

Carabao Group Public Company Limited  
and its subsidiaries  
Report and consolidated financial statements  
31 December 2021

## **Independent Auditor's Report**

To the Shareholders of Carabao Group Public Company Limited

### **Opinion**

I have audited the accompanying consolidated financial statements of Carabao Group Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2021, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Carabao Group Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Carabao Group Public Company Limited and its subsidiaries and of Carabao Group Public Company Limited as at 31 December 2021, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### **Basis for Opinion**

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## **Key Audit Matters**

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond for each matter are described below.

### *Revenue recognition*

As discussed in Note 4.1 to the financial statements regarding the accounting policies on revenue recognition from sales of goods, sales of goods are significant accounting transactions as the amounts recorded are material and directly affect profit or loss of the Group. In addition, the sales transactions of the Group are made with a large number of customers such as overseas customers, traditional trade customers, modern trade customers and cash van customers, and there is a variety of sales arrangements, pertaining to matters such as sales promotions, discounts and special discounts to boost sales. As a result, the Group's recognition of revenue from sales and recording of accrued rebate expenses from sale promotions and discounts are complex. I therefore focused my audit on the revenue recognition of the Group.

I examined the Group's revenue recognition by assessing and testing the Group's IT system and internal controls with respect to the revenue cycle by making enquiries of responsible executives, gaining understanding of the controls and selecting representative samples to test the operation of the designed controls. In addition, I applied a sampling method to select sales transactions occurring during the year and near the end of the accounting period to examine the supporting documents and reviewed credit notes that the Group issued after the period-end. I tested the data being used in calculating and recording of accrued rebate expenses from sales promotions and discounts at the end of reporting period whether it was consistent with the conditions of the relevant agreements or arrangements with the customers. I also performed analytical procedures on disaggregated data to detect possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers.

### *Impairment of investments in subsidiaries and goodwill*

As discussed in Note 10 and 13 to the financial statements, relating to investments in subsidiaries and goodwill arising from business combination, the Company recorded an allowance for impairment of investments in subsidiaries in the separate financial statements of Baht 1,499 million due to the inability to achieve the expected profits of the entity in the United Kingdom, which might affect to the recoverable amounts of the investment in that subsidiary. In addition, the Group has goodwill arising from business combination, as presented in the consolidated financial statements, amounting to Baht 549 million. I have focused my audit on the consideration of the impairment of investments in subsidiaries and goodwill, because the assessment of impairment of investments in subsidiaries and goodwill is a significant accounting estimate requiring management to exercise a high degree of judgement in identifying the cash generating units, estimating the cash inflows that are expected to be generated from that group of assets in the future, and setting an appropriate discount rate and long-term growth rate. There are thus risks with respect to the amount of investments in subsidiaries and goodwill.

I assessed the process for identifying impairment indicator and gained understanding of impairment assessment of investments in subsidiaries and goodwill. I also assessed the identification of cash generating units and the financial models selected by management by gaining an understanding of management's decision-making process and assessing the decisions made were consistent with how assets are utilised. I also tested the significant assumptions applied by management in preparing estimates of the cash flows expected to be realised from the assets, by comparing those assumptions with information from both internal and external sources and comparing past cash flow projections to actual operating results in order to evaluate the exercise of management judgement in estimating the cash flow projections. I also evaluated the discount rate applied by management through analysis of the moving average finance costs of the Group and of the industry and involving internal expert to assist in the assessment of this information by comparing it to external sources based on an expert's knowledge and past experience, tested the calculation of the realisable values of the assets using the selected financial model and considered the impact of changes in key assumptions on those realisable values, especially changes in the discount rate and long-term revenue growth rate. Moreover, I reviewed the disclosures made with respect to impairment assessment for investments in subsidiaries and goodwill.

## **Other Information**

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

## **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

I am responsible for the audit resulting in this independent auditor's report.

Kamontip Lertwitworatep  
Certified Public Accountant (Thailand) No. 4377

EY Office Limited  
Bangkok: 18 February 2022

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

**Statement of financial position**

**As at 31 December 2021**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	1,134,245,964	946,548,320	62,148,666	21,253,315
Trade and other receivables	6, 8	1,755,669,201	1,420,362,869	2,494,641	1,535,530
Short-term loans to related parties	6	-	-	5,399,000,000	3,895,000,000
Dividend receivable from related parties	6, 29	-	-	1,139,996,900	1,669,994,900
Inventories	9	2,337,179,275	1,489,401,033	-	-
Other current assets		154,523,469	135,939,635	143,530	28,525
<b>Total current assets</b>		<b>5,381,617,909</b>	<b>3,992,251,857</b>	<b>6,603,783,737</b>	<b>5,587,812,270</b>
<b>Non-current assets</b>					
Investments in subsidiaries	10	-	-	5,249,397,943	4,512,116,288
Investment properties	11	102,641,767	106,893,426	-	-
Property, plant and equipment	12	12,537,385,697	12,031,908,454	464,787	-
Right-of-use assets	18	442,732,607	303,826,010	55,133,909	57,611,838
Goodwill	13	549,002,777	494,732,353	-	-
Intangible assets	14	104,338,812	100,276,982	10,275,095	9,127,186
Deferred tax assets	24	54,519,981	45,208,103	309,927,570	309,078,991
Other long-term receivable - related party	6	-	-	26,172,146	26,172,146
Other non-current assets		13,408,115	11,579,350	-	-
<b>Total non-current assets</b>		<b>13,804,029,756</b>	<b>13,094,424,678</b>	<b>5,651,371,450</b>	<b>4,914,106,449</b>
<b>Total assets</b>		<b>19,185,647,665</b>	<b>17,086,676,535</b>	<b>12,255,155,187</b>	<b>10,501,918,719</b>

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

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

**Statement of financial position (continued)**

**As at 31 December 2021**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short-term loans from financial institutions	15	2,811,835,261	2,335,000,000	2,665,000,000	2,190,000,000
Trade and other payables	6, 16	1,768,731,909	1,572,982,301	86,323,949	97,693,096
Current portion of long-term loans from financial institutions	17	569,200,000	169,200,000	400,000,000	-
Current portion of lease liabilities	6, 18	103,365,508	84,885,183	1,812,332	1,758,429
Current portion of debentures	19	-	1,089,631,354	-	1,089,631,354
Income tax payable		168,373,935	395,725,588	16,808,485	3,273,101
Other current liabilities		5,783,169	7,779,510	23,846	-
<b>Total current liabilities</b>		<b>5,427,289,782</b>	<b>5,655,203,936</b>	<b>3,169,968,612</b>	<b>3,382,355,980</b>
<b>Non-current liabilities</b>					
Long-term loans from financial institutions, net of current portion	17	1,624,650,000	893,850,000	900,000,000	-
Lease liabilities, net of current portion	6, 18	346,507,906	221,786,161	54,812,875	56,625,206
Debentures, net of current portion	19	1,498,096,499	-	1,498,096,499	-
Provision for long-term employee benefits	20	167,687,841	152,605,926	78,957,497	73,179,748
Deposits received for rental	6	10,631,191	5,944,750	-	-
<b>Total non-current liabilities</b>		<b>3,647,573,437</b>	<b>1,274,186,837</b>	<b>2,531,866,871</b>	<b>129,804,954</b>
<b>Total liabilities</b>		<b>9,074,863,219</b>	<b>6,929,390,773</b>	<b>5,701,835,483</b>	<b>3,512,160,934</b>

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

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

**Statement of financial position (continued)**

**As at 31 December 2021**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
<b>Liabilities and shareholders' equity (continued)</b>					
<b>Shareholders' equity</b>					
Share capital					
Registered					
1,000,000,000 ordinary shares of Baht 1 each		<u>1,000,000,000</u>	<u>1,000,000,000</u>	<u>1,000,000,000</u>	<u>1,000,000,000</u>
Issued and fully paid up					
1,000,000,000 ordinary shares of Baht 1 each		1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Share premium		3,962,980,492	3,962,980,492	3,962,980,492	3,962,980,492
Surplus on business combination under common control		323,215,788	323,215,788	-	-
Surplus on changes in percentage of shareholding					
in subsidiary		108,959,056	108,959,056	108,959,056	108,959,056
Deficit on changes in percentage of shareholding					
in subsidiaries		(653,181,536)	(368,686,372)	-	-
Retained earnings					
Appropriated - statutory reserve	21	100,000,000	100,000,000	100,000,000	100,000,000
Unappropriated		5,429,639,193	4,950,864,694	1,381,380,156	1,817,818,237
Other components of shareholders' equity		<u>(62,327,554)</u>	<u>(121,319,360)</u>	-	-
Equity attributable to owners of the Company		10,209,285,439	9,956,014,298	6,553,319,704	6,989,757,785
Non-controlling interests of the subsidiaries		<u>(98,500,993)</u>	<u>201,271,464</u>	-	-
<b>Total shareholders' equity</b>		<u>10,110,784,446</u>	<u>10,157,285,762</u>	<u>6,553,319,704</u>	<u>6,989,757,785</u>
<b>Total liabilities and shareholders' equity</b>		<u>19,185,647,665</u>	<u>17,086,676,535</u>	<u>12,255,155,187</u>	<u>10,501,918,719</u>
		-	-	-	-

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

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Directors

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

**Income statement**

**For the year ended 31 December 2021**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
<b>Revenues</b>					
Revenues from contracts with customers		17,364,320,687	17,230,640,394	-	-
Dividend income from subsidiary	6, 10	-	-	1,839,994,800	1,969,993,900
Other income	22	205,001,224	151,426,492	318,778,397	283,972,129
<b>Total revenues</b>		<b>17,569,321,911</b>	<b>17,382,066,886</b>	<b>2,158,773,197</b>	<b>2,253,966,029</b>
<b>Expenses</b>					
Cost of sales	23	11,181,002,728	10,172,906,235	-	-
Selling and distribution expenses		1,862,595,900	1,914,884,214	-	-
Administrative expenses		1,081,958,105	965,096,991	228,563,855	271,255,500
<b>Total expenses</b>		<b>14,125,556,733</b>	<b>13,052,887,440</b>	<b>228,563,855</b>	<b>271,255,500</b>
<b>Operating profit</b>		<b>3,443,765,178</b>	<b>4,329,179,446</b>	<b>1,930,209,342</b>	<b>1,982,710,529</b>
Finance income		1,005,325	4,225,774	113,653,589	89,856,373
Finance cost		(88,705,683)	(106,795,603)	(46,989,489)	(57,262,466)
<b>Profit before income tax expenses</b>		<b>3,356,064,820</b>	<b>4,226,609,617</b>	<b>1,996,873,442</b>	<b>2,015,304,436</b>
Income tax expenses	24	(513,267,750)	(667,448,564)	(31,591,202)	(9,933,580)
<b>Profit for the year</b>		<b>2,842,797,070</b>	<b>3,559,161,053</b>	<b>1,965,282,240</b>	<b>2,005,370,856</b>
<b>Profit or loss attributable to</b>					
Equity holders of the Company		2,881,001,937	3,525,027,862	1,965,282,240	2,005,370,856
Non-controlling interests of the subsidiaries		(38,204,867)	34,133,191		
		<b>2,842,797,070</b>	<b>3,559,161,053</b>		
<b>Earnings per share</b>					
26					
Basic earnings per share					
Profit attributable to equity holders of the Company		2.88	3.53	1.97	2.01
Weighted average number of ordinary shares (sh:)		1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000

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

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

**Statement of comprehensive income**

**For the year ended 31 December 2021**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
<b>Profit for the year</b>		<u>2,842,797,070</u>	<u>3,559,161,053</u>	<u>1,965,282,240</u>	<u>2,005,370,856</u>
<b>Other comprehensive income</b>					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Exchange differences on translation of financial statements					
in foreign currencies		<u>62,929,052</u>	<u>(39,427,893)</u>	<u>-</u>	<u>-</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods		<u>62,929,052</u>	<u>(39,427,893)</u>	<u>-</u>	<u>-</u>
<i>Other comprehensive income not be reclassified to profit or loss in subsequent periods</i>					
Actuarial loss	20	(2,784,298)	(13,513,946)	(2,150,401)	(8,958,020)
Less: Income tax effect	24	<u>556,860</u>	<u>2,702,789</u>	<u>430,080</u>	<u>1,791,604</u>
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax effect		<u>(2,227,438)</u>	<u>(10,811,157)</u>	<u>(1,720,321)</u>	<u>(7,166,416)</u>
<b>Other comprehensive income for the year</b>		<u>60,701,614</u>	<u>(50,239,050)</u>	<u>(1,720,321)</u>	<u>(7,166,416)</u>
<b>Total comprehensive income for the year</b>		<u><u>2,903,498,684</u></u>	<u><u>3,508,922,003</u></u>	<u><u>1,963,561,919</u></u>	<u><u>1,998,204,440</u></u>
<b>Total comprehensive income attributable to</b>					
Equity holders of the Company		2,937,766,305	3,490,204,092	<u>1,963,561,919</u>	<u>1,998,204,440</u>
Non-controlling interests of the subsidiaries		<u>(34,267,621)</u>	<u>18,717,911</u>		
<b>Total comprehensive income for the year</b>		<u><u>2,903,498,684</u></u>	<u><u>3,508,922,003</u></u>		

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

Carabao Group Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2021

(Unit: 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 subsidiary	Deficit on changes in percentage of shareholding in subsidiaries	Retained earnings		Other components of equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
							Appropriated - statutory reserve	Unappropriated				
<b>Balance as at 1 January 2020</b>		1,000,000,000	3,962,980,492	323,215,788	108,959,056	(368,686,372)	100,000,000	3,536,647,989	(97,306,747)	8,565,810,206	152,553,553	8,718,363,759
Profit for the year		-	-	-	-	-	-	3,525,027,862	-	3,525,027,862	34,133,191	3,559,161,053
Other comprehensive income for the year		-	-	-	-	-	-	(10,811,157)	(24,012,613)	(34,823,770)	(15,415,280)	(50,239,050)
Total comprehensive income for the year		-	-	-	-	-	-	3,514,216,705	(24,012,613)	3,490,204,092	18,717,911	3,508,922,003
Dividend paid	29	-	-	-	-	-	-	(2,100,000,000)	-	(2,100,000,000)	-	(2,100,000,000)
Increase in non-controlling interests of subsidiaries from joint investments	10.4.3	-	-	-	-	-	-	-	-	-	30,000,000	30,000,000
<b>Balance as at 31 December 2020</b>		<u>1,000,000,000</u>	<u>3,962,980,492</u>	<u>323,215,788</u>	<u>108,959,056</u>	<u>(368,686,372)</u>	<u>100,000,000</u>	<u>4,950,864,694</u>	<u>(121,319,360)</u>	<u>9,956,014,298</u>	<u>201,271,464</u>	<u>10,157,285,762</u>
<b>Balance as at 1 January 2021</b>		1,000,000,000	3,962,980,492	323,215,788	108,959,056	(368,686,372)	100,000,000	4,950,864,694	(121,319,360)	9,956,014,298	201,271,464	10,157,285,762
Profit for the year		-	-	-	-	-	-	2,881,001,937	-	2,881,001,937	(38,204,867)	2,842,797,070
Other comprehensive income for the year		-	-	-	-	-	-	(2,227,438)	58,991,806	56,764,368	3,937,246	60,701,614
Total comprehensive income for the year		-	-	-	-	-	-	2,878,774,499	58,991,806	2,937,766,305	(34,267,621)	2,903,498,684
Dividend paid	29	-	-	-	-	-	-	(2,400,000,000)	-	(2,400,000,000)	-	(2,400,000,000)
Effect of change in percentage of shareholding in subsidiary	10.4.4	-	-	-	-	(284,495,164)	-	-	-	(284,495,164)	(265,504,836)	(550,000,000)
<b>Balance as at 31 December 2021</b>		<u>1,000,000,000</u>	<u>3,962,980,492</u>	<u>323,215,788</u>	<u>108,959,056</u>	<u>(653,181,536)</u>	<u>100,000,000</u>	<u>5,429,639,193</u>	<u>(62,327,554)</u>	<u>10,209,285,439</u>	<u>(98,500,993)</u>	<u>10,110,784,446</u>

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

**Carabao Group Public Company Limited and its subsidiaries**  
**Statement of changes in shareholders' equity (continued)**  
**For the year ended 31 December 2021**

(Unit: Baht)

	Note	Separate financial statements					
		Issued and paid-up share capital	Share premium	Surplus on changes in percentage of shareholding in subsidiary	Retained earnings		Total
					Appropriated - statutory reserve	Unappropriated	
<b>Balance as at 1 January 2020</b>		1,000,000,000	3,962,980,492	108,959,056	100,000,000	1,919,613,797	7,091,553,345
Profit for the year		-	-	-	-	2,005,370,856	2,005,370,856
Other comprehensive income for the year		-	-	-	-	(7,166,416)	(7,166,416)
Total comprehensive income for the year		-	-	-	-	1,998,204,440	1,998,204,440
Dividend paid	29	-	-	-	-	(2,100,000,000)	(2,100,000,000)
<b>Balance as at 31 December 2020</b>		<u>1,000,000,000</u>	<u>3,962,980,492</u>	<u>108,959,056</u>	<u>100,000,000</u>	<u>1,817,818,237</u>	<u>6,989,757,785</u>
<b>Balance as at 1 January 2021</b>		1,000,000,000	3,962,980,492	108,959,056	100,000,000	1,817,818,237	6,989,757,785
Profit for the year		-	-	-	-	1,965,282,240	1,965,282,240
Other comprehensive income for the year		-	-	-	-	(1,720,321)	(1,720,321)
Total comprehensive income for the year		-	-	-	-	1,963,561,919	1,963,561,919
Dividend paid	29	-	-	-	-	(2,400,000,000)	(2,400,000,000)
<b>Balance as at 31 December 2021</b>		<u>1,000,000,000</u>	<u>3,962,980,492</u>	<u>108,959,056</u>	<u>100,000,000</u>	<u>1,381,380,156</u>	<u>6,553,319,704</u>

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

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

**Statement of cash flows**

**For the year ended 31 December 2021**

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<b>Cash flows from operating activities</b>				
Profit before tax	3,356,064,820	4,226,609,617	1,996,873,442	2,015,304,436
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities				
Dividend income from subsidiaries	-	-	(1,839,994,800)	(1,969,993,900)
Depreciation and amortisation	753,474,103	668,374,798	3,076,658	2,998,925
Gain on sales of short-term investments				
in trading securities	-	(371,386)	-	(371,386)
Allowance for expected credit losses	-	4,798,098	-	-
Reduction of cost of inventories to net realisable value	55,596,009	4,460,598	-	-
Gain on disposals of equipment	(4,210,981)	(5,535,332)	-	-
Provision for long-term employee benefits	19,664,776	16,289,176	3,627,348	2,814,780
Amortisation of transaction cost for debenture issuance	934,366	1,511,152	934,366	1,511,152
Unrealised gain on exchange	(6,866,208)	(3,450,330)	-	(2,718,296)
Finance income	(1,005,325)	(4,225,774)	(113,653,589)	(89,856,373)
Finance cost	81,986,962	99,212,343	45,555,073	57,110,714
<b>Profit from operating activities before changes in operating assets and liabilities</b>	4,255,638,522	5,007,672,960	96,418,498	16,800,052
Operating assets (increase) decrease				
Trade and other receivables	(328,784,966)	(287,091,341)	(806,439)	829,321
Inventories	(904,394,935)	(502,355,370)	-	-
Other current assets	(18,570,672)	(32,425,108)	(115,005)	45,747
Other non-current assets	(1,828,765)	(303,962)	-	-
Operating liabilities increase (decrease)				
Trade and other payables	219,802,695	77,011,364	(19,941,165)	23,278,042
Other current liabilities	(1,996,341)	(5,042,927)	23,846	-
Deposits received for rental	4,686,441	(9,812,980)	-	-
Cash paid for long-term employee benefits	(7,367,159)	(12,977,409)	-	(6,599,048)
<b>Cash from operating activities</b>	3,217,184,820	4,234,675,227	75,579,735	34,354,114
Interest received	1,048,723	4,470,944	81,698	2,584,505
Income tax paid	(749,387,583)	(602,720,628)	(18,474,317)	(7,812,168)
<b>Net cash from operating activities</b>	2,468,845,960	3,636,425,543	57,187,116	29,126,451

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

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

**Statement of cash flows (continued)**

**For the year ended 31 December 2021**

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<b>Cash flows from investing activities</b>				
Increase in investments in trading securities	-	(840,000,000)	-	(840,000,000)
Cash received from sales of investments in				
in trading securities	-	840,371,386	-	840,371,386
Increase in short-term loans to related parties	-	-	(4,454,000,000)	(3,138,000,000)
Cash received from repayment of short-term loans				
to related parties	-	-	2,950,000,000	1,732,087,800
Increase in investments in subsidiaries	-	-	(737,281,655)	(841,499,670)
Proceeds from disposals of equipment	4,523,989	7,345,760	-	-
Cash paid for acquisitions of property, plant and equipment	(1,163,139,919)	(1,655,275,526)	(543,942)	-
Cash paid for acquisitions of intangible assets	(17,049,811)	(22,278,325)	(1,095,942)	(4,915,718)
Cash paid for acquisitions of investment properties	(250,000)	(332,800)	-	-
Interest received	-	-	113,419,219	87,557,434
Dividend income from subsidiaries	-	-	2,369,992,800	3,249,990,100
<b>Net cash from (used in) investing activities</b>	<b>(1,175,915,741)</b>	<b>(1,670,169,505)</b>	<b>240,490,480</b>	<b>1,085,591,332</b>
<b>Cash flows from financing activities</b>				
Increase in short-term loans from financial institutions	10,621,835,261	4,574,664,031	9,535,000,000	2,983,000,000
Cash paid for repayment of short-term loans				
from financial institutions	(10,145,000,000)	(2,246,399,550)	(9,060,000,000)	(793,000,000)
Increase in long-term loans from financial institutions	1,300,000,000	-	1,300,000,000	-
Cash paid for repayment of long-term loans				
from financial institutions	(169,200,000)	(270,700,000)	-	-
Cash paid for principal portion of lease liabilities	(106,961,534)	(118,927,919)	(1,758,428)	(1,706,131)
Net cash received from debentures issuance	1,497,530,779	-	1,497,530,779	-
Cash paid for redemption of debentures	(1,090,000,000)	(1,700,000,000)	(1,090,000,000)	(1,700,000,000)
Cash paid for acquisition of non-controlling interests of				
the subsidiaries	(550,000,000)	-	-	-
Cash received from non-controlling interests of the subsidiaries				
from issuance of ordinary shares of subsidiary	-	30,000,000	-	-
Interest paid	(74,147,870)	(101,638,691)	(37,554,596)	(58,713,221)
Dividend paid	(2,400,000,000)	(2,100,000,000)	(2,400,000,000)	(2,100,000,000)
<b>Net cash used in financing activities</b>	<b>(1,115,943,364)</b>	<b>(1,933,002,129)</b>	<b>(256,782,245)</b>	<b>(1,670,419,352)</b>
Increase (decrease) in translation adjustments	11,499,629	(52,583,929)	-	-
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>188,486,484</b>	<b>(19,330,020)</b>	<b>40,895,351</b>	<b>(555,701,569)</b>
Cash and cash equivalents at beginning of year	946,548,320	961,954,431	21,253,315	576,954,884
Effect of change in foreign exchange rate on cash at bank	(788,840)	3,923,909	-	-
<b>Cash and cash equivalents at end of year (Note 7)</b>	<b>1,134,245,964</b>	<b>946,548,320</b>	<b>62,148,666</b>	<b>21,253,315</b>
	-	-	-	-

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

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

**Statement of cash flows (continued)**

**For the year ended 31 December 2021**

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Supplemental disclosures of cash flows information</b>				
Non-cash related transactions				
Increase (decrease) in payable for purchasing of plant and equipment	(27,611,980)	35,102,519	-	-
Increase (decrease) in payable for purchasing of intangible assets	(3,226,585)	4,206,666	571,541	356,666
Increase (decrease) in retention payable	(2,095,754)	13,430,813	-	-
Transfer property, plant and equipment to investment properties	-	7,820,861	-	-
Right-of-use assets increase from lease agreements	249,337,372	91,062,459	-	-
Right-of-use assets increase from lease reassessment	826,232	-	-	-

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

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

### **Notes to consolidated financial statements**

**For the year ended 31 December 2021**

#### **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 domiciled in Thailand, and registered the change of its status to a public limited company under The Public Limited Companies Act on 8 July 2014. The Company is principally engaged in the investment in subsidiaries. The registered office of the Company is at 393 Silom Building 393, 7th - 10th Floor, Silom Road, Silom, Bangrak, Bangkok.

##### **1.2 Coronavirus disease 2019 pandemic**

A new wave of the Coronavirus disease 2019 pandemic has slowed down the economic and is adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. The Group’s management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

#### **2. Basis of preparation**

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

## 2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Carabao Group Public Company Limited (“the Company”) and the subsidiaries (“the subsidiaries”) as follows:

Company's name	Nature of business	Country	Percentage of shareholding	
			2021	2020
<u>Held by the Company</u>				
Carabao Tawandang Co., Ltd.	Manufacture and distribution of beverage	Thailand	100	100
Asia Pacific Glass Co., Ltd.	Manufacture and distribution of bottles and glass products	Thailand	100	100
Tawandang DCM Co., Ltd.	Distribution management	Thailand	100	100
Asia Can Manufacturing Co., Ltd.	Manufacture and distribution of aluminum can	Thailand	100	74
Asia Packaging Manufacturing Co., Ltd.	Manufacture and distribution of packaging	Thailand	100	100
Asia Carabao Venture Co., Ltd.	Investment	Thailand	100	100
Carabao Marketing Group Co., Ltd.	Data management	Thailand	100	-
Carabao Holdings (Hong Kong) Limited	Investment	Hong Kong	100	100
Carabao Trading (Hong Kong) Limited	Trading business in overseas	Hong Kong	100	100
<u>Held by the subsidiaries</u>				
A Wood Drink Co., Ltd.	Marketing and distribution of beverage	Thai	85	85
Carabao Venture Holdings (Luxembourg) S.à r.l.	Investment	Luxembourg	84.3	84.3
Intercarabao Limited	Trading business in overseas	England	84.3	84.3

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing at the end of reporting period, and revenues and expenses are translated using monthly average exchange rate. The resulting differences are shown under the caption of “Exchange differences on translation of financial statements in foreign currency” in the statements of changes in shareholders’ equity.
- f) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.
- g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated income statement and within equity in the consolidated statement of financial position.

h) For the books of account, upon acquisition of additional shares of subsidiaries (purchasing shares from non-controlling interest), the excess of cost of the investment at the acquisition date over/under the fair value of the net asset has been presented in shareholders' equity in the consolidated statement of financial position under "Surplus/deficit on changes in percentage of shareholding in a subsidiary".

2.3 The separate financial statements present investments in subsidiaries under the cost method.

### **3. New financial reporting standards**

#### **3.1 Financial reporting standards that became effective in the current year**

During the year, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2021. 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.

#### **3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2022**

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2022. 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, for some standards, providing temporary reliefs or temporary exemptions for users.

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

## **4. Significant accounting policies**

### **4.1 Revenue and expense recognition**

#### *Sales of goods*

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

#### *Management income*

Management income is recognised proportionately over the term of the agreements.

#### *Rental and service income*

Rental and service income are recognised proportionately over the term of the rental and service agreements.

#### *Interest income*

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

#### *Dividends*

Dividends are recognised when the right to receive the dividends is established.

#### *Other income*

Other income is recognised on an accrual basis.

#### *Finance cost*

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

### **4.2 Cash and cash equivalents**

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

### **4.3 Inventories**

Finished goods and work in process are valued at the lower of cost (under the first-in, first-out method) and net realisable value, and includes raw material costs, labor and attributable factory overheads.

Raw materials, chemicals, spare parts and factory supplies are valued at the lower of cost (under first-in, first-out method) and net realisable value and are charged to production costs whenever consumed.

### **4.4 Investments**

Investments in subsidiaries are accounted for in the separate financial statements using the cost method.

### **4.5 Investment properties**

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives of 30 years. Depreciation of the investment properties is included in determining income.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in income statement in the period when the asset is derecognised.

### **4.6 Property, plant and equipment and depreciation**

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of building and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Land improvement	5 - 40 years
Buildings and building improvement	5 - 50 years
Machinery and equipment	2 - 30 years
Furniture, fixtures and office equipment	3 - 20 years
Motor vehicles	5 - 10 years

Depreciation is included in determining income.

No depreciation is provided on land and assets under construction and installation.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in income statement when the asset is derecognised.

#### **4.7 Intangible assets**

Intangible assets are stated at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on the straight-line basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to income statement.

Summary of the intangible assets with finite useful lives is as follows:

	<u>Useful lives</u>
Trademarks	10 years
Patents	10 years
Computer software	5 - 10 years

Intangible assets with indefinite useful lives, which are knowhow for manufacturing, are not amortised, but are tested for impairment annually either individually or at the cash generating unit level. The assessment of indefinite useful lives of the intangible assets is reviewed annually.

No amortisation is provided on intangible assets under development.

#### **4.8 Goodwill**

Goodwill is initially recorded at cost, which equal to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in income statement.

Goodwill is subsequently carried at cost less any accumulated impairment losses with impairment being tested annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Group's cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Group estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in income statement. Impairment losses relating to goodwill cannot be reversed in future periods.

#### **4.9 Leases**

At inception of contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

##### **The Group as a lessee**

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

##### ***Right-of-use assets***

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

Depreciation of right-of-use assets is calculated by reference to their costs, on the straight-line basis over the shorter of their estimated useful lives and the lease term.

Buildings and structures	2 - 24 years
Machinery and equipment	2 - 3 years
Furniture, fixtures and office equipment	2 - 6 years
Motor vehicles	1 - 5 years

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

### ***Lease liabilities***

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Group discounts the present value of the lease payments 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 change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

### ***Short-term leases and leases of low-value assets***

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

### **The Group as a lessor**

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee. Lease receivables from operating leases is recognised as income in income statement on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying assets and recognised as an expense over the lease term on the same basis as the lease income.

## **4.10 Related party transactions**

Related parties comprise individuals or enterprises that control, or are controlled by, the Group, whether directly or indirectly, or which are under common control with the Group.

They also include associates, and individuals or enterprises which directly or indirectly own a voting interest in the Group that gives them significant influence over the Group, key management personnel, directors, and officers with authority in the planning and direction of the Group operations.

#### **4.11 Foreign currencies**

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items included in the consolidated financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

#### **4.12 Impairment of non-financial assets**

At the end of each reporting period, the Group performs impairment reviews in respect of the non-financial assets whenever events or changes in circumstances indicate that an asset may be impaired. The Group also carries out annual impairment reviews in respect of goodwill and intangible assets with indefinite useful lives. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of an asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Group could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in income statement.

In the assessment of asset impairment (except for goodwill) if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in income statement.

#### **4.13 Employee benefits**

##### ***Short-term employee benefits***

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

##### ***Post-employment benefits***

###### *Defined contribution plans*

The Group and their employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust fund and the Group's contributions are recognised as expenses when incurred.

###### *Defined benefit plans*

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Group treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

Past service costs are recognised in income statement on the earlier of the date of the plan amendment or curtailment and the date that the Group recognises restructuring-related costs.

#### **4.14 Provisions**

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

#### **4.15 Income tax**

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

##### **Current tax**

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

##### **Deferred tax**

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognises deferred tax liabilities for all taxable temporary differences while it recognises deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

#### **4.16 Financial instruments**

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component, are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

##### **Classification and measurement of financial assets**

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). The classification of financial assets at initial recognition 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 at amortised cost***

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (“EIR”) method and are subject to impairment. Gains and losses are recognised in income statement when the asset is derecognised, modified or impaired.

### ***Financial assets at FVTPL***

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in income statement.

These financial assets include derivatives, security investments held for trading, equity investments which the Group has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Dividends on listed equity investments are recognised as other income in income statement.

### **Classification and measurement of financial liabilities**

At initial recognition, the Group’s financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in income statement when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in income statement.

### **Regular way purchases and sales of financial assets**

Regular way purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace are recognised on the trade date, i.e., the date on which the Group commits to purchase or sell the asset / the settlement date, i.e., the date on which an asset is delivered.

## **Derecognition of financial instruments**

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in income statement.

## **Impairment of financial assets**

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Group considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset as credit impaired or default when contractual payments are 180-365 days past due. However, in certain cases, the Group may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

ECLs are calculated based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

#### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### **4.17 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure its assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation techniques that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categories of input to be used in fair value measurement 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

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

## 5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

### **Goodwill**

The initial recognition and measurement of goodwill, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

### **Allowance for impairment of investments in subsidiaries**

In determining allowance for impairment of investments in subsidiaries, the management is required to exercise judgements regarding determination of the recoverable amount of the asset, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next 5 years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the cash-generating unit being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

### **Leases**

#### *Determining the lease term with extension and termination options - The Group as a lessee*

In determining the lease term, the management is required to exercise judgement in assessing whether the Group is reasonably certain to exercise the option to extend or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Group to exercise either the extension or termination option.

### Estimating the incremental borrowing rate - The Group as a lessee

The Group cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

### Lease classification - The Group as lessor

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to exercise judgement as to whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

### **Post-employment benefits under defined benefit plans**

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

## **6. Related party transactions**

During the years, 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.

(Unit: Million Baht)

	Consolidated		Separate		Transfer pricing Policy
	financial statements	financial statements	financial statements	financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	
<b><u>Transactions with subsidiaries</u></b>					
(Eliminated from the consolidated financial statements)					
Dividend income	-	-	1,840	1,970	At the declared rate
Management income	-	-	318	280	Contract price
Interest income	-	-	114	88	Contract price
<b><u>Transactions with related companies</u></b>					
Sales of goods	1,703	751	-	-	Market price
Rental and service income	49	20	-	-	Contract price
Other income	4	4	-	-	Market price/ Mutually agreed price
Purchase of goods	3,301	2,382	-	-	Market price
Promotion expenses	88	31	-	-	Contract price/ Mutually agreed price
Service expenses	27	28	-	-	Contract price
Other expenses	1	4	-	-	Mutually agreed price

As at 31 December 2021 and 2020, the balances of the accounts between the Company and those related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b><u>Trade and other receivables - related parties</u></b>				
<b>(Note 8)</b>				
Subsidiaries	-	-	742	588
Related companies				
(related by shareholders and directors)	691,016	313,119	365	-
Total trade and other receivables - related parties	<u>691,016</u>	<u>313,119</u>	<u>1,107</u>	<u>588</u>
<b><u>Dividend receivable from related parties</u></b>				
<b>(Note 29)</b>				
Subsidiaries	-	-	1,139,997	1,669,995
Total dividend receivable from related parties	<u>-</u>	<u>-</u>	<u>1,139,997</u>	<u>1,669,995</u>
<b><u>Other long-term receivable - related party</u></b>				
Subsidiary	-	-	26,172	26,172
Total other long-term receivable - related party	<u>-</u>	<u>-</u>	<u>26,172</u>	<u>26,172</u>
<b><u>Trade and other payables - related parties</u></b>				
<b>(Note 16)</b>				
Subsidiaries	-	-	5	5
Related companies				
(related by shareholders and directors)	55,242	28,856	-	-
Total trade and other payables - related parties	<u>55,242</u>	<u>28,856</u>	<u>5</u>	<u>5</u>
<b><u>Lease liabilities - related parties (Note 18)</u></b>				
Subsidiaries	-	-	56,625	58,383
Related companies				
(related by shareholders and directors)	266,886	110,233	-	-
Total lease liabilities - related parties	<u>266,886</u>	<u>110,233</u>	<u>56,625</u>	<u>58,383</u>
<b><u>Deposits received for rental - related parties</u></b>				
Related companies				
(related by shareholders and directors)	10,231	5,545	-	-
Total deposits received for rental - related parties	<u>10,231</u>	<u>5,545</u>	<u>-</u>	<u>-</u>

As at 31 December 2021 and 2020, the balances 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)

Loans to related parties	Related by	Separate financial statements			
		Balance as at 31 December 2020	Increase during the year	Decrease during the year	Balance as at 31 December 2021
Carabao Tawandang Co., Ltd.	Subsidiary	3,725,000	4,130,000	(2,950,000)	4,905,000
Asia Carabao Venture Co., Ltd.	Subsidiary	170,000	4,000	-	174,000
Asia Packaging Manufacturing Co., Ltd.	Subsidiary	-	320,000	-	320,000
Total		3,895,000	4,454,000	(2,950,000)	5,399,000

As at 31 December 2021, short-term loans to related parties are in from of promissory notes, carrying interest at 2.5 percent per annum (2020: 2.8 percent per annum).

**Directors and management's benefits**

During the years ended 31 December 2021 and 2020, the Group had employee benefit expenses payable to its directors and management as below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Short-term employee benefits	207.2	229.1	207.2	229.1
Post-employment benefits	2.8	2.3	2.8	2.3
Total	210.0	231.4	210.0	231.4

### **Significant agreements with related parties**

- a) 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.
- b) 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.
- c) 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 from 1 July 2014 onwards.

- d) 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.

On 10 March 2021, the Company entered into a technical assistance and management agreements with three subsidiaries. The agreements are effective for a period of 1 year between 1 January 2021 and 31 December 2021. Under the condition of this agreement, the Company receives a total monthly service fee of Baht 26.5 million.

On 25 January 2022, the Company agreed to change the expiration date of the agreement from 31 December 2021 to 31 December 2022.

- e) Carabao Tawandang Co., Ltd. (a subsidiary) and Tawandang DCM Co., Ltd. (another subsidiary) entered into 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.
- f) 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.
- g) 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.
- h) 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.

- i) 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.
- j) 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.
- k) 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.
- l) On 24 March 2020, Asia Pacific Glass Co., Ltd. (a subsidiary) and Carabao Tawandang Co., Ltd. (another subsidiary) entered into a sale and purchase agreement for Solar Rooftop Power in accordance with terms and conditions as depicted in the agreement. This agreement is effective for a period of 5 years since the date of electricity distribution into the system or 31 January 2021.
- m) 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.
- n) On 1 August 2020, Asia Pacific Glass Co., Ltd. (a subsidiary) entered into a land lease agreement with Asia Packaging Manufacturing Co., Ltd. (another subsidiary). The agreement is effective for a period of 3 years, expiring on 31 July 2023 and renewable. Under the conditions of this agreement, Asia Packaging Manufacturing Co., Ltd. is obliged to pay a rental fee annually at a rate specified in the agreement.
- o) On 1 March 2021, Asia Can Manufacturing Co., Ltd. (a subsidiary) and Carabao Tawandang Co., Ltd. (another subsidiary) entered into a sale and purchase agreement for aluminum can based on the design as depicted in the agreement. This agreement is effective since the date on the agreement unless being cancelled by either party.

## 7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Cash	250	230	10	10
Bank deposits	1,133,996	946,318	62,139	21,243
Total cash and cash equivalents	<u>1,134,246</u>	<u>946,548</u>	<u>62,149</u>	<u>21,253</u>

As at 31 December 2021, bank deposits in savings accounts carried interests between 0.01 and 0.35 percent per annum (2020: between 0.01 and 0.25 percent per annum).

## 8. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	332,783	197,155	-	-
Past due				
Not over 3 months	169,919	85,854	-	-
3 - 6 months	141,862	-	-	-
Total trade receivables - related parties	<u>644,564</u>	<u>283,009</u>	<u>-</u>	<u>-</u>
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	825,358	792,370	-	-
Past due				
Not over 3 months	84,927	209,896	-	-
3 - 6 months	14,759	482	-	-
Over 12 months	22,087	19,954	-	-
Total trade receivables - unrelated parties	<u>947,131</u>	<u>1,022,702</u>	<u>-</u>	<u>-</u>
Less: Allowance for expected credit losses	<u>(22,087)</u>	<u>(19,954)</u>	<u>-</u>	<u>-</u>
Total trade receivables - unrelated parties - net	<u>925,044</u>	<u>1,002,748</u>	<u>-</u>	<u>-</u>
Total trade receivables - net	<u>1,569,608</u>	<u>1,285,757</u>	<u>-</u>	<u>-</u>

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<u>Other receivables</u>				
Other receivables - related parties	10,357	8,370	367	-
Other receivables - unrelated parties	3,946	3,582	5	-
Accrued income - related parties	35,172	371	740	588
Accrued income - unrelated parties	8,248	507	-	-
Prepaid expenses - related parties	923	-	-	-
Prepaid expenses - unrelated parties	97,727	97,131	1,383	948
Advance payments for purchase of goods - related party	-	21,369	-	-
Advances	1,725	1,024	-	-
Excise tax receivables	5,946	1,144	-	-
Others	22,017	1,108	-	-
Total other receivables	<u>186,061</u>	<u>134,606</u>	<u>2,495</u>	<u>1,536</u>
Total trade and other receivables - net	<u>1,755,669</u>	<u>1,420,363</u>	<u>2,495</u>	<u>1,536</u>

Set out below are movements in the allowance for expected credit losses of trade receivables.

(Unit: Thousand Baht)

	Consolidated financial statements	
	<u>2021</u>	<u>2020</u>
Balance at beginning of year	19,954	14,687
Provision for expected credit losses	-	4,798
Translation adjustments	<u>2,133</u>	<u>469</u>
Balance at end of year	<u>22,087</u>	<u>19,954</u>

## 9. Inventories

(Unit: Thousand Baht)

Consolidated financial statements						
	Cost		Reduce cost to net realisable value		Inventories - net	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Finished goods	814,735	572,380	(32,583)	(5,110)	782,152	567,270
Work in process	34,779	23,002	-	-	34,779	23,002
Raw materials	598,929	378,661	-	-	598,929	378,661
Packing materials	674,497	323,176	(242)	-	674,255	323,176
Spare parts and factory supplies	212,068	178,549	-	-	212,068	178,549
Scrap materials	17,211	11,620	-	-	17,211	11,620
Goods in transit	17,785	7,123	-	-	17,785	7,123
<b>Total</b>	<b>2,370,004</b>	<b>1,494,511</b>	<b>(32,825)</b>	<b>(5,110)</b>	<b>2,337,179</b>	<b>1,489,401</b>

During the current year, the subsidiaries reduced cost of inventories by Baht 55.6 million (2020: Baht 4.5 million), to reflect the net realisable value. This was included in cost of sales. In addition, the subsidiaries reversed the write-down of cost of inventories by Baht 28.9 million (2020: Baht 6.8 million), and reduced the amount of inventories recognised as expenses during the year.

## 10. Investments in subsidiaries

10.1 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 year	
	<u>2021</u> (Thousand Baht)	<u>2020</u> (Thousand Baht)	<u>2021</u> (Percent)	<u>2020</u> (Percent)	<u>2021</u> (Thousand Baht)	<u>2020</u> (Thousand Baht)	<u>2021</u> (Thousand Baht)	<u>2020</u> (Thousand Baht)	<u>2021</u> (Thousand Baht)	<u>2020</u> (Thousand Baht)	<u>2021</u> (Thousand Baht)	<u>2020</u> (Thousand Baht)
<b>Local subsidiaries</b>												
Carabao Tawandang Co., Ltd.	300,000	300,000	100	100	408,958	408,958	-	-	408,958	408,958	1,319,996	1,709,994
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	519,999	260,000
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	100	74	1,068,000	518,000	-	-	1,068,000	518,000	-	-
Asia Packaging Manufacturing Co., Ltd.	700,000	595,000	100	100	700,000	595,000	-	-	700,000	595,000	-	-
Asia Carabao Venture Co., Ltd.	5,000	5,000	100	100	5,000	5,000	-	-	5,000	5,000	-	-
Carabao Marketing Group Co., Ltd.	1,000	-	100	-	1,000	-	-	-	1,000	-	-	-
<b>Overseas subsidiaries</b>												
Carabao Holdings (Hong Kong) Limited	USD 96.2 million	USD 93.6 million	100	100	3,163,442	3,082,160	(1,498,756)	(1,498,756)	1,664,686	1,583,404	-	-
Carabao Trading (Hong Kong) Limited	USD 50,000	USD 50,000	100	100	1,758	1,758	-	-	1,758	1,758	-	-
<b>Total</b>					<b>6,748,154</b>	<b>6,010,872</b>	<b>(1,498,756)</b>	<b>(1,498,756)</b>	<b>5,249,398</b>	<b>4,512,116</b>	<b>1,839,995</b>	<b>1,969,994</b>

Impairment testing for investments in subsidiaries which consisted of impairment indicators, the Company has determined recoverable amounts of its cash generating units (CGUs) based on value in use calculation using cash flow projections based on 5-year financial budgets approved by the management.

Key assumptions used in calculating value in use under conservative basis are summarised as follows:

(Unit: Percent per annum)

Terminal growth rate	4.0
Discount rate	10.6

The management has determined the growth rate taking into consideration policy, business plan, expected overall market growth rate, and discount rate which are the rates before income tax that relate to the specific risk in that operating segment.

## 10.2 Details of investments in subsidiaries that have material non-controlling interests

Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Profit (loss) allocated to non-controlling interests during the year	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	(Percent)	(Percent)				
Carabao Venture Holdings (Luxembourg) S.à r.l. and its subsidiary (Subsidiary of Carabao Holdings (Hong Kong) Limited)	15.7	15.7	(125.9)	(90.3)	(39.5)	(13.2)
Asia Can Manufacturing Co., Ltd. (Subsidiary)	-	26.0	-	261.5	4.0	47.2
A Woody Drink Co., Ltd. (Subsidiary of Asia Carabao Venture Co., Ltd.)	15.0	15.0	27.4	30.1	(2.7)	0.1

10.3 Summarised financial information based on amounts before inter-company elimination about subsidiaries that have material non-controlling interests

Summarised information about financial position

(Unit: Million Baht)

	As at 31 December					
	Carabao Venture		Asia Can Manufacturing		A Woody Drink	
	Holdings (Luxembourg)		Co., Ltd.		Co., Ltd.	
	S.à r.l. and its subsidiary		Co., Ltd.		Co., Ltd.	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Current assets	195.9	176.9	-	365.6	205.7	229.0
Non-current assets	554.6	501.8	-	1,877.1	0.1	-
Current liabilities	1,602.9	1,231.4	-	339.7	22.8	28.4
Non-current liabilities	-	-	-	898.6	0.3	0.1

Summarised information about profit and loss

(Unit: Million Baht)

	For the years ended 31 December					
	Carabao Venture		Asia Can Manufacturing		A Woody Drink	
	Holdings (Luxembourg)		Co., Ltd.		Co., Ltd.	
	S.à r.l. and its subsidiary		Co., Ltd.		Co., Ltd.	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Profit (loss)	(252.2)	(84.2)	15.5	181.9	(17.8)	0.4
Other comprehensive income	(31.5)	(49.6)	-	(0.1)	-	-
Total comprehensive income	(283.7)	(133.8)	15.5	181.8	(17.8)	0.4

Summarised information about cash flows

(Unit: Million Baht)

	For the years ended 31 December					
	Carabao Venture		Asia Can Manufacturing		A Woody Drink	
	Holdings (Luxembourg)		Co., Ltd.		Co., Ltd.	
	S.à r.l. and its subsidiary		Co., Ltd.		Co., Ltd.	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Cash flows from (used in) operating activities	(306.0)	(242.9)	113.9	248.1	(24.3)	5.2
Cash flows used in investing activities	(0.4)	(0.6)	(11.3)	(82.7)	-	-
Cash flows from (used in) financing activities	252.1	275.3	(13.2)	(245.7)	-	200.0
Net increase in cash and cash equivalents	(54.3)	31.8	89.4	(80.3)	(24.3)	205.2

## 10.4 Changes in investments in subsidiaries

### 10.4.1 Carabao Holdings (Hong Kong) Limited and its subsidiaries

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 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 already made the payment for share subscription. Such subsidiary registered the share capital increase on 6 February 2020.

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.

On 16 March 2021, the meeting of the Board of Directors of Intercarabao Limited (ICUK) (a subsidiary) 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 16 March 2021.

On 16 March 2021, the meeting of the Board of Directors of Intercarabao Limited (ICUK) (a subsidiary) passed a resolution to increase its registered share capital from GBP 80.6 million to GBP 83.9 million (increase GBP 3.3 million or EUR 3.9 million). Such subsidiary registered the share capital increase on 16 March 2021.

On 16 March 2021, CVHLUX purchased the additional ordinary shares of ICUK of GBP 3.3 million or EUR 3.9 million and partially made the payment for such share subscription totaling GBP 1.9 million.

On 16 March 2021, 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 93.6 million to USD 96.2 million (increase USD 2.6 million). The Company already made the payment for share subscription. Such subsidiary registered the share capital increase on 16 March 2021.

#### 10.4.2 Asia Packaging Manufacturing Co., Ltd.

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.

APM additionally called up for its shares which were not fully paid up totaling Baht 525 million. APM has already received such additional call up as detailed as follows:

- Baht 350 million or Baht 50 per share on 16 July 2020
- Baht 70 million or Baht 10 per share on 25 December 2020
- Baht 56 million or Baht 8 per share on 19 January 2021
- Baht 49 million or Baht 7 per share on 9 February 2021

The Company already made payment for such called up capital.

#### 10.4.3 Asia Carabao Venture Co., Ltd. and its subsidiary

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 distribution of beverage, 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 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.

#### 10.4.4 Asia Can Manufacturing Co., Ltd.

On 19 February 2021, the meeting of the Company's Board of Directors passed a resolution to approve the Company to enter into the Share Sale and Purchase Agreement ("SPA") for purchasing of 26 percent interest of the ordinary shares of Asia Can Manufacturing Co., Ltd. (a subsidiary) from overseas unrelated group at a total cost of Baht 550 million. The Company made payment for such share capital on 1 March 2021. As a result of such share purchasing, the Company's holding proportion in such subsidiary increased from 74 percent interest to 100 percent interest.

#### 10.4.5 Carabao Marketing Group Co., Ltd.

On 10 March 2021, the meeting of the Company's Board of Directors passed a resolution to approve an establishment of Carabao Marketing Group Co., Ltd. (CBMG) in Thailand, being engaged in data management, with a registered capital of Baht 1 million (10,000 ordinary shares of Baht 100 each). The Company holds 100 percent interest in CBMG.

CBMG registered its establishment with the Ministry of Commerce on 16 March 2021. The share capital was fully called up and paid by the Company on 29 June 2021.

## 11. Investment properties

The net book value of investment properties, representing office building for rent, as at 31 December 2021 and 2020 is presented below.

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	<u>2021</u>	<u>2020</u>
Cost	139,527	139,277
Less: Accumulated depreciation	<u>(36,885)</u>	<u>(32,384)</u>
Net book value	<u>102,642</u>	<u>106,893</u>

A reconciliation of the net book value of investment properties for the years 2021 and 2020 is presented below.

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	<u>2021</u>	<u>2020</u>
Net book value at beginning of year	106,893	103,220
Cost of asset improvement	250	333
Transfers from property, plant and equipment	-	7,821
Depreciation for the year	<u>(4,501)</u>	<u>(4,481)</u>
Net book value at end of year	<u>102,642</u>	<u>106,893</u>

The fair value of the office building of the subsidiary as at 31 December 2021 was determined at approximately Baht 180.4 million (2020: Baht 172.0 million) using the income approach. The assumption used in the valuation was based on the subsidiary's internal data.

## 12. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements						Separate financial statements	
	Land and land improvement	Buildings and building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under construction and installation	Total	Furniture, fixtures and office equipment
<b>Cost</b>								
As at 1 January 2020	2,954,320	3,374,640	6,248,774	178,646	174,260	75,061	13,005,701	-
Additions	4,811	54,108	76,779	23,199	60,750	1,484,162	1,703,809	-
Disposals	-	-	(3,424)	(871)	(17,350)	-	(21,645)	-
Transfers in (out)	-	84,441	744,032	3,817	-	(832,290)	-	-
Transfers to investment properties	-	-	-	-	-	(7,821)	(7,821)	-
Translation adjustment	-	-	-	289	-	-	289	-
As at 31 December 2020	2,959,131	3,513,189	7,066,161	205,080	217,660	719,112	14,680,333	-
Additions	508,427	68,399	173,375	43,563	9,760	329,908	1,133,432	544
Disposals	-	(42)	(4,445)	(4,502)	(8,723)	-	(17,712)	-
Transfers in (out)	-	515,322	376,697	1,751	-	(893,770)	-	-
Translation adjustment	-	-	-	1,200	-	-	1,200	-
As at 31 December 2021	3,467,558	4,096,868	7,611,788	247,092	218,697	155,250	15,797,253	544

(Unit: Thousand Baht)

	Consolidated financial statements						Separate financial statements	
	Land and land improvement	Buildings and building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under construction and installation	Total	Furniture, fixtures and office equipment
<b>Accumulated depreciation</b>								
As at 1 January 2020	18,062	516,013	1,368,351	105,283	125,625	-	2,133,334	-
Depreciation for the year	4,243	131,489	350,804	27,930	20,283	-	534,749	-
Accumulated depreciation of disposed assets	-	-	(2,640)	(327)	(16,868)	-	(19,835)	-
Translation adjustment	-	-	-	177	-	-	177	-
As at 31 December 2020	22,305	647,502	1,716,515	133,063	129,040	-	2,648,425	-
Depreciation for the year	4,279	145,101	418,926	31,704	27,938	-	627,948	79
Accumulated depreciation of disposed assets	-	(33)	(4,411)	(4,232)	(8,723)	-	(17,399)	-
Translation adjustment	-	-	-	893	-	-	893	-
As at 31 December 2021	26,584	792,570	2,131,030	161,428	148,255	-	3,259,867	79
<b>Net book value</b>								
As at 31 December 2020	2,936,826	2,865,687	5,349,646	72,017	88,620	719,112	12,031,908	-
As at 31 December 2021	3,440,974	3,304,298	5,480,758	85,664	70,442	155,250	12,537,386	465
<b>Depreciation for the year</b>								
2020 (Baht 494.5 million included in manufacturing cost, and the balance in selling and distribution expenses and administrative expenses)							534,749	-
2021 (Baht 588.8 million included in manufacturing cost, and the balance in selling and distribution expenses and administrative expenses)							627,948	79

As at 31 December 2021, certain plant and equipment items of the subsidiaries have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 782.3 million (2020: Baht 701.9 million).

### 13. Goodwill

Movements in the goodwill account for the years ended 31 December 2021 and 2020 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	<u>2021</u>	<u>2020</u>
Net book value at beginning of year	494,732	481,115
Translation adjustment	<u>54,271</u>	<u>13,617</u>
Net book value at end of year	<u><u>549,003</u></u>	<u><u>494,732</u></u>

The Company has determined recoverable amounts of its cash generating units (CGUs) based on value in use calculation using cash flow projections based on 5-year financial budgets approved by the management.

Key assumptions used in calculating value in use under conservative basis are summarised as follows:

	(Unit: Percent per annum)
Terminal growth rate	4.0
Discount rate	10.6

The management has determined the growth rate taking into consideration policy, business plan, expected overall market growth rate, and discount rate which are the rates before income tax that relate to the specific risk in that operating segment.

The management has considered the above and believes that there is no impairment for goodwill.

## 14. Intangible assets

(Unit: Thousand Baht)

Consolidated financial statements						
	Intangible assets under					
	Trademark	Patents	Computer software	Knowhow for manufacturing	development	Total
31 December 2021:						
Cost	10,000	10,000	82,018	49,986	12,192	164,196
Less: Accumulated amortisation	(10,000)	(10,000)	(39,857)	-	-	(59,857)
Net book value	-	-	42,161	49,986	12,192	104,339
31 December 2020:						
Cost	10,000	10,000	68,792	49,986	11,409	150,187
Less: Accumulated amortisation	(10,000)	(10,000)	(29,910)	-	-	(49,910)
Net book value	-	-	38,882	49,986	11,409	100,277

(Unit: Thousand Baht)

Separate financial statements			
	Intangible assets under		
	Computer software	development	Total
31 December 2021:			
Cost	5,200	6,940	12,140
Less: Accumulated amortisation	(1,865)	-	(1,865)
Net book value	3,335	6,940	10,275
31 December 2020:			
Cost	5,200	5,272	10,472
Less: Accumulated amortisation	(1,345)	-	(1,345)
Net book value	3,855	5,272	9,127

A reconciliation of the net book value of intangible assets for the years 2021 and 2020 is presented below.

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Net book value at beginning of year	100,277	81,156	9,127	4,376
Acquisition during the year - at cost	13,823	26,485	1,668	5,272
Amortisation for the year	(9,768)	(7,372)	(520)	(521)
Translation adjustment	7	8	-	-
Net book value at end of year	104,339	100,277	10,275	9,127

As at 31 December 2021, the management has assessed the allowance for impairment of intangible assets with indefinite useful lives, which is knowhow for manufacturing. The Company has determined recoverable amounts of its cash generating units (CGUs) based on value in use calculation using cash flow projections based on 5-year financial budgets approved by the management.

Key assumptions used in calculating value in use under conservative basis are summarised as follows:

	(Unit: Percent per annum)
Terminal growth rate	2.2
Discount rate	7.8

The management has determined the growth rate taking into consideration policy, business plan, expected overall market growth rate, and discount rate which are the rates before income tax that relate to the specific risk in that operating segment.

The management has considered the above and believes that there is no impairment for such intangible assets.

#### 15. Short-term loans from financial institutions

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

#### 16. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Trade payables - related parties	29,890	18,930	-	-
Trade payables - unrelated parties	620,683	577,189	-	-
Other payables - related parties	23,445	8,913	5	5
Other payables - unrelated parties	286,763	389,450	18,298	24,515
Accrued expenses - related parties	1,907	1,013	-	-
Accrued expenses - unrelated parties	410,474	398,887	68,021	73,173
Accrued excise tax	164,565	164,063	-	-
Advance received	231,005	14,537	-	-
Total trade and other payables	<u>1,768,732</u>	<u>1,572,982</u>	<u>86,324</u>	<u>97,693</u>

## 17. Long-term loans from financial institutions

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Long-term loan	2,193,850	1,063,050	1,300,000	-
Less: Portion due within one year	(569,200)	(169,200)	(400,000)	-
Long-term loans - net of current portion	<u>1,624,650</u>	<u>893,850</u>	<u>900,000</u>	<u>-</u>

Movements of long-term loans from financial institutions for the years ended 31 December 2021 and 2020 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Balance at beginning of year	1,063,050	1,333,750	-	-
Add: Increase during the year	1,300,000	-	1,300,000	-
Less: Repayment during the year	(169,200)	(270,700)	-	-
Balance at end of year	<u>2,193,850</u>	<u>1,063,050</u>	<u>1,300,000</u>	<u>-</u>

### Long-term loan of the Company

On 16 December 2021, the Company had entered into long-term loan agreement with a financial institution with a given credit facilities of Baht 1,300 million on which interest is charged at a fixed rate per annum. The loan is repayable in 5 installments over a period of 2 years, with the first installment due in December 2022. This long-term loan is unsecured.

The long-term loan contains a covenant that requires the Company to maintain the consolidated financial statements' debt-to-equity ratio and debentures' credit rating at the prescribed rate.

### Long-term loan of the subsidiary

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 charged is at the fixed rate for the first 2 years and the Minimum Loan Rate (MLR) reference rate 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 installment due in August 2019. This long-term loan is unsecured.

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.

On 4 November 2020, such subsidiary entered into an amendment to the agreement, extending the last installment period from July 2024 to April 2027.

The long-term loan contains a covenant that requires the subsidiary to maintain the subsidiary's debt-to-equity ratio at the prescribed rate.

## 18. Leases

### 18.1 The Group as a lessee

The Group has lease contracts for various items of assets used in its operations. Leases generally have lease terms between 1 - 24 years.

#### a) Right-of-use assets

Movements of right-of-use assets for the years ended 31 December 2021 and 2020 are summarised below.

	Consolidated financial statements					Separated financial statements
	Building and structures	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Total	Building and structures
1 January 2020	180,478	14,616	990	138,453	334,537	60,090
Increase during the year	7,770	19,615	-	63,677	91,062	-
Depreciation for the year	(33,051)	(12,535)	(539)	(75,648)	(121,773)	(2,478)
31 December 2020	155,197	21,696	451	126,482	303,826	57,612
Increase during the year	38,054	-	-	211,283	249,337	-
Adjustment from lease reassessment	9,804	(8,530)	-	(448)	826	-
Depreciation for the year	(31,949)	(6,332)	(274)	(72,701)	(111,256)	(2,478)
31 December 2021	171,106	6,834	177	264,616	442,733	55,134

(Unit: Thousand Baht)

**b) Lease liabilities**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Lease liabilities	485,378	325,368	77,857	81,356
Less: Deferred interest expenses	(35,504)	(18,697)	(21,232)	(22,973)
Total	449,874	306,671	56,625	58,383
Less: Portion due within one year	(103,366)	(84,885)	(1,812)	(1,758)
Lease liabilities - net of current portion	<u>346,508</u>	<u>221,786</u>	<u>54,813</u>	<u>56,625</u>
Of which with related parties	266,886	110,233	56,625	58,383

Movements of the lease liability account during the years ended 31 December 2021 and 2020 are summarised below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Balance at beginning of year	306,671	334,537	58,383	60,090
Add: Additions during the year	249,337	91,062	-	-
Adjustment from lease reassessment	826	-	-	-
Accretion of interest	12,319	7,299	1,742	1,793
Less: Payments during the year	(119,279)	(126,227)	(3,500)	(3,500)
Balance at end of year	<u>449,874</u>	<u>306,671</u>	<u>56,625</u>	<u>58,383</u>

A maturity analysis of lease payments is disclosed in Note 32 under the liquidity risk.

**c) Expenses relating to leases that are recognised in income statement**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Depreciation expense of right-of-use assets	111,256	121,773	2,478	2,478
Interest expense on lease liabilities	12,319	7,299	1,742	1,793
Expense relating to short-term leases	7,705	7,318	-	-

**d) Others**

The Group had total cash outflows for leases for the year ended 31 December 2021 of Baht 127.0 million (2020: Baht 133.5 million) (the Company only: Baht 3.5 million (2020: Baht 3.5 million)), including the cash outflows related to short-term leases.

**18.2 Group as a lessor**

The Group has entered into operating leases for its investment property portfolio consisting of office building (see Note 11) with the lease terms of 3 years.

The Group has future minimum rental receivable under non-cancellable operating leases as at 31 December 2021 and 2020 as follows:

(Unit: Thousand Baht)

	Consolidated	
	financial statements	
	<u>2021</u>	<u>2020</u>
Within 1 year	58,733	25,624
Over 1 year and up to 3 years	55,830	32,678
Total	<u>114,563</u>	<u>58,302</u>

## 19. Debentures

	Interest rate (Percent)	Maturity date	(Unit: Thousand Baht)	
			Consolidated/Separate financial statements	
			<u>2021</u>	<u>2020</u>
No. 1/2018 - Series 2	2.42	15 June 2021	-	720,000
No. 2/2018	2.42	15 June 2021	-	370,000
No. 1/2021	1.27	16 July 2023	1,500,000	-
Total			1,500,000	1,090,000
Less: Deferred transaction costs			(1,904)	(369)
Total debentures			1,498,096	1,089,631
Less: Portion due within one year			-	(1,089,631)
Debentures - net of current portion			<u>1,498,096</u>	<u>-</u>

During the years ended 31 December 2021 and 2020, movements in debentures are summarised below.

	(Unit: Thousand Baht)	
	Consolidated/ Separate financial statements	
	<u>2021</u>	<u>2020</u>
Balance at beginning of year	1,089,631	2,788,120
Add: Debenture issuance during the year	1,500,000	-
Less: Transaction cost for debenture issuance during the year	(2,469)	-
Net cash received from debenture issuance during the year	1,497,531	2,788,120
Add: Amortisation of transaction costs for debenture issuance during the year	934	1,511
Less: Redemptions of debentures during the year	(1,090,000)	(1,700,000)
Balance at end of year	<u>1,498,096</u>	<u>1,089,631</u>

On 16 July 2021, the Company issued debentures No. 1/2021, which are in the name of specific holders, unsubordinated and unsecured, for total number of 1,500,000 units, at the price of Baht 1,000 per unit, totaling Baht 1,500 million. The terms of debentures are 2 years, due on 16 July 2023, at the coupon rate of 1.27 percent per annum. Interest is repayable every 6 months.

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

Fair value of debentures, which was the latest price as at 31 December 2021, was presented below.

	Fair value (Baht per unit)	
	<u>2021</u>	<u>2020</u>
Debentures No. 1/2018 - Series 2	-	1,004.6
Debentures No. 2/2018	-	1,004.6
Debentures No. 1/2021	999.3	-

## 20. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Provision for long-term employee</b>				
<b>benefits at beginning of year</b>	152,606	135,780	73,180	68,006
Included in income statement:				
Current service cost	17,900	14,680	3,352	2,496
Interest cost	1,765	1,609	275	319
Included in other comprehensive income:				
Actuarial loss (gain)				
Demographic assumptions changes	1,173	(1)	-	-
Financial assumptions changes	(10,024)	489	(150)	482
Experience adjustments	11,635	13,026	2,300	8,476
Benefits paid during the year	<u>(7,367)</u>	<u>(12,977)</u>	<u>-</u>	<u>(6,599)</u>
<b>Provision for long-term employee</b>				
<b>benefits at end of year</b>	<u>167,688</u>	<u>152,606</u>	<u>78,957</u>	<u>73,180</u>

The Group expects to pay Baht 77.0 million of long-term employee benefits during the next year (the Company only: Baht 72.1 million) (2020: Baht 42.6 million, the Company only: Baht 41.2 million).

As at 31 December 2021, the weighted average duration of the liabilities for long-term employee benefits is 4 - 21 years (the Company only: 4 years) (2020: 5 - 21 years, the Company only: 5 years).

Key actuarial assumptions at the valuation date were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rate	1.0 - 3.0	0.9 - 2.0	1.0	0.9
Future salary increase rate	5.0 - 6.0	5.0 - 6.0	6.0	6.0
Staff turnover rate (depending on age)	2 - 46	2 - 57	2 - 23	2 - 23

The results of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2021 and 2020 are summarised below.

(Unit: Million Baht)

	As at 31 December 2021			
	Consolidated financial statements		Separate financial statements	
	<u>Increase 1%</u>	<u>Decrease 1%</u>	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(9.3)	14.9	(0.8)	1.0
Salary increase rate	14.3	(9.1)	0.9	(0.8)
	<u>Increase 20%</u>	<u>Decrease 20%</u>	<u>Increase 20%</u>	<u>Decrease 20%</u>
Staff turnover rate	(12.2)	20.2	(0.6)	0.6

(Unit: Million Baht)

	As at 31 December 2020			
	Consolidated financial statements		Separate financial statements	
	<u>Increase 1%</u>	<u>Decrease 1%</u>	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(10.5)	12.6	(1.1)	1.3
Salary increase rate	11.8	(10.1)	1.2	(1.1)
	<u>Increase 20%</u>	<u>Decrease 20%</u>	<u>Increase 20%</u>	<u>Decrease 20%</u>
Staff turnover rate	(13.1)	17.6	(0.7)	0.7

## 21. 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. At present, the statutory reserve has fully been set aside.

## 22. Other income

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Management income	-	-	317,760	280,200
Gain on exchange	64,975	55,152	-	2,765
Rental and service income	50,579	32,620	-	-
Scrap sales	28,551	12,194	-	-
Gain on disposals of assets	4,578	5,629	-	-
Income from sales and trade-off premium goods	1,344	1,569	-	-
Others	54,974	44,262	1,018	1,007
Total other income	<u>205,001</u>	<u>151,426</u>	<u>318,778</u>	<u>283,972</u>

## 23. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Raw materials and packing materials used	4,478,912	4,502,680	-	-
Purchase of finished goods	3,816,449	2,765,024	-	-
Salaries, wages and other employee benefits	1,882,442	1,646,972	212,007	245,076
Excise tax	1,191,413	1,308,685	-	-
Sales promotion expenses	602,367	603,180	-	-
Depreciation and amortisation	753,474	668,375	3,077	2,999
Consumables used	440,046	367,185	-	-
Utility service expenses	299,925	323,988	1	1
Repair and maintenance expenses	270,691	274,270	374	833
Freight expenses	239,011	241,262	-	-
Travelling expenses	191,985	246,618	22	10
Advertising expenses	152,686	221,974	-	-
Changes in inventories of finished goods and work in process	(254,132)	(186,143)	-	-

## 24. Income tax

Income tax expenses for the years ended 31 December 2021 and 2020 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Current income tax:</b>				
Current corporate income tax charge	522,023	677,895	32,010	9,479
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(8,755)	(10,446)	(419)	455
<b>Income tax expenses reported in the income statement</b>	<b>513,268</b>	<b>667,449</b>	<b>31,591</b>	<b>9,934</b>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2021 and 2020 are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Current income tax:</b>				
Deferred tax relating to actuarial loss	(557)	(2,703)	(430)	(1,792)

The reconciliation between accounting profit and income tax expenses is shown below.

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Accounting profit before tax	<u>3,356,065</u>	<u>4,226,610</u>	<u>1,996,873</u>	<u>2,015,304</u>
Applicable tax rate	16.5%, 19%, 20%, 25%	16.5%, 19%, 20%, 25%	20%	20%
Accounting profit before tax multiplied by income tax rate	673,371	851,359	399,375	403,061
Effects of:				
Promotional privileges (Note 25)	(112,458)	(104,064)	-	-
Income not subject to tax	(5,093)	(10,694)	(367,999)	(393,999)
Non-deductible expenses	8,332	17,839	236	881
Additional expense deductions allowed	(109,294)	(111,415)	(21)	(9)
Unrecognised tax loss as deferred tax assets	58,410	24,424	-	-
Total	<u>(160,103)</u>	<u>(183,910)</u>	<u>(367,784)</u>	<u>(393,127)</u>
Income tax expenses reported in the income statement	<u>513,268</u>	<u>667,449</u>	<u>31,591</u>	<u>9,934</u>

As at 31 December 2021, the subsidiaries have unused tax losses of the year 2016 - 2021 totaling Baht 3,347 million (2020: unused tax losses of the year 2016 - 2020 totaling Baht 2,789 million), on which deferred tax assets have not been recognised as the subsidiaries believe that there is uncertainty of utilisation of such unused tax losses in the future.

The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Deferred tax assets</b>				
Provision for long-term employee benefits	28,071	25,055	10,557	9,402
Provision for trade discounts and promotions	21,910	15,572	-	-
Accrued expenses	4,125	4,274	-	-
Allowance for diminution in value of inventories	691	278	-	-
Allowance for expected credit losses	103	103	-	-
Allowance for impairment of investment in subsidiary	-	-	299,751	299,751
<b>Total</b>	<b>54,900</b>	<b>45,282</b>	<b>310,308</b>	<b>309,153</b>
<b>Deferred tax liabilities</b>				
Transaction costs of debentures	380	74	380	74
<b>Total</b>	<b>380</b>	<b>74</b>	<b>380</b>	<b>74</b>
<b>Deferred tax assets - net</b>	<b>54,520</b>	<b>45,208</b>	<b>309,928</b>	<b>309,079</b>

## 25. Promotional privileges

Asia Pacific Glass Co., Ltd. and Asia Packaging Manufacturing Co., Ltd., subsidiaries, has received promotional privileges under the Investment Promotion Act B.E. 2520 as approved by the Board of Investment. Subject to the imposed conditions, the significant privileges are as follows:

Certificate No.	Asia Pacific Glass Co., Ltd.				Asia Packaging Manufacturing Co., Ltd.		
	2326(4)/2556	59-1062-0-00-1-0	63-0587-1-00-1-0	64-0556-1-04-1-0	64-0526-1-00-1-0		
Certificate date	24 September 2013	18 August 2016	5 June 2020	31 May 2021	21 May 2021		
Promotional privileges for	Manufacture of glass bottle	Manufacture of glass bottle	Manufacture of solar rooftop power	Manufacture of glass bottle	Manufacture of label	Manufacture of film	Manufacture of corugated box
The significant privileges are:							
1 Exemption from corporate income tax on income from the promoted operation.	6 years (expire on 7 August 2020)	6 years (expire on 19 December 2023) (Tax exempted according to investment)	8 years (expire on 30 January 2029) (Tax exempted according to investment)	3 years (expire on 31 May 2024) (Tax exempted according to 50 percent of investment)	3 years (Has not yet started utilizing the privileges) (Tax exempted according to 50 percent of investment)	5 years (Has not yet started utilizing the privileges) (Tax exempted according investment)	3 years (Has not yet started utilizing the privileges) (Tax exempted according investment)
2 Exemption from income tax on dividends paid from the promoted operation on which the corporate income tax is exempted throughout the corporate income tax exemption period.	6 years (expire on 7 August 2020)	6 years (expire on 19 December 2023)	8 years (expire on 30 January 2029)	3 years (expire on 31 May 2024)	3 years (Has not yet started utilizing the privileges)	5 years (Has not yet started utilizing the privileges)	3 years (Has not yet started utilizing the privileges)
3 Exemption from import duty on machinery as approved by the board.	Granted	-	Granted	Granted	Granted	Granted	Granted
4 Fifty percent reduction of import duty on machinery as approved by the board.	-	Granted	-	-	-	-	-

## **26. Earnings per share**

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

## **27. 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 Group is organised into business units based on its products and services and has 3 reportable segments as follows:

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

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

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

The following tables present revenue and profit information regarding the Group's operating segments for the years ended 31 December 2021 and 2020.

(Unit: Million Baht)

	Consolidated financial statements									
	Manufacture and distribution of drinks under Group's trademark		Distribution of OEM products under Group's trademark		Distribution of other products		Others		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
<b>Revenue</b>										
Revenue from external customers	12,622	14,082	504	443	3,568	2,413	670	293	17,364	17,231
<b>Segment gross profit</b>	5,576	6,712	72	68	260	166	275	112	6,183	7,058
Other income									205	151
Selling and distribution expenses									(1,862)	(1,915)
Administrative expenses									(1,082)	(965)
Finance income									1	4
Finance cost									(89)	(107)
<b>Profit before income tax expenses</b>									3,356	4,226
Income tax expenses									(513)	(667)
<b>Profit for the year</b>									<u>2,843</u>	<u>3,559</u>

### Geographic information

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

(Unit: Million Baht)

	Consolidated financial statements	
	2021	2020
Revenue from external customers		
Domestic	10,433	9,133
Overseas		
CLMV group	5,660	6,875
China	731	385
United Kingdom	128	52
Others	412	786
<b>Total</b>	<u>17,364</u>	<u>17,231</u>

In 2021, the Group had revenue from domestic sales at 60 percent (2020: 53 percent) and revenue from overseas sales at 40 percent (2020: 47 percent).

## Major customers

In 2021, the Group had 1 major customer with revenue of 10 percent or more than of its consolidated revenue (2020: 2 major customers).

## 28. Provident fund

The Group and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Group contribute to the fund monthly at the rate of 2 - 5 percent of basic salary. The fund, which is managed by K Master Pooled Fund and Kasikorn Assets Management Co., Ltd., will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2021 by the Group amounting to approximately Baht 31.7 million (2020: Baht 19.5 million) were recognised as expenses (the Company only: Baht 5.9 million (2020: Baht 4.8 million)).

## 29. Dividends

<u>Dividend</u>	<u>Approved by</u>	<u>Total dividends</u>	<u>Dividend per share</u>
		(Million Baht)	(Baht)
<b><u>The Company</u></b>			
<b><u>For the year 2021</u></b>			
Dividend from 2020 income	Annual General Meeting of the Shareholders on 22 April 2021	1,500	1.5
Interim dividend	Board of Directors' meeting of the Company on 13 August 2021	900	0.9
<b>Total dividends for 2021</b>		<b>2,400</b>	
<b><u>For the year 2020</u></b>			
Dividend from 2019 income	Board of Directors' meeting of the Company on 30 March 2020	1,200	1.2
Interim dividend	Board of Directors' meeting of the Company on 7 August 2020	900	0.9
<b>Total dividends for 2020</b>		<b>2,100</b>	

Dividend	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
<b><u>Subsidiaries</u></b>			
<b><u>For the year 2021</u></b>			
<u>Carabao Tawandang Co., Ltd.</u>			
Interim dividend	Board of Directors' meeting of Carabao Tawandang Co., Ltd. on 14 May 2021	570	190.0
Interim dividend	Board of Directors' meeting of Carabao Tawandang Co., Ltd. on 17 November 2021	750 <sup>(1)</sup>	250.0
<b>Total</b>		<b>1,320</b>	
<u>Asia Pacific Glass Co., Ltd.</u>			
Interim dividend	Board of Directors' meeting of Asia Pacific Glass Co., Ltd. on 14 May 2021	130	10.0
Interim dividend	Board of Directors' meeting of Asia Pacific Glass Co., Ltd. on 12 November 2021	390 <sup>(1)</sup>	30.0
<b>Total</b>		<b>520</b>	
<b>Total dividend for 2021</b>		<b>1,840</b>	
<b><u>For the year 2020</u></b>			
<u>Carabao Tawandang Co., Ltd.</u>			
Interim dividend	Board of Directors' meeting of Carabao Tawandang Co., Ltd. on 8 May 2020	300	100.0
Interim dividend	Board of Directors' meeting of Carabao Tawandang Co., Ltd. on 9 November 2020	1,410 <sup>(1)</sup>	470.0
<b>Total</b>		<b>1,710</b>	
<u>Asia Pacific Glass Co., Ltd.</u>			
Interim dividend	Board of Directors' meeting of Asia Pacific Glass Co., Ltd. on 9 November 2020	260 <sup>(1)</sup>	20.0
<b>Total</b>		<b>260</b>	
<b>Total dividend for 2020</b>		<b>1,970</b>	

<sup>(1)</sup> As at 31 December 2021, the Company had dividend receivable of Baht 1,140 million (2020: Baht 1,670 million), which the subsidiaries will pay to the Company within May 2022 (2020: May 2021).

### 30. Commitments and contingent liabilities

#### 30.1 Capital commitments

As at 31 December 2021 and 2020, the Group had capital commitments, relating to the construction of factory buildings and acquisitions of machinery as follows:

	(Unit: Million)	
	Consolidated	
	financial statements	
	<u>2021</u>	<u>2020</u>
Currencies:		
Thai Baht	83.4	198.9
Euro	-	0.5

#### 30.2 Lease and service commitments

The Group entered into several short-term lease agreements in respect of the lease of accommodation for employees and service agreements. The terms of the agreements are generally about 1 year.

As at 31 December 2021 and 2020, the future minimum payments required under these non-cancellable lease and service contracts were as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Payable:				
In up to 1 year	13.9	17.9	0.1	1.0

#### 30.3 Sponsorship agreements

30.3.1 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.

30.3.2 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 from 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 the 4th - 5th year 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 from 1 January 2020 onwards.

30.3.3 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 from 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 from 1 January 2020 onwards.

On 21 June 2021, Carabao Tawandang Co., Ltd. entered into an amendment to the agreement to extend the period under the sponsorship agreement with The Football League Limited for 2 seasons (from 2022/2023 Season to 2023/2024 Season) which will be expiring on 31 May 2024.

### 30.4 Guarantees

As at 31 December 2021, the subsidiaries had outstanding bank guarantees of approximately Baht 35.0 million (2020: Baht 34.3 million) issued by banks on behalf of the subsidiaries to guarantee the use of electricity and natural gas, and the submission of excise tax.

### 31. Fair value hierarchy

As at 31 December 2021 and 2020, the Group had the assets and liabilities for which fair value was disclosed using different levels of inputs as follows:

		(Unit: Million Baht)							
		Consolidated financial statements							
		Level 1		Level 2		Level 3		Total	
		<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Assets for which fair value was disclosed</b>									
	Investment properties	-	-	-	-	180.4	172.0	180.4	172.0
<b>Liabilities for which fair value was disclosed</b>									
	Debentures	-	-	1,498.9	1,095.0	-	-	1,498.9	1,095.0

  

		(Unit: Million Baht)							
		Separate financial statements							
		Level 1		Level 2		Level 3		Total	
		<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Liabilities for which fair value was disclosed</b>									
	Debentures	-	-	1,498.9	1,095.0	-	-	1,498.9	1,095.0

## **32. Financial instruments**

### **32.1 Financial risk management objectives and policies**

The Group's financial instruments principally comprise cash and cash equivalents, trade and other receivables, short-term loans to related parties, trade and other payables, short-term and long-term loans from financial institutions, and debentures. The financial risks associated with these financial instruments and how they are managed are described below.

#### **Credit risk**

The Group is exposed to credit risk primarily with respect to trade and other receivables, deposits with banks and financial institutions, and other financial instruments. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

#### Trade receivables

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables are regularly monitored and any shipments to customers are generally received cash in advance from customers, including bank guarantee or other forms of credit insurance obtained from reputable banks and other financial institutions.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The Group classifies customer segments by customer type and rating. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

#### Financial instruments and cash deposits

The Group manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Executive Committee on an annual basis, and may be updated throughout the year subject to approval of the Group's Executive Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

## Market risk

There are three types of market risk comprising foreign currency risk, interest rate risk and commodity price risk.

### Foreign currency risk

The Group's exposure to the foreign currency risk relates primarily to its trading transactions and borrowings that are denominated in foreign currencies.

The balances of financial assets and liabilities denominated in foreign currencies as at 31 December 2021 and 2020 are summarised below.

Foreign currencies	As at 31 December 2021			
	Consolidated financial statements		Average exchange rate	
	Financial assets	Financial liabilities	Bought	Sold
	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	8.9	2.5	33.2469	33.5929
Euro	0.4	0.5	37.5083	38.2813
Pound sterling	0.4	0.1	44.6476	45.5492
Hong Kong dollar	-	0.5	4.2449	4.3322
Yuan	-	0.5	5.1828	5.3185
Yen	-	1.8	0.2869	0.2944

  

Foreign currencies	As at 31 December 2020			
	Consolidated financial statements		Average exchange rate	
	Financial assets	Financial liabilities	Bought	Sold
	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	8.9	2.8	29.8674	30.2068
Euro	0.3	0.4	36.4949	37.2578
Pound sterling	0.4	-	40.2035	41.0771
Hong Kong dollar	-	0.5	3.8335	3.9170
Yuan	-	0.5	4.5447	4.6927

### Interest rate risk

The Group's exposure to interest rate risk relates primarily to its short-term and long-term loans from financial institutions and debentures. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

As at 31 December 2021 and 2020, significant financial assets and liabilities that are subject to interest classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Consolidated financial statements							
As at 31 December 2021							
Fixed interest rates			Floating	Interest	Total	Effective interest rate (% per annum)	
Within 1 year	1-5 years	Over 5 years	interest rate	bearing			
<b>Financial assets</b>							
Cash and cash equivalents	-	-	-	1,093	41	1,134	0.01 - 0.35
	-	-	-	1,093	41	1,134	
<b>Financial liabilities</b>							
Short-term loans from financial institutions	2,812	-	-	-	-	2,812	0.7 - 1.8
Long-term loans from financial institutions	400	900	-	894	-	2,194	1.58, MLR minus a margin
Lease liabilities	104	329	17	-	-	450	1.8 - 4.0
Debentures	-	1,498	-	-	-	1,498	1.3
	<u>3,316</u>	<u>2,727</u>	<u>17</u>	<u>894</u>	<u>-</u>	<u>6,954</u>	

(Unit: Million Baht)

Consolidated financial statements							
As at 31 December 2020							
Fixed interest rates			Floating	Interest	Total	Effective interest rate (% per annum)	
Within 1 year	1-5 years	Over 5 years	interest rate	bearing			
<b>Financial assets</b>							
Cash and cash equivalents	-	-	-	851	96	947	0.01 - 0.25
	-	-	-	851	96	947	
<b>Financial liabilities</b>							
Short-term loans from financial institutions	2,335	-	-	-	-	2,335	0.8 - 1.0
Long-term loans from financial institutions	-	-	-	1,063	-	1,063	MLR minus a margin
Lease liabilities	85	216	6	-	-	307	1.8 - 3.3
Debentures	1,089	-	-	-	-	1,089	2.4
	<u>3,509</u>	<u>216</u>	<u>6</u>	<u>1,063</u>	<u>-</u>	<u>4,794</u>	

(Unit: Million Baht)

Separate financial statements						
As at 31 December 2021						
Fixed interest rates			Floating interest rate	Interest bearing	Total	Effective interest rate (% per annum)
Within 1 year	1-5 years	Over 5 years				
<b>Financial assets</b>						
Cash and cash equivalents	-	-	54	8	62	0.01 - 0.20
Short-term loans to related parties	5,399	-	-	-	5,399	2.5
	<u>5,399</u>	<u>-</u>	<u>54</u>	<u>8</u>	<u>5,461</u>	
<b>Financial liabilities</b>						
Short-term loans from financial institutions	2,665	-	-	-	2,665	0.7 - 0.8
Long-term loans from financial institutions	400	900	-	-	1,300	1.58
Lease liabilities	2	10	45	-	57	3.0
Debentures	-	1,498	-	-	1,498	1.3
	<u>3,067</u>	<u>2,408</u>	<u>45</u>	<u>-</u>	<u>5,520</u>	

(Unit: Million Baht)

Separate financial statements						
As at 31 December 2020						
Fixed interest rates			Floating interest rate	Interest bearing	Total	Effective interest rate (% per annum)
Within 1 year	1-5 years	Over 5 years				
<b>Financial assets</b>						
Cash and cash equivalents	-	-	13	8	21	0.05 - 0.25
Short-term loans to related parties	3,895	-	-	-	3,895	2.8
	<u>3,895</u>	<u>-</u>	<u>13</u>	<u>8</u>	<u>3,916</u>	
<b>Financial liabilities</b>						
Short-term loans from financial institutions	2,190	-	-	-	2,190	0.8 - 0.9
Lease liabilities	2	9	47	-	58	3.0
Debentures	1,089	-	-	-	1,089	2.4
	<u>3,281</u>	<u>9</u>	<u>47</u>	<u>-</u>	<u>3,337</u>	

### Commodity price risk

The Group is affected by the price volatility of certain commodities. Its operating activities require a continuous supply of sugar and aluminum coil. Price volatility has depended on the market's demand and supply. The Group has developed and enacted procurement and inventory management policy taking into accounts of forecasted purchasing volume and changes in the price of such commodities.

### **Liquidity risk**

The Group has liquidity policy to maintain the level of cash and cash equivalents to meet its obligation, including having the credit lines with various banks. The Group has assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities as at 31 December 2021 and 2020 based on contractual undiscounted cash flows.

(Unit: Million Baht)

	Consolidated financial statements				
	As at 31 December 2021				
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Short-term loans from financial institutions	2,806	6	-	-	2,812
Trade and other payables	-	1,769	-	-	1,769
Lease liabilities	-	115	352	18	485
Long-term loans from financial institutions	-	610	1,672	-	2,282
Debentures	-	19	1,510	-	1,529
<b>Total</b>	<b>2,806</b>	<b>2,519</b>	<b>3,534</b>	<b>18</b>	<b>8,877</b>

(Unit: Million Baht)

## Consolidated financial statements

As at 31 December 2020

	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Short-term loans from financial institutions	2,335	-	-	-	2,335
Trade and other payables	-	1,573	-	-	1,573
Lease liabilities	-	91	228	6	325
Long-term loans from financial institutions	-	194	905	48	1,147
Debentures	-	1,102	-	-	1,102
<b>Total</b>	<b>2,335</b>	<b>2,960</b>	<b>1,133</b>	<b>54</b>	<b>6,482</b>

(Unit: Million Baht)

## Separate financial statements

As at 31 December 2021

	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Short-term loans from financial institutions	2,665	-	-	-	2,665
Trade and other payables	-	86	-	-	86
Lease liabilities	-	3	18	57	78
Long-term loans from financial institutions	-	420	909	-	1,329
Debentures	-	19	1,510	-	1,529
<b>Total</b>	<b>2,665</b>	<b>528</b>	<b>2,437</b>	<b>57</b>	<b>5,687</b>

(Unit: Million Baht)

## Separate financial statements

As at 31 December 2020

	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Short-term loans from financial institutions	2,190	-	-	-	2,190
Trade and other payables	-	98	-	-	98
Lease liabilities	-	3	18	60	81
Debentures	-	1,102	-	-	1,102
<b>Total</b>	<b>2,190</b>	<b>1,203</b>	<b>18</b>	<b>60</b>	<b>3,471</b>

## **32.2 Fair values of financial instruments**

The methods and assumptions used by the Group in estimating the fair value of financial instruments are as follows:

- a) For financial assets and liabilities which have short-term maturity, including cash and cash equivalents, trade and other receivables, short-term loans to related parties, dividend receivable, trade and other payables and short-term loans from financial institutions, their carrying amounts in the statement of financial position approximate their fair value.
- b) For fixed rate debentures, their fair value is estimated by discounting expected future cash flows by the current market interest rate of the loans with similar terms and conditions.
- c) For long-term loans carrying interest approximate to the market rate, their carrying amounts in the statement of financial position approximate their fair value.

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

## **33. Capital management**

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2021, the Group's debt-to-equity ratio was 0.90:1 (2020: 0.68:1) and the Company's was 0.87:1 (2020: 0.50:1).

## **34. Events after the reporting period**

On 18 February 2022, the meeting of the Company's Board of Directors agreed that the Company issues and offers debentures in an amount not exceeding Baht 5,000 million or equivalent amount in other currency. However, such issuance and offering of debentures is subject to the approval of the Annual General Meeting of the Company's shareholders to be held in April 2022.

## **35. Approval of financial statements**

These financial statements were authorised for issue by the Company's Board of Directors on 18 February 2022.