related company are repaid or the credit facility is cancelled.

On 10 February 2015, the Company and its related company entered into a supplemental agreement to modify the period of agreement from which effective until all debts under credit facility agreement of the related company are repaid or the credit facility is cancelled to be effective since the date on the supplemental agreement unless cancelled by either party.

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

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

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

On 30 May 2014, the Company entered into an amendment to the agreement, changing the service fee from Baht 10 million per month to Baht 25 million per month. The amended agreement is effective from 1 April 2014 to 31 December 2014.

On 12 December 2014, the Company and its subsidiaries entered into an amendment to the agreement, changing the service fee from Baht 25 million per month to Baht 40 million per month. The amended agreement is effective from 1 October 2014 to 31 December 2014. Subsequent to the end of such period, the service agreement dated 6 February 2014 shall be enforced.

21.5 Guarantees

21.5.1 As at 31 March 2015, Carabao Tawandang Co., Ltd. (a subsidiary) has guaranteed bank credit facilities of Tawandang DCM Co., Ltd. (a subsidiary) amounting to Baht 200 million (31 December 2014: Baht 300 million).

21.5.2 As at 31 March 2015, Tawandang DCM Co., Ltd. (a subsidiary) has guaranteed bank credit facilities of Carabao Tawandang Co., Ltd. (a subsidiary) amounting to Baht 200 million (31 December 2014: Baht 200 million).

21.5.3 As at 31 March 2015, a subsidiary has outstanding bank guarantees of approximately Baht 47 million (31 December 2014: Baht 47 million) issued by banks on behalf of the subsidiaries to guarantee the use of electricity and natural gas.

22. Financial instruments

22.1 Foreign currency risk

The Company and its subsidiaries's exposure to foreign currency risk arises mainly from trading transactions and borrowings that are denominated in foreign currencies.

The balances of financial assets and liabilities denominated in foreign currencies as at 31 March 2015 are summarised below.

Foreign currencies	Consolidated financial statements			
	Financial assets	Financial liabilities	Average exchange rate	
			Bought	Sold
	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	0.2	-	32.4074	32.7028
Euro	-	0.9	34.9145	35.5211

Cross currency interest rate swap contract

On 21 December 2012, A subsidiary entered into an interest rate swap contract with a bank for a principal of Baht 500 million, for the period as from 28 December 2012 to 31 December 2016 by which the subsidiary agreed to swap the interest rate from THBFIX + 1.43 percent per annum as stipulated in the loan agreement, to a fixed interest rate at 5.5 percent per annum, and has entered into an amendment to cross currency interest rate swap contract on 13 December 2013 for outstanding principal of Baht 471.02 million whereby loan principal of Baht 471.02 million be converted to USD 14.7 million and interest calculation be changed from a fixed interest rate of 5.5 percent per annum to a fixed interest rate of 4.55 percent per annum calculated on the balance of USD national amount. Termination date of the contract is 30 December 2016.

Movements in liabilities under cross currency interest rate swap contract that recognised changes in the fair value of cross currency interest rate swap contract are summarised as follows:

	(Unit: Thousand Baht)
Liabilities under cross currency interest rate swap contract as at 31 December 2014	30,444
Less: Gain on changes in the fair value	(7,168)
Liabilities under cross currency interest rate swap contract as at 31 March 2015	<u>23,276</u>

The changes in the fair value are recognised as gain in the income statements.

22.2 Fair value of financial instruments

The Company and its subsidiaries use the market approach to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards, except that the cost approach or income approach is used when there is no active market or when a quoted market price is not available.

Fair value hierarchy

In applying the above-mentioned valuation techniques, the Company and its subsidiaries endeavor to use relevant observable inputs as much as possible. TFRS 13 *Fair Value Measurement* establishes a fair value hierarchy categorising such inputs into three levels as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

As of 31 March 2015, the Company and its subsidiaries had the following liability that was measured at fair value using different level of input as follow.

	(Unit: Thousand)
	Consolidated Financial
	Statements
	Level 2
Financial liability measured at fair value	
Cross currency interest rate swap contract	23,276

Valuation techniques and inputs to Level 2 valuation

A) Fair value of cross currency interest rate swap contract has been calculated at the rate set by the financial institutions as if the contract was terminated on the reporting date.

During the current period, there were no transfers within the fair value hierarchy.

23. Events after the reporting period

23.1 Dividend payment of the Company

On 28 April 2015, the Annual General Meeting of the Company's shareholders passed a resolution to approve a dividend payment in respect of 2014 earnings of Baht 0.6 per share, or a total of Baht 600 million, additional from the interim dividends amounting to Baht 279 million, which will be paid to the Company's shareholders within 22 May 2015. Such dividend will be recorded in the second quarter of 2015.

23.2 Dividend payment of the subsidiaries

On 15 May 2015, the Board of Directors' Meeting of the Company passed a resolution to approve an interim dividend of Carabao Tawandang Co., Ltd. and Tawandang DCM Co., Ltd., its subsidiaries, at Baht 100 per share and Baht 80 per share, or a total of Baht 300 million and Baht 80 million, respectively. The subsidiaries will pay the dividend to their shareholders within September 2015.

24. Approval of financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 15 May 2015.