

# Annual Report 2021

Carabao Group Public Company Limited



20 Years



BEST CEO  
SET AWARDS  
2020-2021



BEST COMPANY  
PERFORMANCE  
SET AWARDS 2020-2021



INNOVATION  
COMPANY  
SET AWARDS 2021

## SUCCESS BEYOND THE BOUNDARIES

## **VISION**

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# **WORLD CLASS PRODUCT, WORLD CLASS BRAND**

## **OUR GOAL (ENERGY DRINK)**

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Ranked no.1 in Thailand within 1 year  
Ranked no.1 in ASEAN within 3 years  
Ranked no.1 in ASIA within 5 years

## **OUR MISSION**

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1. People: Develop our people with good attitude, willingness to learn, innovation, accountability
2. Work System: Execute with concise and international standard work system
3. Organization & Management: Operate with clear objective and understandable responsibility, proper organization structure, and project-based approach
4. Technology: Embed technology and innovation in our processes through production, management, sustainability development
5. Product: Produce quality and well-known world class product
6. Brand: Be wealthy and modern world class brand
7. Corporate Image: Be known as world class organization with good governance and social responsibility



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Anniversary





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## MESSAGE FROM THE CHAIRMAN

In 2021, the Thai economy grew by 1.6% after it had contracted by 6.2% in 2020, largely because of the impacts of the COVID-19 pandemic. This limited the possibility of economic recovery due to both local and international factors, such as the tourism industry has been heavily impacted from the COVID-19 preventative measures; the surge of commodity prices due to the disruption to the Global supply chain; and overall market sentiment has been negatively impacted as consumer confidence in the public and private sectors falter within the country.

Despite the challenges that have adversely contributed to the Company's performance in 2021, we have continuously strived to provide excellent products locally and internationally, paving way towards being an international trademark brand. This achievement is a direct testament to our commitment to being a world class brand that has implemented an effective targeted marketing strategy as well as launching new products and expanding our point-of-sale network to align with our customer base. Our Group's business ecosystem continues to foster strategic relationships and through them, we intend to continue growing the Carabao brand under the vision of "World Class Product, World Class Brand". This commitment is clear, as the Group has extended our sponsorship agreement with the EFL Cup and have secured the naming rights to competition as "Carabao Cup" for the next 2 years ahead (2022/23 and 2023/24 seasons). Moreover, our group continues to focus on sustainable development, especially in the environmental, social and governance aspect (ESG), including supporting and uplifting the communities that we serve and protecting the environment in each process within our supply chain. Integration of these ESG principles into business operations will work alongside our goal of developing our human resources to achieve more, as well as enhancing our processes, technology capabilities, and company structure under the Management Triangle framework to allow us to achieve our targets.

Lastly, on behalf of the Board of Directors at Carabao Group, I would like to thank all our shareholders and stakeholders for your trust and



**This marks the year which the Company has truly entered the Global Market under the principle "World Class Team World Class Product"**

**"Making energy drink under the trademark name "Carabao" a world class product"**

support. I would also like to thank our management team and all our staff who have dedicated their time and effort to push our company forward, as well as all our business partners who have supported us countless times throughout the year. May you all be blessed with happiness and success in the upcoming years.

A handwritten signature in black ink, appearing to read "Sathien Setthasit".

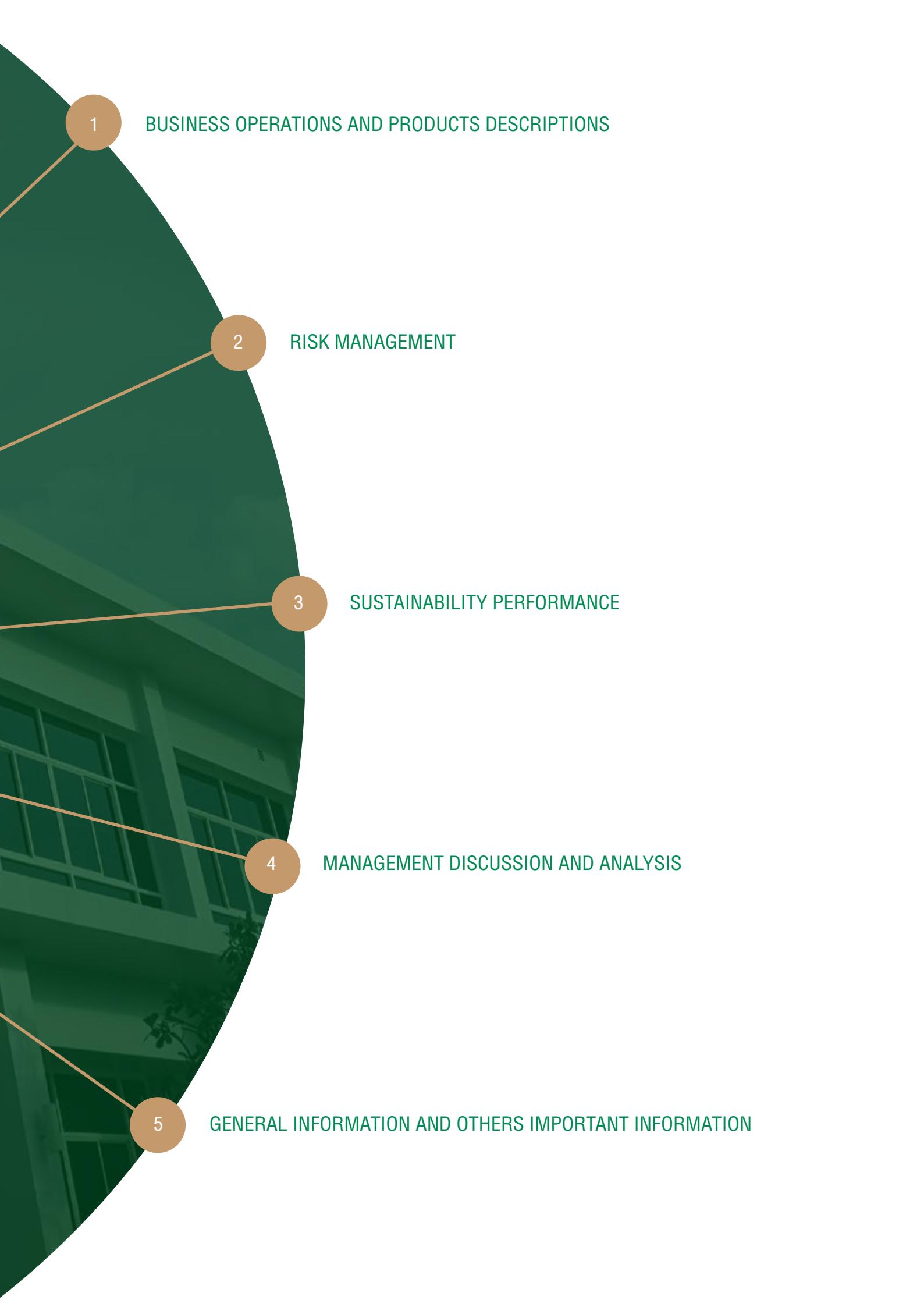
Mr. Sathien Setthasit  
Chairman of the Board of Director  
**Carabao Group Public Company Limited**



**PART 1**

**BUSINESS AND  
PERFORMANCE**

**WORLD CLASS  
PRODUCT BRAND**



1

BUSINESS OPERATIONS AND PRODUCTS DESCRIPTIONS

2

RISK MANAGEMENT

3

SUSTAINABILITY PERFORMANCE

4

MANAGEMENT DISCUSSION AND ANALYSIS

5

GENERAL INFORMATION AND OTHERS IMPORTANT INFORMATION

## BOARD OF DIRECTOR



1. Mr. Sathien Setthasit  
Chairman of the Board of Director



2. Miss Nutchamai Thanombooncharoen  
Vice Chairman of the Board of Director



3. Mr. Yuenyong Opakul  
Director of the company



4. Mrs. Wongdao Thanombooncharoen  
Director of the company



5. Mr. Kamoldist Smuthkochorn  
Director of the company



6. Mr. Romtham Setthasit  
Director of the company



7. Mrs. Saowanee Kamolbutr  
Director of the company



8. Mr. Kanit Patsaman  
Director of the company



9. Mr. Nha-Kran Loahavilai  
Director of the company



10. Mr. Predee Daochai  
Director of the company



11. General Siripongs Vongskunti  
Director of the company



12. Mr. Sanchai Jullamon  
Director of the company



13. Miss Nutchanok Vongswat  
Director of the company

## Executive Committee



**Mr. Sathien Setthasit**  
Chairman of Executive Committee



**Miss Nutchamai Thanombooncharoen**  
Vice Chairman of Executive Committee



**Mrs. Wongdao Thanombooncharoen**  
Member of Executive Committee



**Mr. Kamoldist Smuthkochorn**  
Member of Executive Committee



**Mr. Romtham Setthasit**  
Member of Executive Committee



**Mr. Pongsarn Klongwathanakith**  
Member of Executive Committee

## Audit Committee



**Mrs. Saowanee Kamolbutr**  
Chairman of Audit Committee  
(Independent Director)



**Mr. Kanit Patsaman**  
Member of Audit Committee  
(Independent Director)



**Mr. Nha-Kran Loahavilai**  
Member of Audit Committee  
(Independent Director)

## Risk Management Committee

**1. Mr. Predee Daochai**  
Chairman of Risk Management Committee

**2. Miss Nutchamai Thanombooncharoen**  
Vice Chairman of Risk Management Committee

**3. Mr. Kamoldist Smuthkochorn**  
Member of Risk Management Committee

**4. Mr. Romtham Setthasit**  
Member of Risk Management Committee

**5. Mrs. Saowanee Kamolbutr**  
Member of Risk Management Committee

**6. Mrs. Saowanee Kamolbutr**  
Member of Risk Management Committee

**7. Miss Nutchanok Vongswat**  
Member of Risk Management Committee

**8. Mr. Pongsarn Klongwathanakith**  
Member of Risk Management Committee

## Nomination and Remuneration Committee

**1. Mr. Sathien Setthasit**  
Chairman of Nomination and Remuneration Committee

**2. Mrs. Saowanee Kamolbutr**  
Vice Chairman of Nomination and Remuneration Committee

**3. Miss Nutchamai Thanombooncharoen**  
Member of Nomination and Remuneration Committee

**4. Mr. Kanit Patsaman**  
Member of Nomination and Remuneration Committee

## Management

**1. Mr. Sathien Setthasit**  
Chief Executive Officer

**2. Miss Nutchamai Thanombooncharoen**  
Managing Director

**3. Mr. Yuenyong Opakul**  
Senior Deputy Managing Director

**4. Mrs. Wongdao Thanombooncharoen**  
Senior Deputy Managing Director

**5. Mr. Kamoldist Smuthkochorn**  
Deputy Managing Director

**6. Mr. Romtham Setthasit**  
Deputy Managing Director

**7. Mr. Pongsarn Klongwathanakith**  
Assistance Managing Director

## Summary of Financial Highlights 2021

The Thai economy expanded 1.6% in 2021 versus a contraction of 6.2% the previous year. Economic turnaround is conditional upon various factors, both domestically and internally, including but not limited to recovery phase of the tourism sector in the midst of the Covid-19 measures as well as price hikes in the international commodities market that may erode the benefits of confidence and spending among the public and private sectors in the country.

According to the market research data by Nielsen in 2021, the Thai energy drink market dipped 7.5% during the continued period of Covid-19 pandemic. Our Carabaodang energy drinks in bottle format, being ranked

the 2<sup>nd</sup> largest brand, experienced a lower rate of contraction relative to the market i.e. 4.8% YoY decrease in revenue from sales. Consumers' good perception for product and renowned brand awareness, coupled with ongoing expansions of routes to the market, equip us with competitive edges we give it a priority from strategic standpoint.

Such valuable strengths not only support so as to when we deploy onsite campaigns for promotions and marketing or plan a launch of new product(s) under our own brand, but also create an ecosystem where we manage

**In 2021, total revenue from sales amounted to THB 17,364 million, up by 0.8% YoY. Net profits attributed to the owner were THB 2,881 million, down by 18.3% YoY. Such a drop in the bottom line was a combined results of decreasing revenue from sales of branded own products i.e. our main business from segmentation perspective and rising costs of raw materials and packaging materials. We also witnessed an increase in administrative expenses, particularly those relating to employees' with addition to the number of headcounts by our human resource development plans.**

to reinforce win-win relationship among business partners through growing network and innovation so that we all are in a position to fulfill demands of the larger group of end consumers. The larger the size of business volumes we aim to build is the larger the source of additional revenue streams and thus the economies of scale we benefit from in pursuit of our future business plan. With that said, our revenue from sales of branded own products amounted to THB 12,622 million, down by 10.4% YoY, in line with slow-paced economy and the prevailing pandemic. At the same time, we generated revenue from sales of the 3<sup>rd</sup> party product for distribution in a total of THB 3,568 million, up by 47.9% YoY.

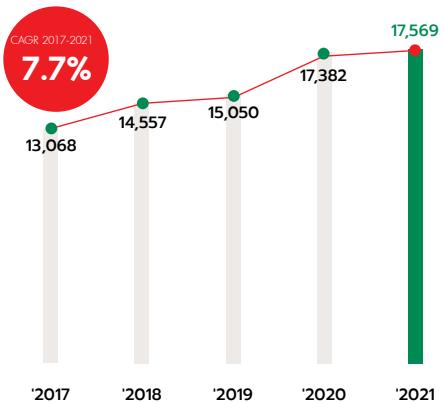
In 2021, total revenue from sales amounted to THB 17,364 million, up by 0.8% YoY. Net profits attributed to the owner were THB 2,881 million, down by 18.3% YoY. Such a drop in the bottom line was a combined results of decreasing revenue from sales of branded own products i.e. our main business from segmentation perspective and rising costs of raw materials and packaging materials. We also witnessed an increase in administrative expenses, particularly those relating to employees' with addition to the number of headcounts by our human resource development plans.

As of 31 December 2021 and the corresponding date a year ago, total assets were THB 19,186 million, up by THB 2,099 million. Total liabilities were THB 9,075 million, up by THB 2,145 million. They reflected the total liabilities to total equity ratio of 0.9 time, up from 0.7 time. Higher liabilities were carried to streamline the amount of working capital needed as per our business volumes for the time being and help accommodate further investments made in our vertically integrated productions for improved product quality and image. In this connection, we issued for a placement of corporate bond in a total of THB 1,500 million alongside a drawdown of THB 1,300 million term loan during the year. Such long term funding was intended to increase liquidity and safeguard against the interest rate risk. Our return to equity for the fiscal year ending 31 December 2021 and the corresponding period last year stood at 28.1%, down from 37.7%.

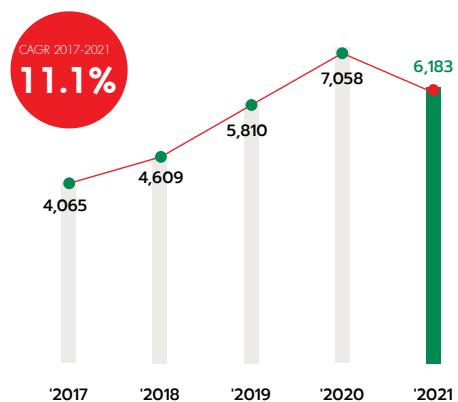
In addition, the company agreed to purchase 26% shares of Asia Can Manufacturing Company Limited ("ACM") from SHOWA DENKO Group according to the approval of the company's board meeting on 19 February 2021. The transaction was completed on 1 March 2021 and CBG's shareholding in ACM increased to 100% of registered and paid-up capital.

## FINANCIAL HIGHLIGHTS

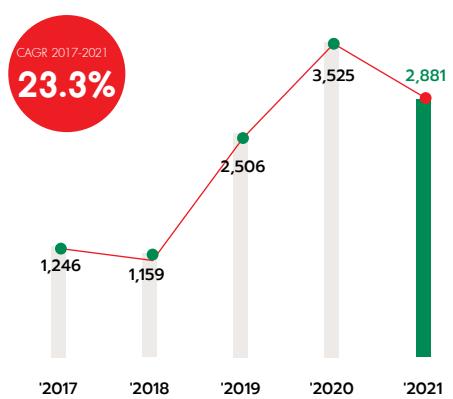
Total revenues (THBmn)



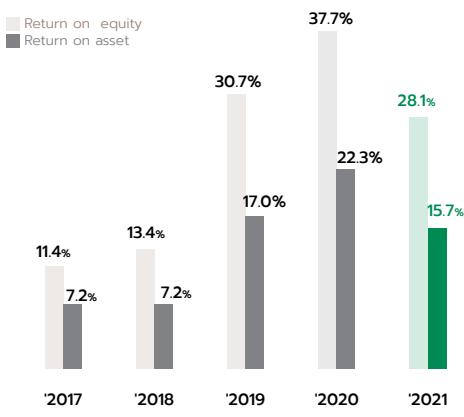
Gross profits (THBmn)



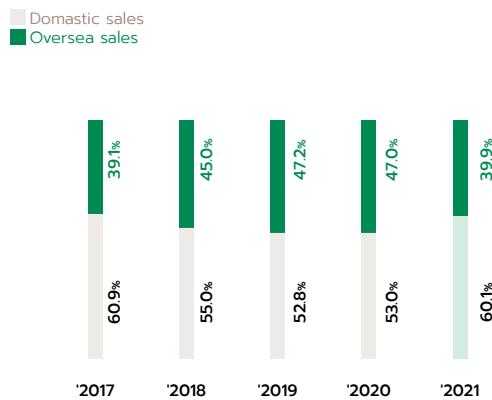
Net profit to shareholders (THBmn)



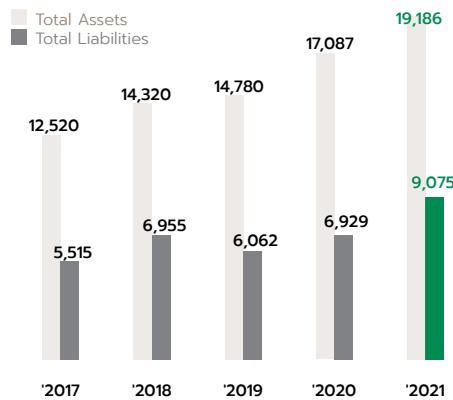
Return on equity and Return on asset



Sales contribution (%)



Total Assets and Total Liabilities (THBmn)



# KEY TIMELINE



**CBG invested in ICKU**

carbonated Carabao energy drinks were firstly marketed in the UK in **2016**

**CHELSEA OFFICIAL PARTNER**

become a principal partner sponsor of Chelsea Football Club in **2016**

**Established own DCs and cash van fleet**

started establishing own distribution centers in **2015** with a target to cover over 300,000 retail shops in Thailand

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16

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18

12

13

**Established ACM**

as a manufacturer of aluminum cans under a joint venture agreement with SHOWA DENKO Group in **March 2017**

**Carabao Coffee**

first launch of Carabao instant coffee and ready-to-drink coffee in **2016**

**Carabao Cup**

signed sponsorship of the EFL Cup in **2017**; the league has been named CARABAO CUP

**Carabao**

officially launched Carabao energy drink in China market in **2017**

**Carabao Can**

first launched CARABAO GREEN APPLE (CAN) in Thailand in **June 2018**

**Woody C+ Lock**

first launched in **March 2020**

**Established APM**

as a manufacturer of packaging materials in **March 2020**

# MAJOR DEVELOPMENTS OF THE COMPANY



**APM**  
Manufacturing and procuring of packaging materials



**ACM**  
Manufacturing and procuring of aluminum cans



**APG**  
Manufacturing and procuring of glass bottles



**CBD**  
Manufacturing, marketing, and selling of energy drinks and other beverages.

## 2002

- Establishment of CBD by a joint investment between Mr. Sathien Setthasit, Ms. Nutchamai Thanombooncharoen and Mr. Yuenyong Opakul (Add Carabao) to conduct business in manufacturing, marketing, and selling energy drinks.
- The manufacturing plant of energy drinks at Bangbo district, Samutprakan started its commercial operation with the installed capacity of 275 million bottles per year and launched the energy drink domestically under the brand "Carabao Dang".

## 2012

- Establishment of DCM to manage the sales of CBD's products.
- Establishment of APG to conduct business in manufacturing and procuring glass bottles as packaging.

## 2013

- CBD expanded its installed capacity to 850 million bottles per year.
- Located at Bangpakong district, Chachoengsao, APG's factory to produce glass bottles started its commercial operation with the installed capacity of 310 tonnes of glass per day or equivalent to the amber-glass bottles of "Carabao Dang" brand at 650 million bottle per year.
- Established CBG as a holding company and restructured to incorporate the 3 subsidiaries under the company's holdings.

## 2014

- CBD launched sports drinks in Thailand under the brand "Start Plus"
- CBG turned public and renamed to "Carabao Group Public Company Limited".
- On 21 November, CBG listed on Stock Exchange of Thailand (SET) for the first time under the ticker "CBG" by offering 250 million shares for sales at the IPO price of 28 Baht per share for the issue size of 7 billion Baht.
- Received Best Equity Deal of The Year in Southeast Asia award from the 8th Annual Alpha Southeast Asia Deal and Solution Awards 2014.

## 2015

- CBG was incorporated into the calculation of MSCI GLOBAL SMALL CAP INDEXES and SET50 index by Morgan Stanley Capital International (MSCI) and the Stock Exchange of Thailand (SET), respectively, for the first time.
- Entered into a contract as one of the three principal partners of Chelsea Football Club (CFC), together with sports brand like Adidas and tire brand Yokohama, for 3 seasons starting from the 2016/2017 to 2018/2019 seasons which lifted the Carabao trademark to be recognized worldwide aligning to the company's strategy to increase overseas sales revenue.
- DCM established its own distribution centers and cash van fleet, which by the end of 2015, 9 distribution centers were opened in prime trade provinces

## 2016

- CBD initiated the capacity expansion project for new factory and investment in machines of 2 new canning lines at Bangpakong district, Chachoengsao in pursuant to the Executive Committee's meeting on 11 August 2016
- APG initiated the capacity expansion project for a new factory equipped with new production line of glass bottles manufacturing in pursuant to the Executive Committee's meeting on 11 August 2016.
- CBG and ICSG made a joint venture to invest in shares of ICUK, a company principally engaged in marketing, selling and distribution of energy drink under the brand Carabao for the market in the United Kingdom and other countries outside Asia, with the percentage holdings both directly and indirectly at 51.0% and 49% respectively, according to the results of the Executive Committee's meeting on 11 August 2016. The company invested indirectly through the two newly established subsidiaries, namely CHHK and CVHLUX.
- CVHLUX signed as a sponsor of the English Football League (EFL) cup in England for 3 seasons starting from 2017/2018 to 2019/2020 as a part of marketing strategy aimed to inherit the success connection of the product in both quality and image to a leading international football competition and team.
- 30 distribution centers established with 337 cash vans in total at the end of 2016.

## 2017

- CBD initiated the project for a new bottling factory and invested in machines of 2 new bottling lines at Bangpakong district, Chachoengsao in pursuant to the Executive Committee's meeting on 22 April 2017.
- Signed a joint venture contract with DAI GROUP according to the approval of the company's board meeting on 22 April 2017 to establish joint venture companies overseas. The aim was to conduct business in marketing, selling, and distributing energy drinks and other drinks under the brand Carabao and/or any other brands developed or acquired by the joint venture company for the market in Greater China including Hong Kong, Macao, Taiwan, and China with the ratio of stock holding at 47% and 48% respectively. The other 5% shareholdings in the joint venture belonged to Chinese executive officers who were knowledgeable, talented, and experienced in management, marketing, sales, and distribution for energy drinks under the product brand that had been leading the Chinese market for more than 20 years ("The Investment Project for Conducting Business in Greater China").
- Business plans and budget estimates of the project had been lifted up substantially from policy of focused marketing in selective cities to an aggressive marketing strategy which had target groups all over China or mass marketing which required a substantial amount of capital for the budget in marketing and promoting. The company believed that the enhanced business plans can increase the business success rate by increasing sales at high growth rate and decent yield on investment in the long term. In case of the company's decision in investing in the project, the company will run the risk of realizing loss as proportionated to the stakeholdings in the joint venture which may substantially affect the performance and financial position of the company as a whole during the first 4-5 years of operating under the project.
- Hence, the company's board meeting on 25 April 2017 approved the pulling out from investing in the project, at the same time the major shareholders of the company namely Mr. Sathien Setthasit and Ms. Nutchamai Thanombooncharoen and Mr. Yuenyong Opakul and those involved (called together as "the major shareholders") notified that they wished to establish a new company to invest by holding stocks in project in the company's place ("HOLDING SPV"). The major shareholders will hold no less than half of the stocks from the registered capital of HOLDING SPV. Meanwhile, the company still hold the financial benefits from the projects, which could be summarized as
  - CBD gained the benefits of manufacturing and exporting energy drinks under the brand Carabao to the joint venture for marketing, sales, and distribution to consumers in Greater China under the contract signed by CBD and the joint venture indicating specified scope of duties and rights of the joint venture in being the sole distributor of the energy drinks under the brand Carabao in Greater China.
  - The company might consider to invest in the joint venture in the future as the company has the rights to buy all of the stocks in HOLING SPV ("stocks involved") under the terms and conditions stated in the Rights to Purchase Agreement including but not exclusive to (1) exercising the rights to purchase stocks at any time if the company deems the performance of the joint venture to be appropriate. The company may consider several factors involved such as the ability to achieve annual budgeting targets, the sales volume growth, and earnings before interests, income tax, depreciation, and amortization (EBITDA) as well as business plans and competitive landscape of the time in the future and (2) the pricing for stocks involved based on the basis of fair value to be assessed by independent financial advisors in the list of authorized persons by the Securities and Exchange Commission (SEC).
  - These involvements shall be treated as other regular business transactions under the price and conditions as entrepreneurs in the same manners offered to regular people, in other words, on an arm's length basis. Furthermore, the company did not need to run the risk of consolidating the performance of the joint venture
- Signed a joint venture contract with SHOWA DENKO Group according to the approval of the company's board meeting on 29 March 2017 to establish Asia Pacific Can Company ("APC") aiming to conduct business involving manufacturing of aluminum cans used as packaging in Bangpakong district, Chachoengsao with an installed capacities of around 1 billion cans per year with the shareholding percentage of 74% and 26% respectively in July 2017. Later in December 2017, the company's name was renamed to Asia Can Manufacturing Company Limited ("ACM").
- Signed an amendment contract regarding the rights and sponsorship fees for Chelsea Football Club and got special conditions for adjusting the period of being a partner from 3 years ending on 30 June 2019 to 5 years ending on 30 June 2021. The company will pay an additional sponsorship fees for the amount of 3.0 million Great Britain Pounds for the whole duration of the newly adjusted contract. However, the right to advertising and use of trademarks involved will be reduced from Principal Partner when the first 3 years are finished to Global Partner in the 4th and 5th year respectively.
- CBD invested in machines with 2 new canning lines according to the approval of the company's Executive Committee meeting on 18 July 2017.

- On 14 November 2017, the company's board meeting approved to restructure the capital structure of the company's overseas subsidiaries resulting in change in shareholdings in ICUK by the company, indirectly held through CVHLUX, and ICSG from 51.00% and 49.00% to 84.31% and 15.69%, respectively, in January 2018. After that, NIHK purchased and received shares held by ICSG in CVHLUX in total of 6 million shares resulting in NIHK and ICSG have the proportion of shareholdings after the transaction at 9.6% and 6.1% of the registered and paid capital respectively.
- Received a corporate credit rating by Tris Rating Company Limited at "A-" with "Stable" outlook.
- The canning capacity expansion projects of CBD gradually started its commercial operations within July 2017, while the incremental capacity of glass-bottle furnace of APG started to commercialize in December 2017.
- The distribution centers and cash vans were completely established in total of 31 centers and 333 vans at the end of 2017.

## 2018

- Renamed the trademark of sports drink from Start Plus to Carabao Sport according to the marketing strategy as a One Brand Strategy
- Being granted Superior Taste Award 2018 for carbonated energy drinks under the brand Carabao for Original, Green Apple and Green Apple Sugar Free by International Taste & Quality Institute or iTQi
- Launched the carbonated energy drink with Green Apple flavored under the brand Carabao in Thailand
- CBG was incorporated into the calculation of SET CLMV Exposure by the Stock Exchange of Thailand (SET) for the first time.
- Issued and offered senior, unsecured debentures in total size of 2,790 million Baht with the issued rating at "A-" with "Stable" outlook by Tris Rating Company Limited
  - Debentures issued no.1/2018 in total value of 2,420 million Baht consisted of Tranche No.1 with the issue size of 1,700 million Baht due in 2020 and Tranche No.2 with the issue size of 720 million Baht due in 2021.
  - Debentures issued no.2/2018 with size of 370 million Baht due in 2021.
- All capacity expansion and investment projects started the commercial operations ranging from the new canning and bottling facilities of CBD in April 2018, to the newly invested aluminum can production plant of ACM in November 2018.

## 2019

- Signed an amendment contract regarding the sponsorship period for EFL cup in England and got special conditions for extending the contract period from 3 seasons (from 2017/2018 to 2019/2020) ending on 31 May 2020 to 5 seasons (from 2020/2021 to 2021/2022) ending on 31 May 2022 at the same rate of fees.
- Certified the management standards of occupational health and safety according to ISO 45001:2018, the first among Thai's energy drink manufacturers, also the management standards of environment according to ISO 14001:2015 from Bureau Veritas (Thailand), as per the company's commitment to conduct a business with the environmental responsibilities and cares on standards of life of employees.
- Resized the carbonated Carabao's energy drink in Green Apple flavor for domestic market from 330 ml to 180 ml to capture new targets who are younger generations and, indirectly, to refresh the brand image and embrace the vision of "World Class Product, World Class Brand" among Thai consumers.
- Introduced the carbonated Carabao's energy drink in Green Apple flavor in 250 ml in a country in CLMV market for the first time.

## 2020

- Installing solar roof of a 5-megawatt capacity on the factory's roof with aim to use economy-friendly energy and reduce the emission released into the environment.
- Established Asia Packaging Manufacturing Company Limited ("APM") engaging in production and procurement of packaging materials for the Group's products with objective to raise the product's image to a higher, world class level as well as to build a strong support to sustain business growth. The new facility is expected to start commercial run within the second quarter of 2021.
- Partnered with Mr. Vuthithorn Milintachinda or Woody, a leading talk-show interviewer in Thailand, to invest in A Woody Drink Company Limited ("AWD"), in which CBG holds 85% stakes and Woody holds 15% shares, to own and market new beverages in the functional drink category.
- AWD launched a vitamin C drink under "Woody C+ Lock" brand in lemon flavored and orange flavored in March 2020 and June 2020, respectively. These new products are produced to serve young health-conscious with C+ lock innovation to help lock vitamin C in the bottle.

- Invested in 2 new production lines of a bottling and a canning according to the approval of the Company's board meeting on 8 May 2020 which will increase bottling production capacity by 40% to 4.2 million bottles per day and canning production capacity 30% to 5.7 million cans per day, respectively.
- TRIS Rating upgrades the company rating on Carabao Group PLC (CBG) and the ratings on CBG's senior unsecured debentures to "A" from "A-" with a "stable" outlook.
- Being awarded "Thailand's Top Corporate Brands 2020" in the category of Food and Beverages for possessing the highest corporate brand value in Thailand in 2020 under the Food and Beverages category, jointly organized by Chulalongkorn Business School and the Stock Exchange of Thailand.
- Being granted 2 awards from SET Awards 2020. Mr. Sathien Setthasit Chief Executive Officer of Carabao Group Public Company Limited was granted "Best CEO Award" for listed companies in SET-listed companies and CBG was granted "Best Company Performance Awards" for SET market capitalization of over THB 30 billion but less than THB 100 billion.
- Woody C+ Lock in lemon and orange flavors had been ranked the top 2 with highest vitamin C when served out of other 47 examples available in the market, tested by Foundation for Consumers, Thailand in December 2020.
- Incremental production capability in bottling and canning had been started commercial run in December 2020.

## 2021

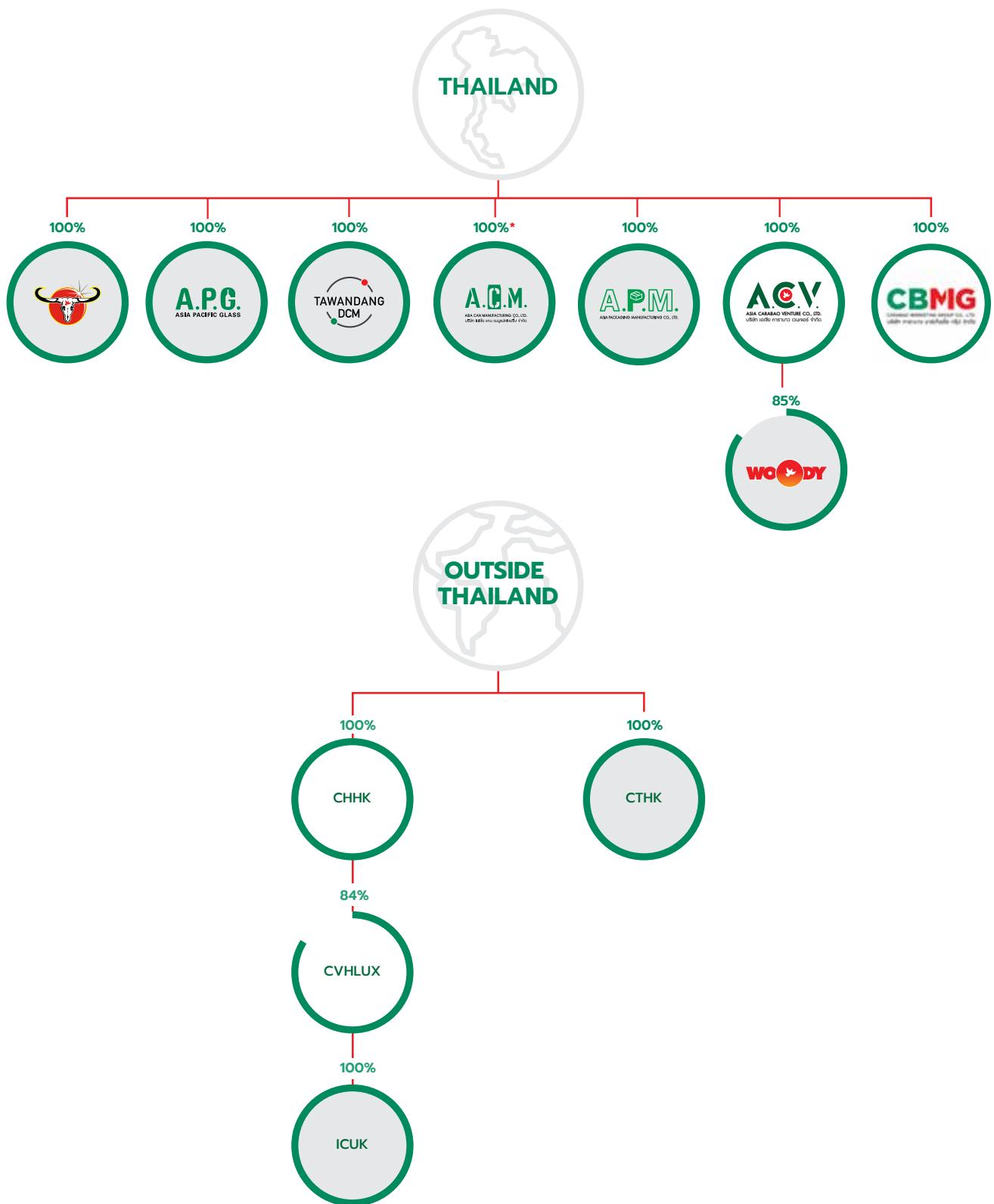
- CBG agreed to purchase 26% shares of Asia Can Manufacturing Company Limited ("ACM") from SHOWA DENKO Group according to the approval of the company's board meeting on 19 February 2021. The transaction was completed on 1 March 2021 and CBG's shareholding in ACM increased to 100% of registered and paid-up capital.
- Launched vitamin C drink in mixed berry flavor with collagen under "Woody C+ Lock" in April 2021 in order to reinforce expansion of product selection and consumer base.
- Renewed the English Football League sponsorship contract (EFL) for 2 seasons starting from 2022/2023 to 2023/2024 and ending 31 May 2024.
- Issued and offered for sales of senior, unsecured debentures no. 1/2021 due in 2023 in a total of 1,500 million Baht with the issued rating at "A" and "Stable" outlook by Tris Rating Company Limited
- Won 3 distinct awards from the SET Awards 2021, namely 1) Best CEO Awards for Mr. Sathien Setthasit, Chief Executive Officer, 2) Best Company Performance Awards in the category of more than 100,000 million Baht market cap of the SET-listed companies, 3) Outstanding Innovative Company Awards from the innovation of distribution network connection.
- Won 2 awards from the Global Good Governance Awards (3G Awards) 2021 held by Cambridge IFA, the United Kingdom, namely 1) 3G Championship Award for CSR Campaign 2021 , 2) 3G Excellence in Corporate Governance Reporting Award 2021.
- Won the Thailand's Best Managed Companies Awards 2021, held by Deloitte globally. Such an award is held regularly for 25 years in 37 countries.
- Won 3 awards from the 11th Institutional Investor-Corporate Awards 2021 held by Alpha Southeast Asia, namely 1) Best Senior Management Investor Relations Support , 2) Strongest Adherence to Corporate Governance and 3) Best CFO in Thailand for Mr. Pongsarn Klongwathanakith, CFO of Carabao group.
- Won the Thailand Corporate Excellence Awards 2021 in the Leadership Excellence category held by the Thailand Management Association (TMA) and Sasin Graduate Institute of Business Administration.



## NATURE OF BUSINESS OPERATIONS AND PRODUCT DESCRIPTIONS



## CARABAO GROUP



**Remark \*** CBG's shareholding in ACM increased to 100% from 74% on 1st March 2021 by shares acquired from SHOWA DENKO Group, with reference to resolutions of the Board of Director's Meeting No.1/2021 on 19 February 2021

Holding Subsidiaries

Operating Subsidiaries

# Nature of Business Operations and Product Descriptions

The company engages in manufacturing, marketing, selling and distributing energy drinks and other beverages in a vertically integrated manner starting from upstream productions of key packaging materials i.e. glass bottle and aluminum can down the chain to bottling and canning of finished products as well as managing distribution channel both domestically and internationally under “World Class Product, World Class Brand” vision.

## 1. Glass Bottle Productions and Sourcing

APG engages in production and sourcing of glass bottles as packaging materials used for energy drinks and other beverages. Installed production capacities under APG could accommodate approximately 640, up from 310 tons of molten glass per day. Such extra portion of capacities came into commercial run from December 2017 onwards.

The installed production capacities are mainly used to make amber glass bottles as packaging materials for energy drinks of the company whereas clear glass bottles for sport drinks are procured from local suppliers. Any excess capacities shall be utilized to make and sell glass bottles to outside parties for the purpose of efficiencies and cost management program to the best interest of the company overall. By integrating ESG as a part of doing business, APG has installed solar roof system at the site with installed capacity of 5 megawatts to enable the company to generate electricity from renewable energy sources which started to commence operation in 2021.

## 2. Aluminum Can Productions

ACM established as a joint venture engages in production of aluminum cans as packaging materials used for energy drinks and other beverages. The factory is landed on a 31-rai plot which is sufficiently large to install up to 2 production lines. Currently, ACM has commenced a single line of productions capable of approximately 1,000 million cans per year from November 2018 onwards.

## 3. Packaging Productions and Sourcing

APM engages in production and procurement of packaging materials in three types including carton box, OPP label, and shrink film as packaging material used for the Company's energy drinks and other beverages. APM has installed the necessary machines with the annual production capacity of 72.0 million pieces of carton box, 30.9 million square meters of OPP label, and 3,000 tons of shrink film, which started commercial operation in 2021.

Most of APM's production capability will be used to serve the production of Company's energy drinks and other beverages. Any excess capacity shall be utilized to make and sell these packaging materials to outside parties for the purpose of efficiencies and cost management program to the best interest of the company overall. By integrating ESG as a part of doing business, APM shall use the recycling film as a key raw materials in the production process.

## 4. Productions, Marketing, Selling and Distributions of Products under the Company's Trademarks

CBD engages in productions, marketing, selling and distributing energy drinks, sport drinks and other beverages that the company may be of interest to commercially endeavor in the future for both domestic and overseas markets. Installed production capacities under CBD could accommodate approximately 2,190 million cans and 2,430 million bottles per year. CBD has relocated production facilities and all related commercial activities from Bangbor Samutprakarn province, where there is a considerable level of limitation in terms of size and future expansion to the current site situated in Bangpakong, Chachoengsao province, where glass bottle factory and aluminum factory are situated since August 2018.

CBD currently manages to produce energy drinks in various formats not only from packaging materials perspective but also the content mixed so as to satisfy different preferences of consumer behaviors in the countries where our products are present. Consumers in The Thai market and other Asian countries mainly prefer energy drinks in bottle and can format, respectively, with non carbonated taste. Further to our core energy drink products, CBD also utilizes its own capabilities for production of sport drinks. Meanwhile, water, Coffee 3 in 1 and Coffee RTD are all produced by local manufacturers under terms and conditions of the contracts. Such branded products are managed as one portfolio according to our group business plans, respective demands among other economic and competitive setting factors.

Energy drinks under our Carabao brand are the single largest contributor to revenue from overseas sales. CBD manages from the Thai operation base to produce and export finished products to our business partners, who are responsible for marketing, selling and distributing our products to consumer group in their designated countries (Distributorship)

**Upstream integration into packaging material productions not only improves the product quality and enables the flexibility in production but also reduces the risks associated with reliance on third party suppliers. Machines, equipments and supporting systems with advanced technologies, coupled with adjacent location under the industrial cluster concept, potentially serve us as the basis for better managing production costs and economies of scale throughout the early stage of value creation chain from packaging materials i.e. glass bottle and aluminum can to finished products.**

## **5. Distribution Channel Management for Domestic Markets**

DCM engages in managing distribution channels in Thailand, covering our branded product portfolio including the products we produce on our own account i.e. energy drinks and sport drinks (Branded products by our own manufacturer) and those we outsource respective productions to third party suppliers i.e. water, coffee 3 in 1 and coffee RTD (Branded products by 3rd party manufacturer) and other products we may be of interest to commercially endeavor in the future. Additionally, DCM is also in charge of distributing products for third parties in both food and non food categories (3rd party products for distribution). Key distribution channels under DCM management span a.) traditional trade channel, through both the Multi tiered agent system and our own distribution centers and cash vans as well as b.) modern trade channel.

Distribution centers and cash vans help witness our substantial progress made towards increasing level of direct access to retailers. DCM has succeeded in development of customer relationship management whereby database has been well established over time and in turn allows DCM to properly identify and group the subject retailers for more comprehensive analysis of turnover related information such as size, pattern of purchase order and payment for the individual products. The info derived is of valuable use to the benefits of building and strengthening our own retail network and deploying our marketing and sales plans in an effective result-based fashion. At the present, DCM operates 31 distribution centers and 326 cash vans to reach approximately 180,000 identified retailers nationwide.

**Marketing and sales policies laid down for the Thai markets have evolved in response to the dynamics. They are recently reshaped to focus on seamless collaborations between on- and off-line advertising, below the line marketing activities and retail network building in each province, using our own pool of over 1,500 headcounts grounded all over the major commercial zones in Thailand.**

## **6. Functional Drinks Business Development**

AWD, established as a joint venture indirectly held by the Company via a local subsidiary ACV, engages in new product development under functional drinks segment as well as other beverages to be developed under the joint venture's brand to extend domestic consumer base towards new generation by leveraging the characteristics of Mr. Vuthithorn Milintachinda ("Woody"), one of the well-known moderators in Thailand holding the 15-percent stake in AWD, who has a health-conscious minded and powerful influences on social medias.

AWD launched a vitamin C drink in the local market for the first time under the Woody C+ Lock trademark in lemon and orange flavors in March and June 2020, respectively. The company also introduced and began to export Woody C+ Lock to overseas markets including Myanmar and Laos.

**The collaboration between the Company and Mr. Vuthithorn Milintachinda brings in the business opportunity to launch new products to tap consumer needs of new generations that are seen to be more health-conscious and social media oriented. This perfectly combines the marketing influential characteristics of Mr. Vuthithorn Milintachinda and the Company's positioning of world-class beverage manufacturer with extensive distribution network nationwide.**

## **7. Marketing, Selling and Distributions of Products under the Company's Trademarks for the United Kingdom Markets and the Countries outside Asia**

ICUK as a joint venture held indirectly through our overseas subsidiaries namely CHHK and CVHLUX engages in marketing, selling and distributions of energy drinks under our trademarks in the UK markets and certain countries outside Asia. Finished products are now manufactured by the company's production capability in Thailand in order to match the minimum order quantity with the business needs and size, whereby previously was manufactured by a third party under terms and conditions of the contract. Having successfully listed our energy drink products live on shelves of the increasing number of grocery chain stores, ICUK has expanded into online platform such as Amazon UK backed by the COVID-19 outbreaks in the UK.

The company puts marketing and sales policies into actions more effectively. With that being said, business plans are created in joint effort with our business partners, and we also provide them with marketing support and sales tools to the extent necessary to not only substantiate product experiences but also make a chief use of our global marketing platform i.e. sponsor to English Football League (EFL) to the advantage of promoting recognition of our strength in market positioning. As a result, a growing network of distributions could be built and our products have enormous potential in the countries we are present today and may plan to pursue for growth prospect in the future.



## NATURE OF PRODUCTS OR SERVICES

The company offers 3 types of products as follows; Branded Products under Own Brand, The 3<sup>rd</sup> Party Products for Distribution, and Other Products. The products under the company's brand include those from own manufacture ("Branded Products by Own Manufacture") and those that the company outsourced the production to 3<sup>rd</sup> parties ("Branded Products by 3<sup>rd</sup> Party Manufacture"). The revenue structure could be summarized as follows;

Sales Breakdown	2019		2020		2021	
	THB million	%Sales	THB million	%Sales	THB million	%Sales
<b>The Company's Branded Products</b>						
Branded Products by Own Manufacture	12,881	86.3	14,082	81.7	12,622	72.7
Branded Products by 3 <sup>rd</sup> Party Manufacture	532	3.6	443	2.6	504	2.9
<b>Total Branded Products</b>	<b>13,413</b>	<b>89.8</b>	<b>14,525</b>	<b>84.3</b>	<b>13,126</b>	<b>75.6</b>
<b>The Company 3<sup>rd</sup> Party Products for Distribution</b>						
General consumers' products	248	1.7	260	1.5	219	1.2
Alcohol beverages	1,161	7.8	2,153	12.5	3,349	19.3
<b>Total 3<sup>rd</sup> Party Products for Distribution</b>	<b>1,409</b>	<b>9.5</b>	<b>2,413</b>	<b>14</b>	<b>3,568</b>	<b>20.5</b>
<b>Others</b>						
<b>Total Other Sales</b>	<b>111</b>	<b>0.7</b>	<b>293</b>	<b>1.7</b>	<b>670</b>	<b>3.9</b>
<b>Total Sales Revenue</b>	<b>14,933</b>	<b>100.0</b>	<b>17,231</b>	<b>100.0</b>	<b>17,364</b>	<b>100.0</b>

## Product Description

1



Energy drinks  
in a 150ml bottled format  
under the brand of carabao Dang and Carabao

2



Non-carbonated energy drinks  
in a 250ml canned format  
under the brand of Carabao

3



Carbonated energy drinks  
in a 330ml canned format  
under the brand of Carabao

4



Carbonated energy drinks  
in a 180ml and 330ml canned format  
under the brand of Carabao

5



Zinc-contained drinks  
in a 250ml bottled format  
under the brand of Carabao Sport

6



Drinking Water  
in PET bottled sized 600ml and 1500ml  
under the barnd of Carabao

7



Carabao instant 3-in-1 coffee powder  
in 19 g. per stick  
under the brand of Carabao

8



Carabao ready-to-drink coffee  
in canned 180ml  
under the brand of Carabao

9



Vitamin C drinks  
in a 140ml green bottled format  
under the brand of Woody C+ Lock

10



3<sup>rd</sup> party products for distribution  
In addition to the products under the company's trademarks, the company also offer distribution services for 3<sup>rd</sup>-party product including both food and non-food categories.

## Business innovation development

Carabao Group has launched a vitamin C beverage product "Woody C+ Lock" in 2020. It produced with "C+ Lock" innovation which are bottling in green glass bottle that helps prevents the sun and the heat, filling up with nitrogen gas to prevent the loss of vitamin C from external air (Oxidation), and using a special locking cap to secure nitrogen gas within the pressurized bottle to maintain the benefit of vitamin C inside the package until it reaches the consumer. In 2021, the company has launched "Woody C+ Lock" in a new flavor that is Woody C+ Lock in collagen-mix berry flavor which contains collagen more than 2,000 milligrams and more than 200% of vitamin C. Such collagen is extracted from high-quality fish imported from Japan. Woody C+ Lock is the beverage with the highest vitamin C, according to the Foundation for Consumers' research in December 2020. The unique strength of product is "Green glass bottle, Brighten and Firming skin, High collagen and vitamin C".

## Nature of Business Marketing and Competition

### 1. Target Consumers

Target consumers for our products are summarized as follows;

Product	Characteristics of Target Consumers
Energy Drink	<ul style="list-style-type: none"> <li>● For the domestic market, the target market is working people of any age who need energy and refreshment during the day. The target audience is the basic income group that has expanded wider and higher after canned products are issued.</li> <li>● For overseas markets, target consumers are vary according to the consumers' preferences in each country.</li> </ul>
Zinc-contained Drink	<ul style="list-style-type: none"> <li>● The zinc-contained drink was launched in 2014 under the brand Start Plus then renamed to Carabao sport in 2018 to capture mass markets and ensure consumers of the product quality under the Carabao brand.</li> <li>● At present, markets for Carabao Sport are domestic customers</li> </ul>
Drinking Water	<ul style="list-style-type: none"> <li>● Domestic consumers of drinking water are un-segmented mass consumer who have preference towards branded drinking water under qualified and standard production.</li> <li>● At present, market of Carabao drinking water is domestic customer.</li> </ul>
Coffee	<ul style="list-style-type: none"> <li>● The company set forth the same target groups as domestic energy drink among the basic-to-middle incomes.</li> <li>● At present, the coffee products are market and distributed within Thailand</li> </ul>
Vitamin C Drinks	<ul style="list-style-type: none"> <li>● For the domestic market, the target market is general consumers aged 18-40 who are interested in health and self-care, most of them are in the middle-income group and above. This is a different from the energy drink market.</li> <li>● At present, markets for Vitamin C drinks are domestic and oversea customers</li> </ul>

### 2. Marketing and Sales Promotion Policies

For the domestic market, the company conducts marketing with target group with objectives to pull demand for the products of the company under the "World Class Product, World Class Brand" concept to imprint the image of modernity, world-class beverage innovation through several of media channels. The marketing is conducted in form of above the line (marketing through mass-media channels that reach wide ranges of consumers) and below the line (marketing that reaches specific target group) and digital marketing. Details are as follows

## Above the Line

Marketing through mass media



WORLD CLASS | WORLD CLASS  
**PRODUCT | BRAND**



## Below the Line

Marketing that reaches specific target groups



## Digital Marketing



### a) Above the Line Marketing (Marketing through mass media)

The company communicates the vision of "World Class Product, World Class Brand" through advertisement via different channels that reach wide ranges of consumers, for example, television, radio and billboard.

### b) Below the Line Marketing (Marketing that reaches specific target groups)

The company conducts field marketing activities through the Bao Dang Girls Team, a significant and instrumented strategy of the company, in charge throughout Thailand. The Bao Dang Girls have been trained not only to organize games activities, give rewards, and inform the product specification but also to familiarize, understand, and bond relationships with end consumers. Currently, there are over 350 Bao Dang Girls in 56 teams working in the assigned strategic areas under the given strategy of which the knowledge has been accumulated over the past 19 years. The company also applied the use of technology to improve the working process, for instance, to indicate the strategic location, to organize marketing activities, measure the efficiency of the marketing activities, as well as to monitor the workflows under precise management of big data.

### c) Digital Marketing

To imprint the image of "World Class Product, World Class Brand" as stated in the mission, the company applies digital marketing in presentation, advertising as well as promotional activities to communicate with end consumers, particularly the new generations, via social medias i.e. website, Facebook, Youtube, and Line Official Account.

For overseas markets, the company seeks for sales representatives with expertise and experience in managing consumer products and capability to extend distribution coverage nationwide in the market. In this regard, the marketing strategy and promotional activities are adapted to suit the preferences of consumer in each country.

The company and trading partners focus on conducting marketing activites to create demand for the company's products. For instance, the company aid the trade partner in Cambodia and Myanmar by sharing the company's insights in how to promote a success marketing activities and reach an extensive distribution networks in Thailand. Such activities include promotional campaigns, Co-Promotion with PubG to launch Carabao Green Apple in Myanmar, sponsorship of a boxing competition, Carabao concert tour, providing product samples as well as broadcasting of such activities on televisions to indirectly promote products of the company. For the UK market, the company positioned products differently by connecting the product quality and brand image to football as a medium to capture the target consumers. The marketing activities include advertisements on print ads, social media and so on, as well as Carabao logo on t-shirts of football players and on products to raise brand awareness of Carabao brand.

**The company has entered into sponsorship arrangements with certain football clubs and league as follows:**

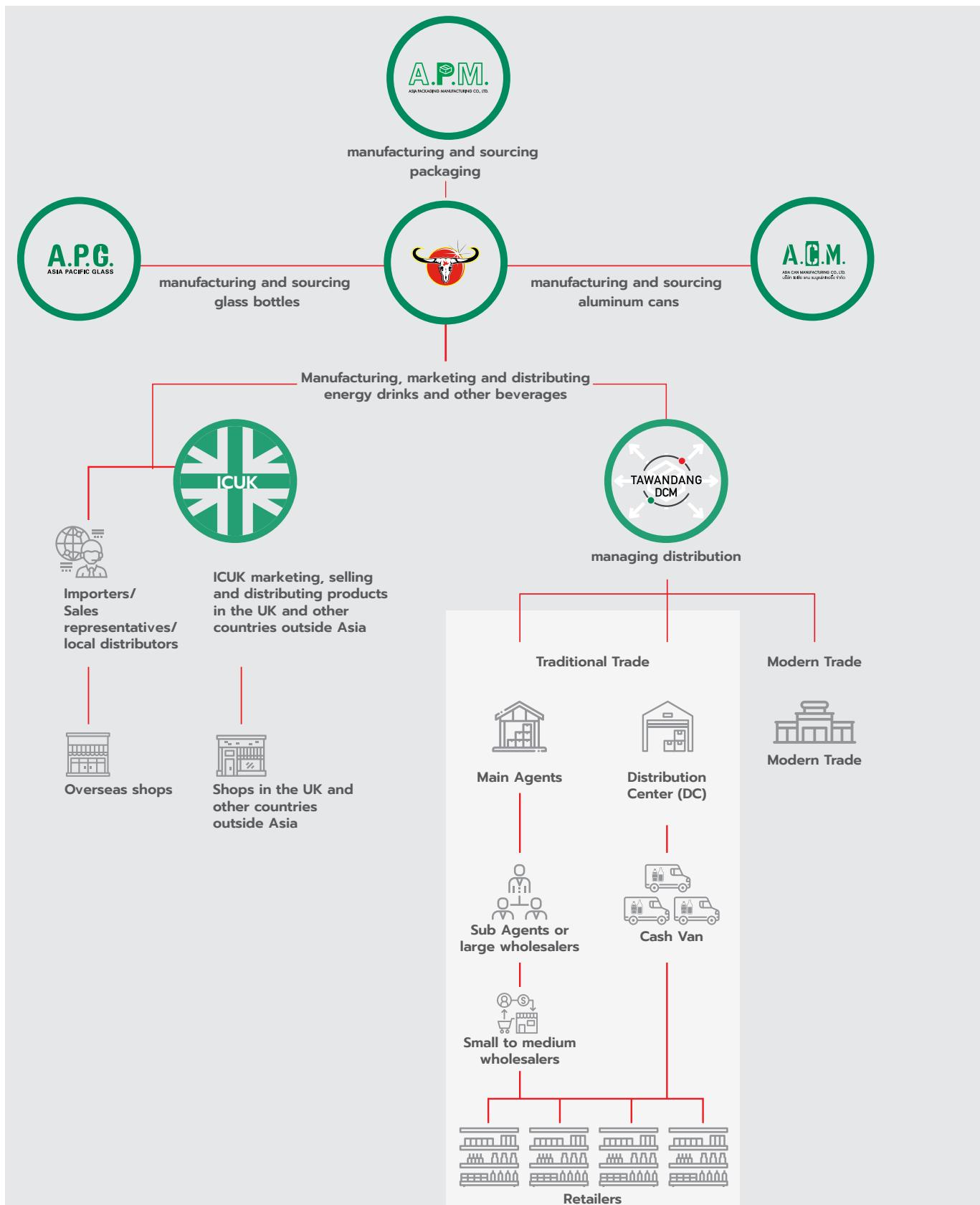
- (1) Chelsea Football Club (CFC): Carabao has sponsored the club for 5 seasons from 2016/2017 to 2020/2021, of which the first 3-season as a Principal Partner from 2016/2017 to 2018/2019 where the Carabao logo will appear on the players' t-shirts and training kits including all media in the stadium, for example seat head and LED screen around the stadium, while the latter 2-season as a Global Partner from 2019/2020 to 2020/2021 which the Carabao logo will be shown on the LED screen for 5 minutes. Nevertheless, the company still get benefit from the use of CFC's symbols and players on products sold worldwide in either partnership status.
- (2) English Football League (EFL): Carabao is the official sponsor of the EFL for 7 seasons from 2017/2018 to 2023/2024. The league is one of the largest competitions in England consisting of over 90 football clubs and the league cup become known as Carabao Cup. Carabao logo will be shown on the players' jerseys including all media in the field during the contract.

The company has entered into sponsorship arrangements with certain football clubs and league as follows



### 3. Distribution Channels

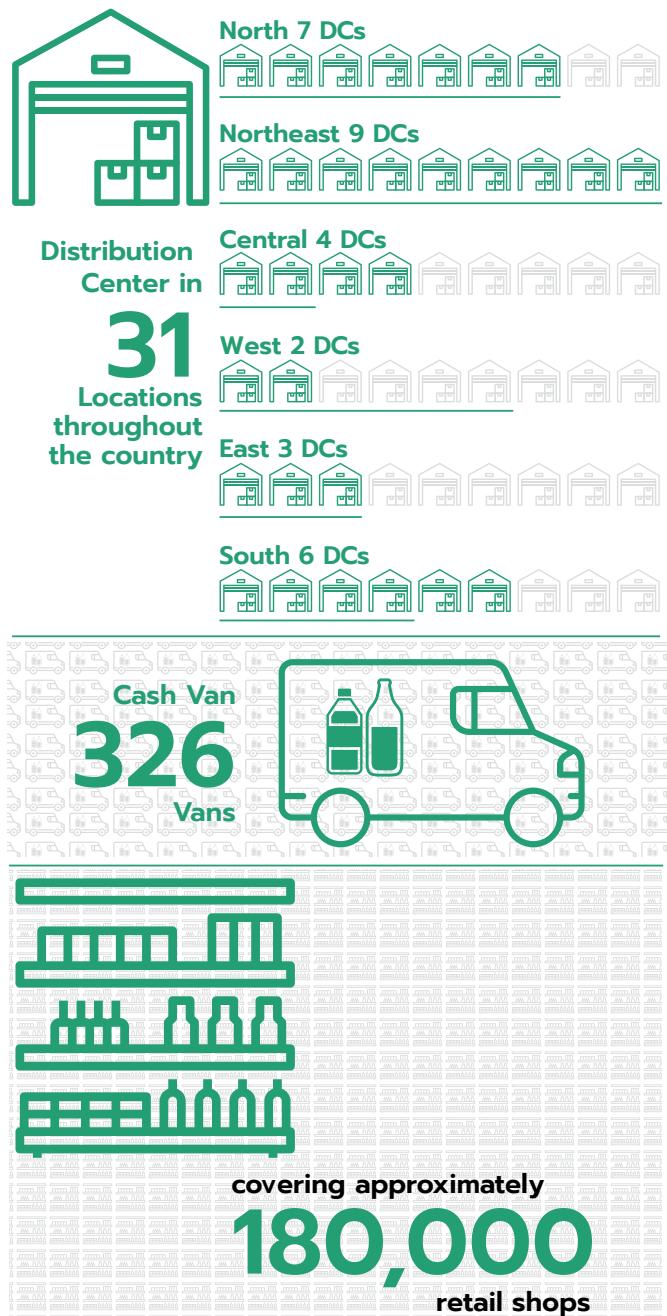
The company's distribution channels for domestic and internation business are as follows:



## Domestic Market

Products of the company are sold and distributed to traditional trades via multi-tiered agents and cash vans as well as to modern trades.

- Traditional trade is the major channels that the company distributes products through a network of agents that are managed by the company. In other words, the company searches for and appoints an agent who possess capability in expanding distribution coverage and warehousing at a province level, and then, collaborately with the agent, looks for sub-agents at a district level to distribute products to the wholesales and finally to local retailers nationwide thoroughly. The company put an emphasize on developing a network of retailers supported by over 1,500 personnel under the operation of both on-ground marketing and cash vans covering all prime trade areas.
- In addition, the company developed cash van strategy, an internalized distribution fleet, to distribute products directly to retailers with distribution centers in 31 locations and cash van of 326 vans covering approximately 180,000 retail shops.
- Modern trade including convenience stores, supermarkets and hypermarkets places an order directly with the company and the company distributes products directly to their branches



## International Market

CBD, as a manufacturer, distributes its products as finished goods to trading partners in overseas who are importers, agents or local distributors as a distributorship model, to further distribute products to end consumers in their countries under the terms, conditions, and pricing varying in each country according to the negotiation between CBD and its trade partners to maximize mutual benefits between the company as an owner of Carabao brand and trading partners as an important partnership.

ICUK operates marketing, selling and distributing energy drinks products of the company in the United Kingdom and other countries outside Asia. For the UK market, ICUK distributes products to the retailers directly.



## 4. Overview of the Energy Drink and Functional Drink Markets

### Domestic Energy Drink Market

According to market survey data of Nielsen, the market volume in 2021 contracted by 7.5 percent, while market volume in 2020 decreased by 6.8 percent and the average annual growth rate of 3.3 percent in 2017-2019. The energy drinks in Thailand are distributed via various channels. In 2021, market volume in modern trades reduced by 18 percent, super hypermarkets increased by 13 percent, convenience stores contracted by 31 percent, and traditional trades reduced by 8 percent. However, the company remained the second-largest player possessing 20.7 percent volume share in the Thai market.

The characteristics of energy drinks' consumers in Thailand are clearly different, the lower-to-middle incomes in the age between 26 to 45 years old who prefer non-carbonated energy drinks and slightly sweeter as compared to energy drinks consumed in other countries. The survey also signals Thai consumer behaviors which prefer energy drinks in glass bottles to cans. Consequently, the company believes that foreign entrepreneurs have less chance to compete in the local market as most of their products are packed in cans and carbonated. Evidently, the main competitive landscape of the energy drink market in Thailand is dominated by Thai companies who have a deeper understanding of the characteristics of Thai consumers.

The company is considered to be the late-comer in Thai energy drink market when compared to other local market-dominated players. The company is the youngest company that entered the production and marketing of energy drinks in Thailand in 2002. Nevertheless, the company's trademark or brand received a warm welcome from the market rapidly and overwhelmingly which brings the company out as one of the leading brands in Thailand with market share ranked the second and the leading player of energy drink in Central region

### International Energy Drinks Market

Energy drink in the global market, except for southeast Asia region, is perceived as a premium product as represented in the higher selling price per milliliters as compared to other beverages in soft drink categories. The majority of consumers are young generations ranging from the high schools to the postgrads and males over females.

The world's top five energy drink market shares are the United States, China, Japan, the United Kingdom, and Brazil. Consequently, several energy drink players are interested in entering China's energy drink market due to its growing population size and high growth rate of the local energy drink industry. Additionally, many companies place importance on product varieties in taste or flavors, specific ingredients added, and ranges of sweetness offered as the consumers become more health-conscious and governments in several countries put the tax schemes on sugary drinks in effect to reduce the consumption of sweet and so the illness related to the consumption of sugary drinks in high level as could be seen in Thailand, England, France, Portuguese, South Africa and several states in the United States.

### Domestic Functional Drink Market

According to market survey data of Nielsen, the market size of functional drinks in Thailand was at THB 8,160 million with a healthy growth rate of -10.5 percent in value and -8.2 percent in volume from last year. The functional drink market can be divided into 3 different product categories including Healthy Shot, Casual Healthy Drink and Other Essence, most of which contributed by healthy shot at approximately 75.0 percent of the market. Functional drinks are mainly distributed via modern trades channels at around 63 percent and the remaining 37 percent via traditional trades. Woody C+ Lock is the second largest player among vitamin C products in with approximately 8.7 percent volume share in Healthy Shot segment.

## Domestic Energy Drink Market

According to market survey data of Nielsen, the market volume in 2017-2019 has average annual growth rate of 3.3 percent. In 2020 and 2021 the market volume decreases by 6.8 and 7.5 percent, respectively due to COVID-19 pandemic.



brand received  
a warm welcome  
from the market  
rapidly and  
overwhelmingly



Age 26 - 45 yrs.  
lower-to-middle  
incomes

**Market Share  
20.7%**

### Distribution Channels

Traditional Trades **78%** Modern Trades **22%**



prefer energy drinks  
in glass bottle to cans

### Overview of Functional Drink Market

**Market Size  
฿8,160  
Million**

Market  
Volume Growth  
**-8.2%**

## International Market

Energy drink in global market, except for South East Asia region, is perceived as a premium product as representing in the higher selling price per millilitres as compared to other beverages in soft drink categories. Majority of consumers are young generations ranging from the high schools to the postgrads and males over females.



Premium  
Product



Varieties in  
taste or flavours



Ranges of  
Sweetness offered



The world's top five energy drink market share ..



The world's top five energy drink market share are the United States, China, Japan, the United Kingdom and Brazil. Consequently, **several energy drink players are interested in entering China energy drink market** due to its growing population size and high growth rate of the local energy drink industry.

### EUROPE

United Kingdom  
Netherlands  
Germany  
Greece  
Bulgaria  
Poland  
Italy  
Iceland  
Ukraine

### ASIA

Malta  
Azerbaijan  
Czech Republic  
Denmark  
Estonia  
Norway  
Sweden  
Belgium

### NORTH AMERICA

Brunei  
South Korea  
Malaysia  
United Arab Emirates  
India  
Iran  
Uzbekistan  
Kazakhstan  
Pakistan

### SOUTH AMERICA

### AFRICA

Nigeria  
Africa  
South Africa  
Senegal  
Ghana  
Mauritius  
Djibouti  
Somalia  
Libya  
Kenya  
Ivory Coast

### OCEANIA

Australia  
Tonga

Papua New Guinea  
New Zealand

# Manufacturing Factory and Production Capacity

## Manufacturing Factory and Production Capacity

The company had been invested expansively to establish a vertically integrated manufacturing capabilities ranging from upstream activity i.e. amber-glass bottle and aluminum can manufacturing plants to bottling and canning of the beverage as finished goods. All factories located in a single site at Bangpakong District, Chachoengsao Province which began commercial operations on 31 December 2018.

The bottling and canning manufacturing factory which produce finished goods under the operation of CBD has the installed capacity and utilization rates for the fiscal year ended 31 December from 2019 to 2021 as follows;

	For the fiscal year ended 31 December		
	2019	2020	2021
<b>Bottling factory</b>			
Weighted average installed capacities (million bottles)	1,800	1,800	2,430
Actual production volume (million bottles)	870	868	911
Utilization rate (percentage)	48	48	37
<b>Canning factory</b>			
Weighted average installed capacities (million cans)	1,560	1,560	2,190
Actual production volume (million cans)	943	1,140	955
Utilization rate (percentage)	60	73	44

Remarks Bottling factory excludes 2 production lines for Carabao Sport, in total 100 million bottles per year<sup>4</sup>

## Procurement of Product or Service

### Raw Material Procurement

The company's policy is to procure its main raw materials from at least 2 to 3 suppliers, as the company prefers not to rely too heavily on one particular supplier and to increase bargaining power for the company. The company plans to purchase raw materials in accordance with the annual sale and production plan. The central procurement department has a duty to contact raw material suppliers in order to purchase raw materials for production. Generally, the company enters into short-term agreements with the suppliers with a term of approximately 12 months. The company visits each supplier on a yearly basis in order to inspect the major raw material suppliers' production process and to ensure the raw materials received meet the company's quality standards..

### Raw materials used in production of the company's energy drink, zinc- contained drink and vitamin C drink

Key raw materials used in the production process are as follows;

#### 1. White refined sugar

White refined sugar is the main ingredient for manufacturing, the company plans to purchase the white refined sugar from domestic supplier as annual production plan and enters into short-term agreements for a term of approximately 1 year. The agreement specifies amount purchased and the initial price in Thai Baht. The price may change if the authority increases or reduces price of sugar. The company has long-standing and good relationships with sugar suppliers and has not experienced a shortage of such raw material in the past.

#### 2. Glass bottles

Glass bottles are the main raw materials, including its 150 ml amber glass bottles for bottled Carabao Dang and its 250 ml clear glass bottles for Carabao Sport. The company has its own of amber glass bottles factory but ordered clear glass bottles from a third party as annual purchase planning. The clear glass bottles are purchased from 3 domestic suppliers under short-term agreements, which specifies the amount purchased and the fixed price in Thai Baht.

The amber glass bottle manufacturing factory was operating under the name of APG, raw materials planning and mostly capacity is enough for demand and accordance with annual production plan of CBD in currently. APG order raw material through the central procurement department and reserves the main raw materials for production for a period of 7 to 10 days. In a while clear glass bottles for Carabao Sport is procured from all domestic partners. The main raw materials used for manufacturing glass bottles, as follows:

**Glass cullet**

Glass cullet is the main raw material for manufacturing amber glass bottles. Normally, the company purchases glass cullet from local cullet sorting plant, which gather used glass packages, and then ground them to cullet, remove contaminants, and deliver the cullet to glass bottle manufacturers. APG purchases glass cullet from glass cullet suppliers by entering into short-term agreements with a term of 1 year.

**Glass sand**

Glass sand is the second main raw material for manufacturing glass bottles after glass cullet. After being melted, glass sand turns into the main structure of glass. APG purchases most of its glass sand from glass sand suppliers in Rayong, by using purchase orders which stipulate purchase price and order quantity in advance for a period of approximately 6 months.

**Soda ash**

Soda ash is the main raw material for manufacturing amber glass bottles. It is used to reduce the temperature in the glass melting process. Soda ash is mostly found in Kenya and China. APG purchases soda ash from various importers using purchase order which is in line with normal market practice.

**Natural gas**

Natural gas is the main fuel used for manufacturing APG's amber glass. APG has entered into a natural gas supply agreement with PTT Public Company Limited ("PTT").

**Other raw materials**

Other raw materials in the manufacture of an amber glass bottles include limestone, feldspar, sodium sulfate, charcoal powder, selenium, rust, and other raw materials. Generally, APG purchases these raw materials from local suppliers. The procurement department has a policy to purchase each raw material from 2 to 3 suppliers in order to avoid relying too heavily on single supplier and to increase bargaining power in terms of the price and quality of the raw materials.

The proportion of raw materials for manufacturing amber glass bottles may be adjusted and one material may replace another as appropriate, depending on the ability to procure each type of raw material at a time.

**3. Aluminum Cans**

Aluminum cans is one of the main packaging materials used by the company for energy drinks production in various sizes including 180 ml, 250 ml and 330 ml. The company plans to purchase aluminum cans based on the annual production plan. It purchases the cans from 2 to 3 suppliers. Purchasing orders specifying a fixed price and the number of cans for 1 year in advance.

The aluminum cans manufacturing factory, under operation of ACM, plans to source raw materials and utilize all of the capacity in producing 250ml aluminum cans in accordance with the annual production plan of CBD. ACM orders raw material via the central procurement department and reserves key raw materials for 7 to 10 production days. Any excess demand for the 250 ml aluminum cans and 330 ml aluminum cans from CBD will be fulfilled by other local suppliers. The key raw materials for manufacturing aluminum cans are as follows:

**Aluminum coil (plated)**

Aluminum coil is main raw materials use for production of aluminum cans. ACM purchase aluminum coil from standard local company.

**Natural gas**

Natural gas is the fuel used for manufacturing of ACM. ACM has entered into a natural gas supply agreement long-term with PTT Public Company Limited ("PTT").

**Other raw materials**

Other raw materials used in production of aluminum cans include inside coatings, canned Ink. The company chooses to use environmentally friendly ingredients. ACM purchase orders specifying a fixed price and the number for 1 year in advance.

**4. Other raw materials**

Other raw materials used for production of Carabao Dang include, for instance, taurine, caffeine, inositol, nicotinamide, dexpanthenol, vitamin B6, and vitamin B12; for sport drinks include sodium chloride, potassium chloride, and zinc gluconate; and for vitamin C drinks include citric acid and rosehip extraction. Generally, the company makes a preliminary plan for procurement with suppliers on annual basis by considering the initial production plan of CBD and reviewing the order on a monthly basis in placing purchase orders with identified price and quantity.

# Manufacturing Process

The company's manufacturing processes could be summarized as follows;

## (a) Beverage's Production Process (Bottle and Can)



### Step 1 Preparation of raw materials with Automation Weighing System

Main raw material includes sugar, taurine, caffeine, inositol, nicotinamide, dextranethanol, vitamin B6 and B12 which passed quality check procedure. Ingredient required in large amount such as sugar is stored in sugar silo (closed system). All raw materials are transferred to weighting, measuring system through automated system. Raw materials in powder form are weighted precisely with load cell while solutions are weighted by flow meter which passed checking and calibration regularly before use. The quantity used in each recipe are described in computer system.



### Step 2 Automation Mixing System

Water used in production process is RO water (Processed through Reverse Osmosis). Next is transferred to mixing tank where sugar and other raw materials transferred from weighting system mixed together (order of mixing). Each recipe is described in computer system to ensure the same standard in every mixture. Next is the quality check where taste and quality requirement is tested. Once the drink passed quality check, it will be transferred to filtering process and then transferred to filling in closed system.



### Step 3 Preparation of packaging

Bottles or cans for Carabao Dang drink are transferred through conveyor belt by depalletizer and through empty bottle/can inspection for quality control. Then, the containers are transferred through conveyor to automated washing machine with hot water 80 Celsius. After washing the cans or bottles are transferred through conveyor to filling machine.



### Step 4 Bottling or canning

Bottles or cans after step 3 will be transferred to automated filling machine to fill the drink from mixing in step 2 and bottle or can is closed with the cap with capper or seamer. The procedure is conducted in clean room class 100,000 in accordance with Good Manufacturing Procedures (GMP). After filling procedures, Carabao Dang drinks are transferred on conveyor through full bottle/can inspection, then to lot printing on the bottles or cans.



### Step 5 Packaging

Carabao Dang in bottle or can are transferred on conveyor to film packing machine and box packing. The factory contains machinery that can pack by wrap around and half tray. Carabao drinks packed in paper boxes will enter lot printing machine. Final stage is arranging products on pallets using palletizers to store in ready - made product warehouse.

## (b) Glass Bottle Production Process



### Step 1 Raw material preparation and Batch Mixing

The key raw materials are cullet, sand, Soda ash, limestone and feldspar. Other ingredients to help melting process and make color of the glass includes Iron oxide, Sodium Sulphate, Carbon dust, etc. Each ingredient is weighed automatically by hopper scale and mixed by Mixer and convey to furnace hopper.



### Step 2 Melting

Then the batch mixture is fed to Melting Furnace by batch charger. Furnace heats mixture by Natural gas and Electricity at the temperature 1550-1600C until it melts. While the mixture is melting, it releases Gas which is CO<sub>2</sub> and SO<sub>2</sub> gradually till the melting is completed with very less bubble in molten glass. The molten glass is transferred to Forming process via Working and Foreheart. At this stage the molten glass temperature is controlled suitably for forming process.



### Step 3 Forming

At the end of Forehearth, the molten glass is flown to bottle forming machine via Orifice Ring and is cut into Gob by shear blade. The falling gob has specific shape and weight depend on the type of glass bottle produced. After that the gobs fall into blank mold via series of delivered chute. At blank mold, it forms the finish end, thread and Parison. Parison is a hallow and partially formed container which after that it is transferred to Blow side and fully formed at blow mold. Then fully formed bottles are taken out to cool down above the conveyor and convey to next step.



### Step 4 Annealing

At Annealing Lehr, the temperature of bottle is controlled and gradually reduced from 570C to room temperature to release the internal stress and make the bottle stronger. In this process, there is cold end coating by spraying solution to the surface of bottle to prevent scratch and also make glass bottle stronger.



### Step 5 Inspection

100% bottle are examined by inspection machine. Each machine detects different area and defect. There is side wall inspection machine, Finish and bottle inspection machine and check inspection machine.



### Step 6 Palletizing and Packing

Glass bottle are palletized, packed and transferred to storage warehouse.

## (C) Aluminum Can Production Process



### Step 1 Preparation of Raw Materials

Our production starts with high quality aluminum coils. The aluminum coil is flipped 90 degree by the down ender, set into a coil releasing shaft and vertically fed into the cup press. From thin aluminum coil, the cup press cuts and folds the coil, forming into a cup with one single press. The cup is formed to a precisely designed dimensions for the next forming step.



### Step 2 Cup Forming

The aluminum cup is elongated by a punching die, with bottom die on the other end, forming a can body and bottom profiles. Next to the body forming, the cutting shear of the trimmer evenly cut out the top part of the cans to the same height. Before printing, cans are washed in the washer, cleaning out lubrication oil and contamination. The outer surface of cans is pre-treated to be ready for printing.



### Step 3 Coating

Our highspeed decorators are equipped with 8 printing heads and capable to cope with high quality printing and sophisticated artwork. The can bottom is lightly coated by a lacquer. This coating enables cans to glide on conveyances when being filled at filling lines of our customers. The inner surface of can is fully coated by an epoxy resin. This thin film prevents the corrosion of the aluminum can. It also preserves the taste and flavor of the beverage inside



### Step 4 Neck & Flanger

The last process is to form a neck and a flange. The machine gradually bends the top part of the can inside to form a neck, then folds it outside to form a flange.



### Step 5 Inspecting

Before packaging, all cans are inspected by ICT camera. Cans with defects, wrong printing artwork or physical contamination are rejected and sorted out automatically.



### Step 6 Palletizing

The qualified cans are stacked up on the pallet by an automatic palletizing machine. After stacked, the pallet is covered by shrink film to ensure hygiene and sanitation. The complete pallet is then moved to storage area and ready to deliver to the customer.

#### (d) OPP Label Process



##### Step 1 Preparation of Raw Material

Prepare various materials for printing by Gravure printing such as ink OPP film and solvent



##### Step 2 Gravure Printing

Prepare OPP rolls, color and coating materials, for label printing. Set up color code of painting according to the type of product then take the OPP film roll and print, after printing the label will be slitting in the next step.



##### Step 3 Slitting and Palletizing

Bring the OPP Label roll into the slitter to cut the size separately into the desired label size. then packed into pallets and wrapped in a transparent film to prevent dirt. The warehouse will then be imported to store or sold to customers in the next step.



##### Step 4 Palletizing

The factory has quality management not only checking the quality of cartons and films, but also having QC staff to check the quality in the production line. There is also a QA department to randomly check the finished products again before sending the finished products to customer. And the factory also has a laboratory and carton inspection equipment and plastic film to give customers confidence in the product

## (e) Corrugated / Carton Box Process



### Step 1 Preparation and mixing of Raw Material

The main raw materials to produce corrugated boxes are paper rolls, paints, and the raw materials used in the mixture to make adhesives such as tapioca starch, caustic soda, etc. These raw materials are inspected for quality before they are stored in the storage area. And after that, it will be weighed in each batch of formula by weighing (Load cell) and mixed by a mixer and is used in the next step.



### Step 2 Printing

Prepared raw materials, paper rolls, paints and various chemicals for printing. Then take the paper roll up to print. When finished printing, bring the printing roll to prepare for forming curls in the next step.



### Step 3 Wavy Paper

Take the finished printed paper and pick up 2 more rolls of paper and the glue mixed from the raw material mixed with the glue in Step 1 to join the curls to make 3 layers of wavy. The end of the paper curling machine the paper will be cut into sheets (Sheet Board) to be forming into boxes in the next step.



### Step 4 Die Cut

Prepare sheet board from the process of wavy and block die cuts. Install the die-cut block on the die-cut machine up to the spec, then bring the sheet board into the die-cut machine. to make the pump into a box shape and forwarded to pallet packing.



### Step 5 Packing

Packed finished paper box onto pallets, strapping and wrapping film to prevent slippage of the cartons and store or deliver to customers.

## (f) Shrink Film Process

**Step 1 Prepare Raw Material**

Prepare various types of plastic pellets as a customer required. To be used as raw materials for forming films (PE Shrink)

**STEP 2 FORMING**

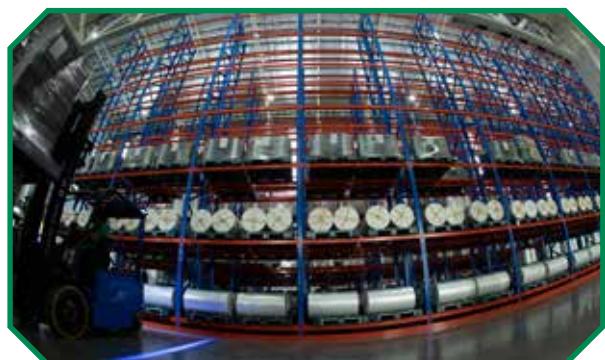
Pour the material into the storage container to suck the plastic pellets up to melt with temperature in the value that each type of plastic melts and can be molded. Then the machine will blow air into the plastic to be molded in the shape of a balloon. After that the balloons will cool. And the machine will use a blade to cut the balloon in half. to roll into storage in the form of a large roll of film (Shrink Film).

**Step 3 Slitting**

Bring a roll (Shrink Film) to cut as a customer required, for example, a clear bottle film with the width must be 630 mm. cut the side edges to get the size as a customer required, and then roll it in the form of a film roll.

**Step 4 Palletization**

Packing on pallet and wrapped in a transparent film to prevent dirt. And stored in the warehouse or sold to customers as the next step.



# Quality Management

## Quality Management of Beverage Manufacturing of CBD

CBD implements the management and quality control in each production process according GMP (Good Manufacturing Practice), certified by Food and Drug Administration. The management and quality control certifications of CBD could be summarized as follows;

(1) HACCP (Hazard Analysis and Critical Control Point) certified by Thai Industrial Standards Institute and Food and Drug Administration, is the system for management of quality control whereby food safety is address through the control of microorganisms, chemicals and other unknowns in production process.

(2) Halal, granted by the Central Islamic Council of Thailand, is to certify that the production process complies with Islamic principles.

(3) ISO 22000:2005 (E), given by Bureau Veritas Certification (Thailand) Limited, is a food safety management certification which meets international standards.

(4) ISO 14000 and ISO 45001:2018 are a certified environmental management system for safety and occupational health

## Quality Management of Glass Bottle Manufacturing of APG

APG implements the management of quality control in production process according to the standards as follows;

(1) GMP/ HACCP certified by Bureau Veritas Certification (Thailand) Limited

(2) ISO 9001:2015, the international standard that specifies requirements for a quality management system (QMS), certified by Bureau Veritas Certification (Thailand) Limited

## Quality Management of Aluminum Can Manufacturing of ACM

ACM has embraced the safety and quality control procedures in production process as per the GMP for packagings and managed the safety through the control of in production according to the HACCP standard in order to prepare to apply for the certification of quality control standards and promote the high production standards that meets the international requirements

## Quality Management of Packaging of APM

Regards, the factory has implemented the quality management system, which not only the machine to check the quality of carton and films, but also including of Quality Control staff to oversee and check the quality of production line. Moreover, there is also have Quality Assurance department to randomly check the finished product before delivering to customer. Beside of that, the factory also has a Laboratory room and the properly equipment of inspection the carton and plastic film to ensure the customers are confident in our products.





## Environmental Impact

Drink production of CBD, bottle manufacturing of APG, and aluminum can production of ACM are under enforcement of the law, regulations and environmental requirement applied to national, provincial and local level. Environmental laws, regulations and requirement applied to producer of beverage and manufacturers of the packaging materials include the provisions of control of air pollutant emission, water pollutants, prevention and wastewater treatment and exhaust including management and disposal of hazardous substance and waste. However, volume of exhaust, wastewater and other waste from production processes of the company's beverages and the packing materials are in standard ranges and in compliance with all relevant environmental law, regulations and requirement.

The company believes that, at present, all of the company's manufacturing facilities have complied with the environmental law, regulations and requirement applied to national, provincial and local levels and, thus, have never been prosecuted for any lawsuit in regard to non-compliance to environmental law. Nevertheless, the company might be affected from the unanticipated environmental situation or new enforcement of law, regulations and requirement or amendment in the future.

## Ongoing project

- None -

## Social activities

2021, Thailand has experienced the epidemic situation of the Covid-19 virus (COVID-19), which has severely affected both economic and the well-being of people in society, especially medical personnel and the volunteer, the front line who sacrificed personal happiness and danger in caring for the infected, treating suffering, maintaining happiness for Thai people. The Group is aware of the promise and the sacrifice of frontline personnel therefore donating beverage products including other necessities to frontline personnel through the hospital government and many related private sectors.

**Social activities projects in 2021 are as follows:**



August 2, 2021 support Tai Rom Phra Baramee Field Hospital which is a field hospital that important role in supporting and saving lives of patients with COVID-19 with an increasing number each day to have access to treatment thoroughly and timely as well as to increase the efficiency of the operation of the medical team nurses and health workers.



29 July 2021 donated "Woody C+ Lock" Vitamin C 200% Orange and Lemon flavor to encourage government officer at Bangpakong Hospital



August 24, 2021 donated personal protective equipment (PPE : Personal Protective Equipment) and safety goggles to use protection and reduce the risk from the spread of COVID-19 to government officer with high risk from performing duties at Phimpha Tambon Health Promoting Hospital Social Security Office Bang Pakong area



October 18, 2021, Give a Woody C + Lock Collagen Mixed Berry flavor. Vitamin C drink mixed with collagen for the Municipality Bangkok Nakhon Pathom Rajabhat University, Nakhon Pathom Province and the Nine Entertain on Channel 9 MCOT HD for the 19th Anniversary "Nine Entertain Birthday Charity" activity to be organized into a "Kam Lung Jai" box to be passed on to those affected in various communities nationwide in the amount of 1,000 sets



The Group is proud to be a part of supporting such as money, things and encouragement to frontline personnel who are important forces in helping society. To get through the Covid-19 crisis and sincerely hope that the Group of Companies

## DIVIDEND POLICY



## 1. DIVIDEND POLICY OF THE COMPANY

The Company has a policy to pay dividends at the rate of not less than 40.0 percent of net profit after income tax under the consolidated financial statements and the allotment of a legal reserve. The rate of dividend payment is subject to the investment plan, the conditions and restrictions as specified in the loan agreements, or other relevant agreements (if any), the financial condition and operating results as well as other relevant factors of the Company and its subsidiaries. The Board of Directors may reconsider and amend the dividend policy from time to time to be consistent with the Company's and its subsidiaries' future business growth plans, investment capital and working capital requirements, and other factors as considered appropriate. However, the dividend payment must not be in excess of the retained earnings under the Company's separate financial statements, and must be in accordance with the relevant law.

The Company is a holding company and its main assets are investments in its subsidiaries. Therefore, the Company's ability to pay dividends is dependent upon the operating results of and dividend payment of its subsidiaries.

## 2. DIVIDEND POLICY OF THE SUBSIDIARIES

The subsidiaries of the Company have a policy to pay dividend to shareholders at the rate of not less than 40.0 percent of net profit after income tax under the separate financial statements of the subsidiaries and the allotment of a legal reserve. The rate of dividend payment is subject to their operating results, financial conditions, liquidity, investment requirements, additional investments, business expansion, conditions and restrictions provided under loan agreements and other factors relating to their management as their Board of Directors and/or shareholders may consider appropriate. The dividend payment shall be in accordance with the Company's policy. However, the dividend payment must not be in excess of the retained earnings under the subsidiaries' separate financial statements, and must be in accordance with the relevant law.

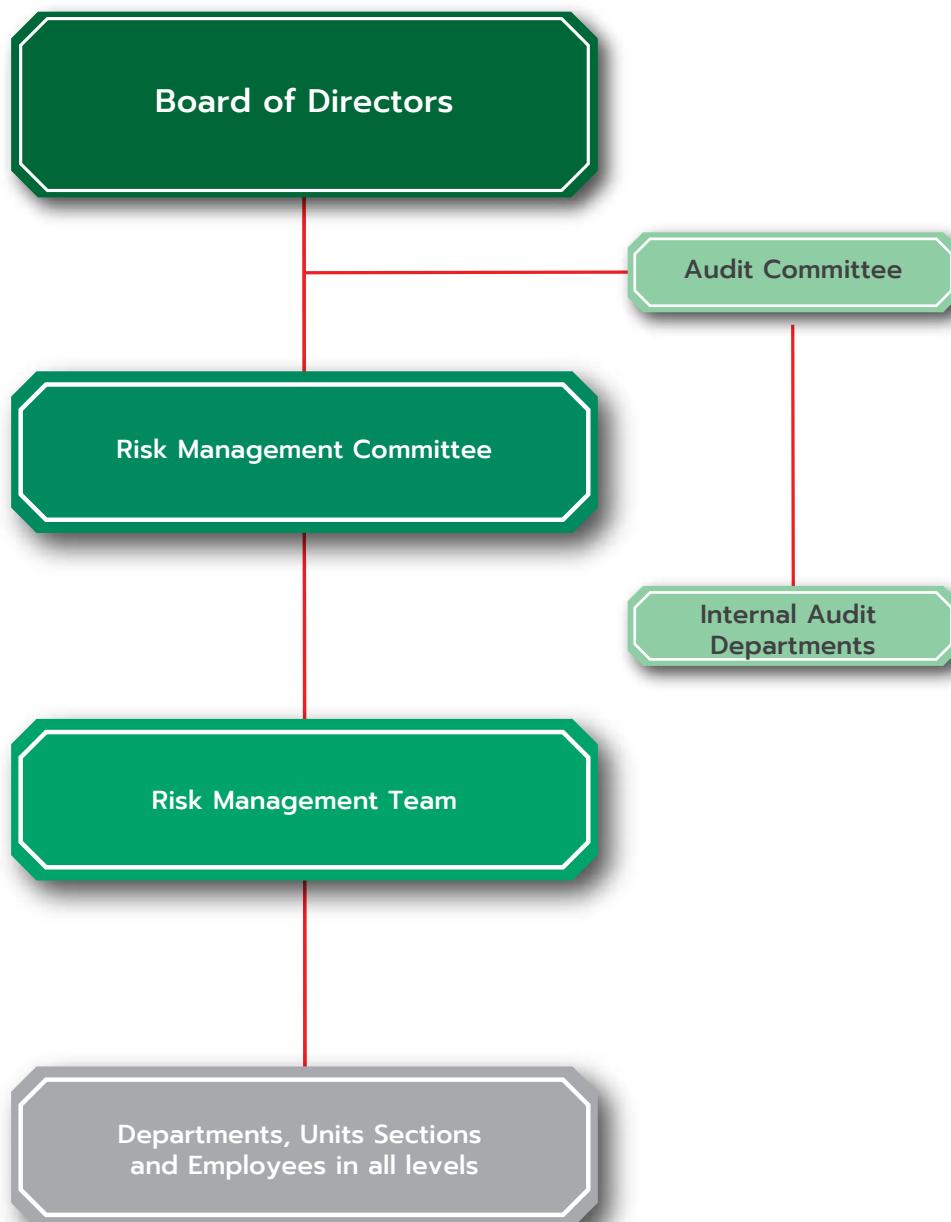
## RISK MANAGEMENT



The Company realizes the importance of risk management and believes that risk management is the basis for helping the Company to achieve its business goals by identifying and managing risks, which will help the Company to make better decisions, see opportunities as well as to be able to reduce the severity of the impacts from various risk events that may prevent the Company from achieving the set goals. Accordingly, in order to obtain credibility from stakeholders that the Company will be able to operate business under continuous and rapidly changing environment at the present. The Company has applied the risk management framework to the organization with the introduction of the COSO ERM standard, which is an international standard in terms of risk management. It is considered that risk management is an essential component of every business process of an organization and must be linked at all levels. Therefore, the Company has established a risk management policy throughout the organization that all employees must abide by and set up a risk management committee to perform supervisory duties on overall risk management for maximum efficiency and effectiveness.

## 1. Enterprise Risk Management-Integrated Framework: ERM

To provide efficient and effective risk management and support the implementation of the goals and strategies of the organization, the Company has established the structure and responsibility for risk management according to the diagram below:



## Audit Committee / Internal Audit Department

Audit Committee is a representative of the Board of Directors in assessing the adequacy, efficiency and effectiveness in organizational risk management including reviewing the risk management framework of the organization to comply with international standards. They audit and assure that the Company has appropriate risk management and report the audit results to the Audit Committee every quarter.

## RISK MANAGEMENT COMMITTEE

It consists of the Company independent directors, executive directors and senior executive from various related departments with the main duties and responsibilities as follows:

1. Set policy and risk management framework, define an organization's risk management structure as well as communicate the policy and risk management framework to everyone in the organization.
2. Set criteria for measuring the level of risk, the level of risk that the organization accepts and guidelines for monitoring and reporting of risks.
3. Support executives in risk assessment, assess adequacy for the suitability of the risk management plan and follow up progress as well as provide advice on risk management actions.

## Risk Management Team

It consists of executives of each department, units and sections covering all important departments of the organization. It is responsible for identifying risks that may affect the goals of the organization and managing such risks to an acceptable level. It is also responsible for monitoring the progress of the implementation of the risk management plan as well as reviewing the risks that may arise and reporting to the Risk Management Committee every quarter.

## 2. Risk Management Process

The Company has prepared a risk management manual by referring to the risk management framework in accordance with international standards to serve as a risk management guideline for executives and employees throughout the organization. The manual has established a risk assessment framework covering all 4 main risks as follows:

1. **Strategic Risk** Risks arising from strategic planning, operational plans and implementation that seem to be improper or inconsistent with strategic / vision issues that affect the achievement of the visions or objectives of the organization.
2. **Operational Risk** Risk associated with efficiency, effectiveness or operations, which may relate to Internal operating processes, personnel, work systems or external events that affect operations.
3. **Financial Risk** Risks related to financial management, which may arise from internal factors such as investment credit liquidity management or from external factors such as interest rates, exchange rate as well as risks associated with the reliability of financial reports.
4. **Compliance Risk** Risks associated with compliance with laws, rules and regulations established both from within and outside the organization.

In addition, the risk management manual has divided the risk management processes into main steps, which are;

- 1) Identification of risks or events that may arise from both internal and external factors, which may affect the achievement of the objectives or goals set out.
- 2) Analysis of the causes or sources of the risks including impacts that may occur.
- 3) Analysis and risk assessment to define appropriate risk management measures
- 4) Monitor and report the progress of the risk management plan as well as a periodic review of emerging risks.

### 3. Risk Factors

The Company analyzes the environment from both inside and outside including economic, social, political, technological, industrial, competitor and other factors to identify the major risk factors of the Company with details as follows:

#### 1) Business Risks

Risk	Risk Description	Company Risk Management
<b>Strategic Risk</b>		
Risk from brand awareness being inconsistent with global brand image	The Company may be at risk that the consumer group who may understand and attach to the image of an energy drink as a drink of labor force as well as the brand image that is connected with the country-song band, which may affect the building of a global brand image.	The Company has been committed to create Carabao brand to be well known and accepted both within and outside the country under the vision of World Class Product, World Class Brand. For this reason, the Company places great emphasis on marketing and promotion strategies that build international awareness of the brand, such as sponsoring a football tournament in England, named "Carabao Cup" and a world-class football teams and creates a branded advertising film that emphasizes the image "World Class Product, World Class Brand" etc.
The risk of the competition in the business of energy drink and other beverages	Energy drinks and other beverages are products in highly competitive market both from existing players and newcomers that might enter the competition. The high level of competition in energy drinks business in Thailand prevents newcomers from drastically changing the price of the drinks. Currently, bottled energy drinks of 150 milliliters are commonly sold in Thailand at 10 Baht.	To stabilize or increase market share for energy drink products, the Company has organized marketing activities and promoted sales regularly and continuously, as well as focused on efficient supply chain management in order to reduce production costs. This is an important part in enhancing the Company's profitability.
The risk of launching new products to the market	The Company places the importance of launching new products into the market. Each launch would require relatively high investments e.g. in product development, manufacturing and marketing. The Company might run a risk if the new product receives negative responses or is disfavored by consumers especially with these competitive circumstances in the business. If The Company does not succeed in launching new products into the market, it might negatively affect the business, performance, and financial position of the Company significantly.	Before launching new products to the market, the Company has set goals, strategies and action plans from research, development, design and production as well as has determined marketing and promotional activities. There are also various indicators used for tracking and measuring the success of new products launched, which progress results are reported to the Executive Committee on a regular basis to review the appropriateness of the strategic plan and consider modifying as appropriate so that the Company can achieve the target set.

Risk	Risk Description	Company Risk Management
The risk from the Company operations being halted	<p>The Company's business operations are facing with many risks, even if the Company has a systematic risk management, there are certain risk factors that cannot be prevented, such as risk of threats from changing nature and environment, terrorist risk factors, sabotage, cyber-attacks, epidemic and unexpected events such as water supply shortages or failure of the power system, etc. These risk factors may affect the Company's business operations and reputation.</p>	<p>The Company realizes the importance of business continuity management including preparing a business continuity management plan to ensure that if any crisis occurs, the company will be able to operate continuously or resume business in a timely manner. Accordingly, the Company has prepared a business continuity management manual for each department in order to formulate a plan to respond and act in critical or emergency situations without letting such conditions affect business operations. The manual defines a strategy for continuity management into 5 important areas as follows:</p> <ol style="list-style-type: none"> <li>1. Building / Main Workplace</li> <li>2. Machine or Important Equipment / Machinery Procurement or Important Equipment</li> <li>3. Areas of Information Technology and Important Information</li> <li>4. Key Personnel Areas</li> <li>5. Important Network Partners</li> </ol> <p>Executives in all departments are responsible for analyzing and evaluating business impacts, identifying processes that need to be focused and need to resume or recover within a specified timeframe in order to prepare to deal with the crisis effectively. In addition, the Company has also provided insurance to compensate for the damage that may occur in the part of production factories, warehouses, distribution centers and subsidiaries in order to mitigate the loss that may occur to the Company in the future.</p>
<b>Operational Risk</b>		
The risk from CBD relying on importers, distributors, and/or local vendors to distribute its products outside Thailand	In conducting the export business, CBD requires importers, distributors, and/or local vendors in each country. Therefore, if any importers, distributors, and/or local vendors that decides to cease business relations with CBD or cannot make the sales target, CBD might receive negative impact from the delay that CBD has to negotiate sales deals with other importers, distributors and/or local vendors that might have problem conducting business or selling products abroad.	The Company has established International Business Development team to plan, coordinate and work with the importers, dealers and/or local distributors closely to provide support as well as monitor various situations regardless of the market conditions, competition, and changes in rules and regulations in partner countries. In addition, the Company has also sent a local export team to work with the importers, dealers and/or close local distributors to gain business understanding and build long-term trust to jointly develop and create sales growth together.

Risk	Risk Description	Company Risk Management
The risk of fluctuation in raw material prices and shortage of raw materials	<p><b>Sugar</b>  Sugar is a commodity product whose price fluctuates according to the market's demand and supply and government's policy. Sugar price for domestic consumption is set by Office of the Cane and Sugar Board, whereby, sugar price for exported products will vary depending on the global prices. The company cannot guarantee if it can pass the burden of higher costs through its customers</p> <p><b>Glass cullet</b>  Glass cullet is the main raw material in the production of amber-glass bottles of APG. APG has entered a short-term contract lasting approximately one year to source glass cullet from suppliers and plans to place orders with at least two to three suppliers. Short-term contracts to purchase glass cullet is common market practice. However, APG cannot guarantee that suppliers can provide enough glass cullet for APG or at an affordable price. In which case, APG might have higher production costs for amber-glass bottles for APG has to adjust the manufacturing formula to use other materials that cost more than the glass cullet such as quartz and soda ash, for example.</p> <p><b>Aluminum Coil</b>  Aluminum coil is the main raw material in the production of aluminum cans of ACM. ACM has entered a short-term contract with a large, qualified aluminum processing plant with global standard to source aluminum coil under the certain price and quantity. Furthermore, aluminum coil is a commodity of which price fluctuations are according to the reference price in the London Metal Exchange, which is vary to the demand and supply of the market. In some case, ACM might have higher production costs for aluminum cans.</p> <p><b>Plastic resins</b>  LDPE (Low density polyethylene) resin is the main raw material for producing APM's shrink film for packaging to help seal and prevent steam. Plastic resins are commodities that the price is fluctuate in accordance with the price of crude oil. The Company is also exposed to the risk of raw material shortages (Plastic pellets) due to the presence of few domestic producers.</p> <p><b>Kraft Paper</b>  Kraft paper is the main raw material for producing corrugated paper sheets (Sheet board), which is a component of APM's corrugated box packaging. It is an easy-to-find commodity whose selling price depends on the supply and demand of wastepaper in the market.</p>	<p>The Company has a policy to procure raw materials from at least 2-3 vendors in order to reduce dependence on any one supplier as well as to create bargaining power for the Company. There has been a plan to purchase raw materials in advance according to the sales and production plan and regularly review the plan to determine the need for appropriate adjustments. In most cases, the Company will have a forward contract with the sellers to specify the trading volume and the exact price. In addition, if the raw material has fluctuations in price, the Company may determine the conditions for price adjustments in the purchase agreement to hedge the risk that costs may be higher due to price fluctuation. In addition, the Company has developed a strategic procurement process, which have the purposes of</p> <ul style="list-style-type: none"> <li>• Plans to purchase raw materials from domestic sources mainly at the market price (Spot price) and manage inventory to meet the demand of the Company</li> <li>• Long-term procurement planning to ensure that the Company can continuously supply raw materials in keeping with the needs and in accordance with the strategy of the Company</li> <li>• Supply raw materials from multiple suppliers in both of domestic and overseas</li> <li>• Focus on ways to reduce costs including adding value throughout the supply chain to increase competitiveness</li> <li>• Build long-term relationships to manage supply risks</li> </ul> <p>Apart from the strategy of procurement, the Company is also preparing a response plan if there is a shortage of raw materials such as raw material reserve (Buffer Stock), assessment of the adequacy of emergency plans of key vendors, etc.</p>

Risk	Risk Description	Company Risk Management
	<p><b>BOPP (biaxially-oriented polypropylene) film</b>            BOPP film is the main raw material for producing OPP labels for APM. It is transparent and has a flexible texture.</p> <p><b>Natural gas</b>            Natural gas is one of the main energy costs in manufacturing process. The company as an industrial user has entered a long-term contract with PTT Public Company Limited ("PTT"). The price structure includes (1) the gas price that fluctuates with respect to the price of fuel oil in Singapore, the Thai Baht to US Dollar exchange rate, the amount of natural gas used per day and others, and (2) Demand Charge which is a fixed cost, depending on the amount of natural gas used as agreed on the contract. Thus, there is a risk as the price of natural gas may rise in accordance with the price fluctuation, the reference exchange rate.            The fluctuation in price and shortage of raw materials which might negatively impact business, performance, and financial position of the Company significantly.</p>	
The risk involving safety in consumption and trustworthiness of products from the Company	CBD is exposed to certain risks in manufacturing, packaging, and selling of products. The risk might be caused by (1) low quality products (2) mistakes or shortcomings in labelling the products (3) consumers fail to comply with the warning on labels. This may cause the injured consumers to claim CBD to take responsibility for withdrawing CBD's products from the market including government agencies involved might demand CBD to pause or cease business operations which might negatively impact business, performance, and financial position of the Company significantly.	The Company is committed to produce the products to meet the needs of consumers in terms of taste, quality, safety and nutrition under the terms related regulations. The Company has set up a quality management system for the production plant to provide quality control in each production process and comply with the Good Manufacturing Practice (GMP - Good Manufacturing Practice) certified by the Food and Drug Administration. Furthermore, CBD is certified for production processes and quality control in accordance with various quality management system standards, such as HACCP (Hazard Analysis and Critical Control Point) Halal ISO 22000: 2005 (E) ISO 14000 and ISO 45001: 2018. In addition, the Company also has a product traceability system and data communication in order to ensure the products are clear and meet the requirements of the relevant departments as well as a system for receiving complaints from customers about product problems.
The risk from relying on personnel, especially important, high rankings executive officers	The company's business conduct requires knowledge, ability, expertise, and experience of the personnel's especially the high-ranking executives. If the company cannot retain these important officers or cannot find suitable candidates that is equally qualified as a replacement, it might negatively affect business, performance, and financial position of the company significantly.	The Company has developed a succession plan that covers the positions of senior management including the progress of the succession plan that has been monitored to make sure that the Company has executives who have knowledge, abilities and experiences that can inherit important positions in the future. Furthermore, a periodic review of the suitability of the plan is also held to promote and prepare the senior management for succession of important jobs or positions of the Company.

Risk	Risk Description	Company Risk Management
<b>Financial Risk</b>		
The risk of fluctuation in currency exchange rates and interest rate	<p>The fluctuation of currency exchange rate is one of the factors that might affect financial status and performance due to the company's especially high ranking executive subsidiaries conducting business both domestically and internationally and these subsidiaries have regular income-expense involving other currency and the rapid growth of overseas business in the past period that might cause the Company may have higher risk in the fluctuation of exchange rate.</p> <p>For the accounting period ending on 31<sup>st</sup> December 2021 the Company's overseas sales was 6,931 million Baht. In this amount were transactions involving Thai Baht and other currencies at the ratio of 72 :28, of which US dollars is majority of the others. Furthermore, As at 31st December 2021, the company had an interest-bearing debt of 6,954 million Baht representing a ratio of interest-bearing debt to shareholders' equity at 0.69 times. The increase of interest rates in the future may cause the Company to have higher finance costs and might negatively affect the Company's business, performance, and financial position significantly.</p>	<p>The Company manages the exchange rate risk by negotiating trading terms and selling prices to be the base currency in its own country and accepting payment for goods in advance including the application of financial instruments (Derivatives) focuses on the stability of foreign currency transactions in a manageable basis.</p> <p>For the fluctuation of interest rates, the Company is aware of the potential impact of such risk by issuing and offering a 2-years bond for 1,500 million baht alongside a drawdown of THB 1,300 term loan in 2021. in order to adjust the financial costs structure by considering the liquidity management, balance of sources and uses of funding As well as financial costs and related expenses including the rate of return on equity of the Company.</p>
<b>Compliance Risk</b>		
The risk of changing policies, rules, and regulations involving the Company's business conducts	<p>The business of manufacturing, marketing, and sale of Carabao Dang by CBD is governed by certain statutes and regulations of related agencies which are the Food Act of 1979 (as amended) and the announcements and rules of the Ministry of Public Health. These statutes imposed limitations of label advertisements and marketing of energy drinks. Furthermore, the manufacturing business of energy drinks by CBD is under the regulations and rules of environmental laws such as the Factory Act of 1992 and the Environmental Quality Promotion and Preservation Act of 1992 including the Excise Tax Act A.D. 2017. However, the complexity of the relevant legal provisions above including changes in law policies, as well as problems of unclear interpretation and inaccurate understanding on operations may affect business operations causing the Company to have legal liability and the reputation of the Company.</p>	<p>The Company has established a process for addressing legal risks through the monitoring of legislation and new rules to analyze issues and impacts that may affect business operations as well as preparing guidelines to cope with the impact of such change. In addition, the Company also participates in various associations or organizations related to business to stay informed of the changes including discussing with the government sector in case of unclear guidelines in order to conduct business of the Company to be complied with new legal and regulatory requirements or that will change in the future.</p>
Risk of Infringement of Personal Information (Data Privacy)	<p>Information has a vital tool in building business advantages. Companies can analyze data and add value to their businesses. As a result, many businesses are trying to collect information in order to be further developed and benefit the business in the future. Until it violates the privacy of the data subject, this may be considered as an offense according to the Personal Data Protection Act 2019 that may affect the image and reputation of the Company.</p>	<p>The Company recognizes the importance of the personal data protection by the data subject rights to privacy that must be protected under the Personal Data Protection Act 2019. For this reason, the Company has set a policy in protecting personal information as a guideline for executives and employees at all levels in the use of personal information, which covers from the collection, the use or disclosure, the measures for the security of personal information and rights of the data subject for the purpose of the appropriate use of personal information and does not violate privacy according to Personal Data Protection Act A.D. 2019 has set.</p>

## 2) New Emerging Risks

Risk	Risk Description	Company Risk Management
Outbreak Risk of Coronavirus Disease 2019 (COVID-19)	<p>From the situation of the COVID-19 outbreak, which has spread in many countries around the world including Thailand and has significant affected health, economic and social conditions. The situation remains affect the business operations.</p>	<p>The Company realizes the importance on preparing for the epidemic situation that may arise effectively in order to ensure that the Critical Business Process can continue to operate continuously, personnel in the organization are safe and recovered from illness after the outbreak. Accordingly, the Company has established a management team to fight against the crisis, which consists of senior executives of the organization who act as the commander and set up policies and guidelines/plans for business continuity management during this situation. Furthermore, it has also established the working team consisting of representatives or executives from the key areas of the organization who are responsible for driving various policies to be carried out in the specified guidelines including following up operations and recovering the events of their parties to be able to manage continuity and return to normal as soon as possible. In preparing for the impacts that may occur on the business, executives in each department must assess the risks to identify the potential impacts and appropriate response plan on each area of the business, covering all important aspects such as supply chain and action plans, financial plans etc</p>
Risk from Climate Change	<p>From rising global temperature tendency, climate that varies including various disasters that occur at the present such as forest fire, flood, and drought, all of which are caused by the increasingly serious global warming problem and affect business operations.</p>	<p>The Company realizes the importance of global warming that affects business operations and creates the Company's sustainability. the Company focuses on the management of business practices to reduce the impact on global warming such as</p> <ul style="list-style-type: none"> <li>• The use of solar energy in the production process and natural gas as the main fuel in the production of substitute for the use of fuel oil.</li> <li>• The systematic collection of water consumption and the specification for indicating goal to reduce water consumption</li> <li>• Development or improvement of production processes to maximize the utilization of resources under safety, occupational health and environmental standards. The performance is tracked through various indicators.</li> <li>• Build a culture of caring for the environment and society in the organization by focusing on saving energy and caring for the environment.</li> </ul>
Risk from Digital Technology Changes	<p>The transformation of digital technology is evolving and changing rapidly, which affect changes in behaviors on perspectives and people's lives around the world including business operations and the competitiveness of the Company.</p>	<p>The Company pays attention to technology development to increase competitiveness, operational efficiency and to create diversity in products and services of the Company. For this reason, the Company has established a team to make a plan, follow digital technology trends and prepare for changes such as</p> <ul style="list-style-type: none"> <li>• Development of sales channels through online platform (E-Commerce) and vending machine</li> <li>• Development of Customer Data Platform (CDP) to effectively respond to customer needs. Use of Social Listening Tool for marketing communication and products' research and development.</li> <li>• Use of Robotic Process Automation (RPA) and new manufacturing technologies to increase efficiency.</li> </ul>

### 3) Risk of Securities Holders' Investment

Risk	Risk Description	Company Risk Management
The risk of conducting business as a holding company	<p>The company is conducting business as a holding company which means it generates income mainly from holding stocks in its subsidiaries and has no business of its own that can generate significant income. Hence, the company's revenue relies on the subsidiaries' performance.</p> <p>Moreover, the Company has invested in both domestic and overseas from upstream to downstream to support ongoing business as well as to generate growth in long term. Therefore, the Company may have risks related to the investments ranging from changes in value of investment, return from investment less than expected, risks from licenses approval processes and related laws and regulations, and other general investment risks in each country.</p>	<p>The Company has diversified into other business and products to reduce the risk from relies on the subsidiaries' performance and for achieve the performance of the subsidiaries to meet the goals, the Company has set operational goals and operating standards to be guideline for the operations of subsidiaries and associated companies including appointment of persons to be directors and executives of each company with a monthly monitoring process as well as the results of operations are reported to the Audit Committee and the Board of Directors in every quarter.</p> <p>Currently, the subsidiary companies have a policy to pay dividends at the rate of not less than 40% of the net profit. In this way, the rate of dividend payment depends on the investment plan, conditions and restrictions as stipulated in the loan agreements or contracts related (if any), financial position and operating results and other relevant factors. The Board of Directors will occasionally revise and amend the dividend policy to match the company's business growth plan in the future, the need for investment and required working capital, and others factors as deemed appropriate.</p>
The risk of major shareholders controlling the votes in shareholders' general meetings	<p>As of 30 August 2021, the party of Mr. Sathien Setthasit, the party of Ms. Nutchamai Thanombooncharoen, and the party of Mr. Yuenyong Opakul hold 32.1 percent, 22.8 percent, and 9.7 percent of the company's paid capital, respectively. Furthermore, Mr. Sathien Setthasit and Ms. Nutchamai Thanombooncharoen also hold the executive officer and authorized director positions of the company as well. Resulting in the significant control over the management of the company and almost all of the votes in shareholders meeting including the rights to appoint directors or matters that required the consensus of the meetings. Other than that, the shareholding percentage of the party of Mr. Sathien Setthasit or the party of Ms. Nutchamai Thanombooncharoen would be sufficient to constitute a veto against important resolutions in shareholders meetings, pursuant to the law or the company's Articles of Association which sets to require at least three-fourths approval of the votes from those who attend and are entitled to vote at the general meeting of shareholders.</p>	<p>Holding all shares equally and fairly and take into account the benefits to the Company and shareholders as stipulated in the good corporate governance policy announced as well as establishing operational procedures, levels of authority to approve various actions of the Company, screening by top management and the Board of Directors for key projects. In the invitation letter to the shareholders' meeting, the opinions of the Board of Directors will be mentioned efficiently and appropriately for the shareholders to acknowledge the opinions of the directors on such transactions and use them as a basis for further decision-making. In addition, in the event that the Company has entered into a connected transaction that requires approval from the shareholders' meeting, shareholders having interests in the mentioned connected transaction will not have the right to vote on the said agenda.</p>

# SUSTAINABLE BUSINESS DEVELOPMENT



## Sustainability Development Policy

I also expect to see all executives and my employees put an emphasize on not only to perform their daily duties to the fullest, but also to focus on developing business sustainably.

As I have set the vision "World Class Product World Class Brand" for the company, my ultimate goal is to build the company into one of the Thailand's leading companies and move towards a competitive global player.

Beyond the business goals including sales growth, investment expansion, and operational development, I also expect to see all executives and my employees put an emphasize on not only to perform their daily duties to the fullest, but also to focus on developing business sustainably.

This "sustainable business development" should cover as many stakeholders as possible both inside and outside the organization including but not limit to employees, shareholders, suppliers, customers, community, society, and environment.

The development of business alongside such stakeholder cares will build proud and trust among our consumers, partners, shareholders, communities, society that they will continue to believe and support our business in the long run.

The company has set vision and policies to push the business and all employees forward the sustainable development aligning to the guidance of the Stock Exchange of Thailand that has continuously established activities to promote and develop sustainability knowledge for listed companies since 2012 to encourage the listed companies to integrate sustainability principles and practices into operational management in achieving the business goals and vision sustainably.

Besides several of direct benefits attributing to the Company, this sustainable business development is among attention of all external stakeholders, including shareholders, customers, partners, creditors, debtors, communities, and society.

The development of business alongside such stakeholder cares will build proud and trust among our consumers, partners, shareholders, communities, society that they will continue to believe and support our business in the long run.

Therefore, we would like to ask all executives and employees to focus on sustainable business development, as well as encourage operational employees to participate in upcoming activities.



## Driving Business for Sustainability

Currently, the business operations are facing variation of changes, such as new trends of technology development which become significant factor in daily life which affects all entrepreneurship must adapt themselves due to the consumer changes their behavior's, the alternation of the world's economic polarization may cause new business competitors. Beside of that there is adopted the tax regulations and policies being the tools of trade competitive advantage, as well as shortages of resources and the impacts of climate change.

This is a challenge for all countries to see how to provide enough resources and energy to meet their needs. This includes alleviating global warming, which is causing climates change that are likely to intensify in the future. These issues are the factor affects the economy, social and environment of the world. It brings opportunities and risks that require businesses to "adapt" themselves so that business could be steadily survived and thrived sustainability.

The Group realizes the aspect of changing, the company foresee all happens affect to the economy, social and environment surrounding the company likely to increase. The severity that results vary to the situation at different times including to the global economic that is a major driver that encourages all business to start focusing and learn how to respond to the tide of change.

The Group has created a sustainability policy and established a working group to drive activities or projects in line with various measures in accordance with the sustainability guidelines.

## Carabao Group Sustainability Policy

The Group Conduct business with respect to stakeholders, economy, society and environment with morality, ethics, and code of conduct, as well as good governance as a directive to the Group to operate with integrity, transparency, fairness, and awareness of the negative impact on the economy, society, natural resources, and environment to build trust for shareholders, Investors, employees, customers, stakeholders, and all related parties.

With a commitment to being a sustainable business. The Company realizes incorporating the business processes into sustainability practices. Thus, Carabao Group's Sustainability Policy has included the following guidelines for executives and employees:

- Diagnosing the processes and workflows of business operations under vision, mission, corporate values, and good governance.
- Committed to continuous operation and improvement to ensure the production in accordance with the World Class Factory.
- Promote and support Technology adoption including to research and development as well as the production processes management and distribution to ensure the ability to deliver good quality of product and service with safety and friendly to the environment.
- Create the jobs and career development opportunities for a better quality of life of local communities throughout the participation in the company's activities.
- Respect the individual of rights while take care of employees fairly and equitably no matter what level of employee it is.
- Committed to enhancing employee knowledge and uplift their skills and performance efficiency
- Pay attention to the development of community well-being and the sustainability of social and the environment.

All over the time, the Group realized and adheres to its business operations under the framework of good corporate governance, considering the company's stakeholders in all sectors. The company has communicated and impelled all executive and employee to have a better understanding of operational processes in various dimensions by starting from being responsible for fulfilling their own duties, exploring new processes, innovations, and technology adoption to support the operation to be concise, fast, according to the company's strategic plan, which the company has put the 7 missions to encourage employees having a better understanding of the organization's goals, by leading and enhance the 7 missions practically application into their works and able to be measured through the objective and key results (OKR).

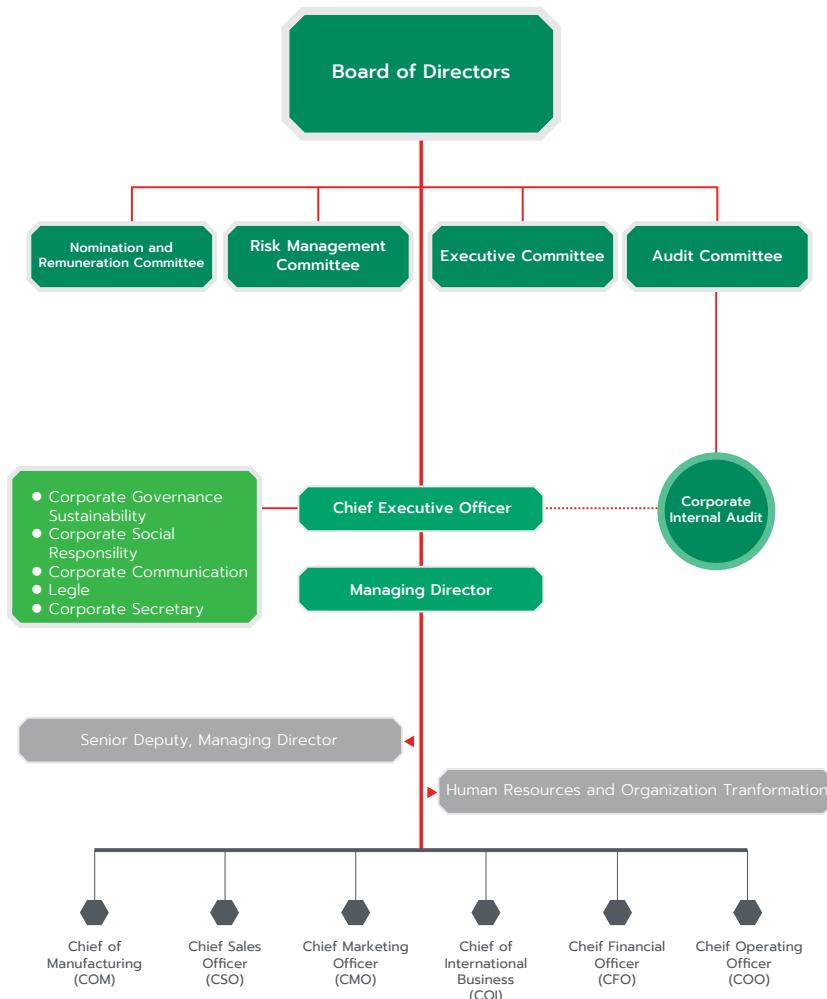


Reference to the company's 7 mission process, there is remarkable that if we compared to the principle of sustainable development and environment social and governance (ESG) concept there would be consistent in all aspects. Means that the Carabao Group recognizes and values sustainable development as a key principle in business operations. The company has communicated all employee to understand their roles and responsibility under the framework and direction of operation the company has achieved its goals and can develop the business sustainably.

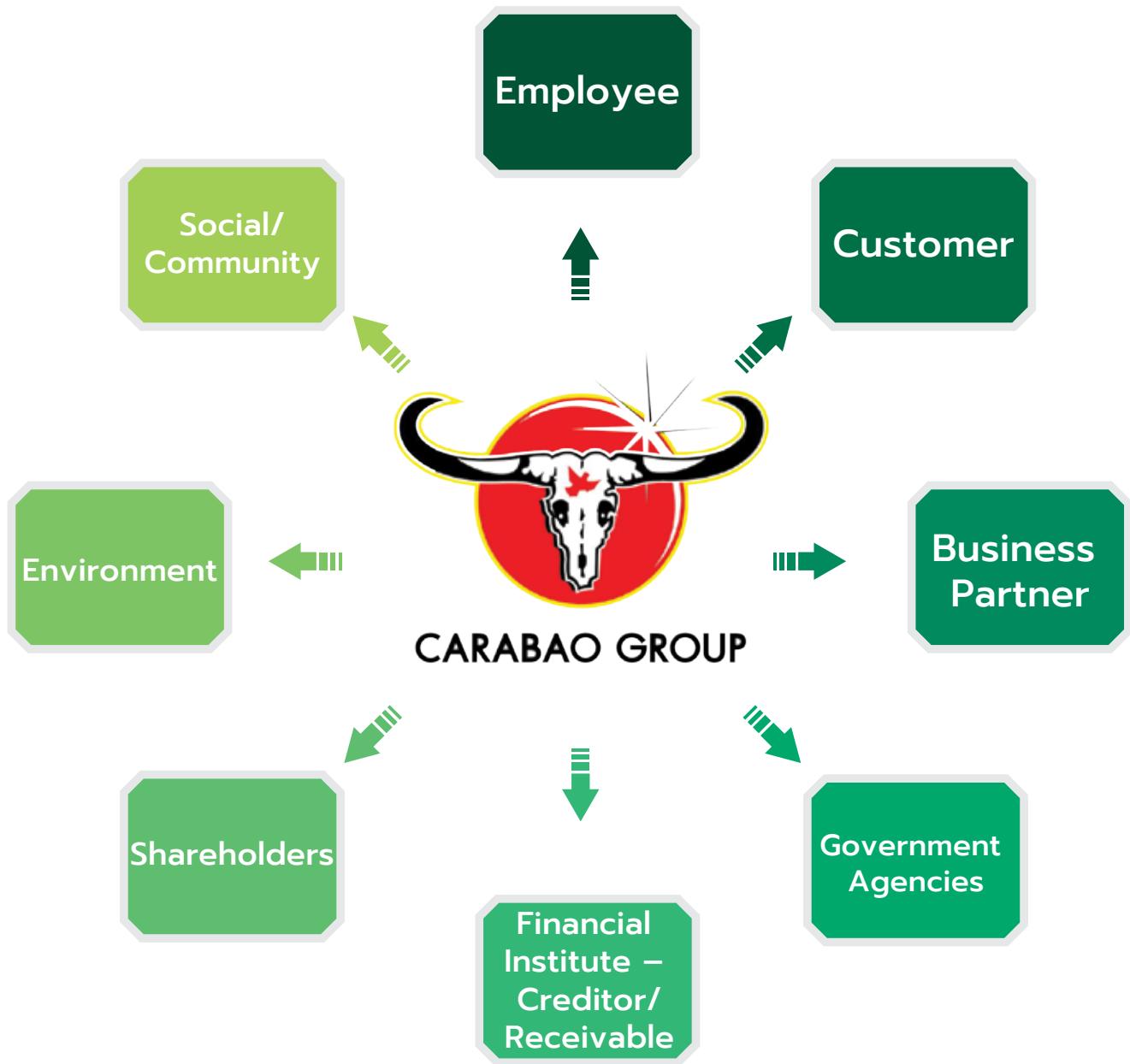
Therefore, the Group have confidence that the improvement of operating processes is concise, fast, in line with volatile situations with continuous development and adaptation at certain times, there may be both gradual and by leaps and bounds that vary depending on the situations of both inside and outside. Thus, under any changes, we must ensure that it is basis and in line with the company's goal to develop the position of the company being as a leading company in Thailand and becoming a global company in accordance with the company's vision of "World Class Product World Class Brand".

## Sustainability Management Structure

The Company's Board of Director appointed the Board of Sustainable Development as representatives from several business field to play roles in shaping sustainable development strategies and policies, evaluating the outcome, and setting up the scope and report on sustainable development by appointed the Committee to study and implement projects under the sustainability strategy of the Company.



Presently, the sustainable business development has attracted much attention from all stakeholders such as shareholders, customer, business partner, creditor, receivable, community, and environment. Therefore, Carabao Group has analyzed the operations to identify stakeholders who may be affected by the Company's business operations by consideration the expectations of each group, allocate channels for communication with all stakeholders to acknowledge the issues that may in the focus for each group of stakeholders, then to integrate them into the decision-making and the business planning processes. The company separate the group of stakeholders into 8 sectors as follows;



## Stakeholder Engagement Analyst

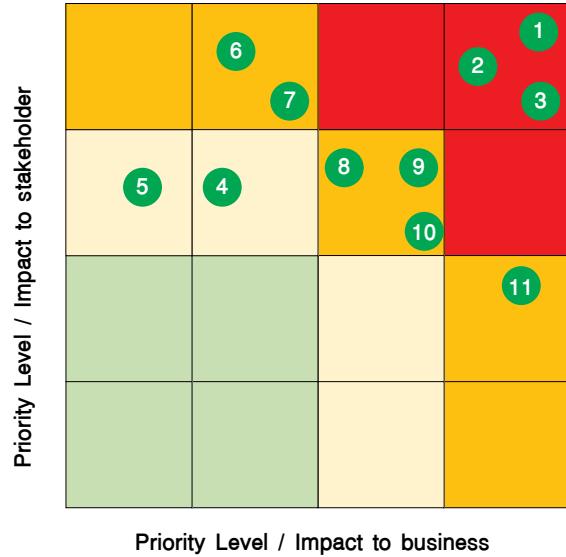
Stakeholders	Stakeholder Expectations	Engagement Channels	Company Response
Employee	Benefits, compensation, and welfare	Employee Engagement Survey	Appropriately allocate benefits to employees in accordance with company policies.
	Stability and progress opportunity	Competency Assessment	Career path management
	Knowledge and Skills Development	Performance Evaluation	Promote the development of knowledge skills for employees.
	Equal and Fair Treatment	Complaints submit via the Welfare Committee or the whistle blowing	Treat employees at all levels in accordance the company regulation policies.
	Safety at workplace	Frequency communicates information via internal meeting and activities	Provide and facilitates place necessary equipment with safety
Customer	Quality of product	Complaints submit via whistle blowing channels	Deliver quality products on schedule.
	Good service before and after	Provide useful and relevant information on product labels	Responsibility for goods and services
	Fast response to meet the customer's requirements	Communicate information through various websites.	Promote campaign activities
Business Partner	Procurement with fair and transparent	Complaints via whistle blowing channels	Comply with business ethics and procurement regulations
	Creating value-added and sustainable cooperation	Listening to feedback and complaints	Treating partners equally and fairly
	Payment and profit on time	Arrange frequently meeting	Payment as scheduled
Government agencies and related government organizations	Comply to the laws and regulations	Frequency participation all activity and projects of government agencies	Comply with various requirements in accordance with corporate governance policy.
	Protection and care of environment of communities such as the quality of air and water	Conduct and report results to relevant authorities in accordance with regulations.	Comply with safety, occupational health, and environmental policies
	Fraud Prevention	Complaints via Whistle Blowing channel	Strictly to follow the whistleblowing procedures and confidential of subject matter.
Financial institutions, creditors, receivables	Compliance with conditions and agreements	Holding the meeting to follow up and monitor situations	Creates legally all types of contracts with equally, fairly and transparently.
	Financial statement reports correctly.	Feedback and feedforwarding	Financial and operation disclosure
	interest and payment as scheduled		Strictly comply with contracts or agreements.
Shareholders / Investors	Company's performance	Annual General Meeting	Disclosure information accurately, adequate, and timely.
	The growth of Business Management	Meets investor via "OPP Day" activity	Generate profits and pay dividends at an appropriate ratio.
	Disclosure all information of the company performance	Disclosure via SET Portal	Disclosure information comply to SET's prescribe

Stakeholders	Stakeholder Expectations	Engagement Channels	Company Response
Social / Community	Community Engagement and Trust	Organize activities for communities and society	Participate in community events/activities
	Reducing the operation impact may harms to the communities	Continuously exploration on the environment issues.	To proceed and prevent appropriately of pollution and waste from the business operations in accordance with the law
	Solving problems and developing communities and society	Listening to the opinion from community	Support and provide appropriately sustainable to society and communities.
Environment	Develop innovative eco-friendly products and packaging	Create activities to support energy conservation and environment	Design biodegradable packaging
	Energy Management	Searching renewable energy	Using the electric power from Solar Rooftop in the production process.
	Water Consumption Management	Promote campaign to save water	Water Recycling and Water Treatment
	Waste and Pollution Management	Communicate and encourage employee for the cooperate of waste sorting campaign	Create a culture of environment & social within the organization.
	Greenhouse Gas Management	Deduction any activity affects to GHG	Using the solar energy in the production process

## Determination of sustainability materiality

The Group has prioritized sustainability and determined the direction of management by consideration based on the dimensions involved such as economy, social/community, environmental and stakeholders. The selected materiality complied with the objective, strategy and sustainability management throughout the value chain covering both internal and external impacts as shown below, the sustainability materiality would be different priorities based on the opportunities and impact on the organization's operations. In the year of 2021, the sustainability materiality is included:

- Environmental Dimension
  - 1. Water Management
  - 2. Energy Management
  - 3. Toxic pollution
  - 4. Promoting product and packaging innovations to reduce environmental impact
  
- Social Dimension
  - 5. Promoting Human Rights
  - 6. Responsibility to customers and consumers
  - 7. Occupational Safety and Health for Employee
  - 8. Promoting and developing human potential
  
- Economic/Governance Dimension
  - 9. Corporate Governance
  - 10. Business Innovation
  - 11. Supply Chain Management



The Group has considered its priorities and identify potential impact to the business's operations and creating the business plan both short-term and long-term.

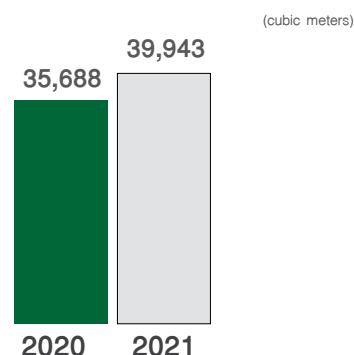
## Environmental Dimensions

As the priority materiality that may affect the business and its stakeholders, three key issues are in the environment dimension. This shows that the group realizes and aware of climate change presently situation, which affect to water resources as well as other natural energy sources being affected. Besides, the increased price of fuels has also forced the company to start exploring to adopt the renewable energy into the operations ensure to handling the volatile situations due to the current economic crisis.

### Water Resource Management

Water is a natural resource that the company realize the importance of efficiency and effectiveness management, thus the company has encouraged creating any various projects to increase and improve the efficiency of water consumption with the most effectiveness. Regards the major material of the company's product is water so that the company has been working on the projects to prevent and reduce the risk of shortage of water consumption in the production process and optimization of water resources with cost-effectively, such as reusing the remaining water from the Reverse Osmosis (RO) filtration system to reduce the use of tap water for general cleaning in the factory.

### The volume of reject water



The project was launched in 2021 after the factory installed a water filtration system to produce pure drinking water by the Reverse Osmosis which there will be the contains water remains from the filtration system, as a results, there is building up the water storage tank and new water pipes line to store the remaining water from filtration of Reverse Osmosis system then distribute for usage in the factory.

The volume of reject water in the year 2020 and 2021 at 35,688 and 39,943 cubic meters, increased by 12%.

However, beside of such project, the company has established a wastewater treatment system within the factory in accordance with the rule and regulation as prescribed, including to deliver the remaining water from the treatment to water the plants to strengthen the environment and promote green space around the factory. Moreover, the company has continued to establish the water recycling systems surrounding the factory and shall be completed in the year 2022. The Company continuously commit and proceed to develop the water consumption of production processes the most efficient with cost-effectiveness.



## Electrical Power Management

The Group is determined to manage the electric power consumption and other resources with the most efficient and cost-effectiveness, as well as the adoption of technology and any innovation such as installing solar panels on the rooftop of the factory to generate renewable energy electricity were established since the year 2020 and started to generate the electricity in the year 2021.

As a result of the aforementioned achievements, the Company has approved to expand the additional projects of Solar Rooftop by separated into 3 phases as follows.

Project	Power generation duration	Actual electricity generated
Phase 1	1 Jan 2021 – 31 Dec 2021	2,793,629
Phase 2	1-31 Dec 2022	354,511
Phase 3	Will be generated on November 30, 2022.	-

However, the generating electricity from solar energy to be renewable energy may not meet the energy conservation needs of the entire organization. Therefore, the reducing electricity consumption on other activities shall be parallel integrated in accordance with the sustainable electricity consumption policy.

The targets for reducing electricity within 3 years are as follows:

year	Reduce electrical power (kWh)	Ratio of electricity used
2020	2,800,000	10%
2021	4,000,000	15%
2022	4,300,000	16%

Besides, the company also has sub-projects to manage other electrical energy such as:

- Reducing the use of lighting in unnecessary spots
- Turn off air conditioning during break and when no usage
- Using Solar Street Light
- Control the usage of ventilation system in factory buildings

Although, they are only the sub-project, but there shows a commitment to sustainable electricity consumption the most effectively.

## Pollution Management

The Group is determined to prevent the environmental impacts caused by the activities, products, and services of the company. The company has developed the environment system management complies with the rules and regulations, requirements, as well as mutual agreements of stakeholders, to conduct the business with responsibly, protect the environment, including natural sustainable resources usage, valuable and adapt to the climate change situation, the biodiversity, ecosystems that may impact to the communities and social in the future such as exhaust emissions, smells, sounds, wastewater discharge that may affect the community or may not comply with the basic regulations of the manufacturing.

The pollution management would be included in every process of production to reduce emissions and shall be treated in accordance with legal standards and the community regulations and surrounding areas include:

- Stack Emissions by natural gas, which is clean energy, there is the audit controlled and monitored including the pollution measurement systems every 6 months.
- Noise pollution is controlled and monitored along the fence of factory every year, and there is not any activity to release the noise pollution.
- Smell pollution is control and monitoring the smell that will interfere with the outside.
- Wastewater discharge from all activities is delivered into the water treatment process 100 %, there is controlled and check the quality comply with the regulation standards, moreover the treated water will be reused for watering the plants surrounding the treatment pond in order to have more green space area around the factory.

By the year 2020 and 2021, the pollution management of the company were reviewed and certified in accordance with the standardization system. As a results, the wastewater, air pollution and noise pollution comply as stated standardize regulations.

- **Waste Disposal**

There is the waste disposal management started from the selection of raw materials throughout the last process is the procedure of waste management by controlling less usage, reuse, recycle and properly disposed as well as the selection of effective Supplier in accordance with the requirements of the law. Moreover, there is the waste disposal destination to prevent leakage throwing the wrong place which may cause external effects and to ensure the protection the environment sustainability.

- **Garbage sorting**

In accordance with the process of waste disposal. The Company has established the waste sorting procedures so that employees can perform efficiently and correctly in accordance with the following measures:

- Define procedures and plans based on the types of waste that need to be sorted and clarify proceed to ensure all employee to understand and able to sort the garbage correctly.
- Selection the supplier conforms with the stated legal.
- Notify to have the permission before delivered to dispose as the type of waste comply with legally.
- Proceed as the procedure and planning, controlling the resources usage, promoting the campaign to use worthwhile and effectiveness to reducing the waste matters.

- **Reuse**

There is sorted the type of waste and reuse in factories such as:

- Reuse of lid bags as garbage bags
- Reuse the sugar sacks for containing the sludge



- **Recycling**

There is a sorting process as follows:

- The material is used to encapsulate raw materials such as cartons, plastics, film cores, big back sacks and others are sorted and recycled to the disposal recipient, thus the waste generated by the production process would be recycled with huge volume.
- The spoilage will be put in container to prevents leakage and storage in each type of waste.
- Unloading and disposal have a system for monitoring, receiving, transporting and destinations point by supplier comply with the legal including the protection system throughout the transportation.
- Prepare a summary of the annual report for submitting to the government including to audit and inspect supplier by yearly to ensure there is a properly disposal and not impact to the environment.



In addition, the Group has verified the document for submitting the permission according to the type of waste. There is the transportation document of waste every time which able to review and inspections, transportation, and waste destinations by annual audit to ensure the efficient of management system, accuracy, and there is not impact to the environment and external community.

However, the Group is on consideration of implement the calculation of carbon footprint emission, so the collecting any data information of renewable energy, the emissions management to calculate the amount of carbon dioxide or other gas emissions shall be disclosure in the year 2022 onwards..

## Social Dimensions

The Group operates their business with morality and ethics, taking into account the stakeholders, economy, society, and the environment. The company also adheres to good corporate governance principles to ensure the integrity, transparency, and equitability of the business, recognizing the negative effects on the economy, society, natural resources, and the environment to secure the confidence of shareholders, investors, employees, customers, stakeholders, and all relevant persons.

- Promoting Human Rights

The Group operates their business in respect of human rights, by promoting and protecting rights, freedom, and equitable treatment, which is the foundation of human resources management and development. However, the Group's policy has no discriminate on the grounds of race, gender, age, or disability. The Group support and enhance the quality of life and the well-being of disability person or vulnerable groups be able live in social equality and equity, encourage to have a career according to their potential and able to support themselves and their families firmly and equal to access to the basic rights.

In 2021, the Group hires persons with disability at amount 31 person by divided into various disabilities, including:

Company's subsidiaries	Disability of Movement or physical	Disability of Hearing or descriptive	Disability of Psycho-logical or behavioral	Total
CBD	9	3	2	14
DCM	9	1	2	12
APG	3			3
ACM	2			2
<b>Total</b>	<b>23</b>	<b>4</b>	<b>4</b>	<b>31</b>

Carabao Tawandang Co., Ltd the recognized the rewards "Good Organizations to support the Person with Disability" from the Ministry of Social Development and Human Security by the Department of Empowerment of Person with Disabilities on the International Day of Person with Disability 2021



#### Labor Standards

The Group has established the labor standard and the management system such as employment, welfare and occupational health and safety including to establish the workplace environment able to support the impacts both of external and internal factors. So that, year 2021 Carabao Tawandang Co., Ltd.

- Thai Labour Standards Award (MR.8001-2020)
- Good Labor Practices (GLP) Award



#### Safety, Occupational Health

Carabao Group Public Company Limited is concerned with the emphasis on safety, health, and environmental management. Therefore, we have established Carabao Group's occupational health, safety, and environmental policy to demonstrate our commitment that safety will be administered in parallel with business operations. For this reason, all managements and workforces shall be accountable and comply with this policy as follow:

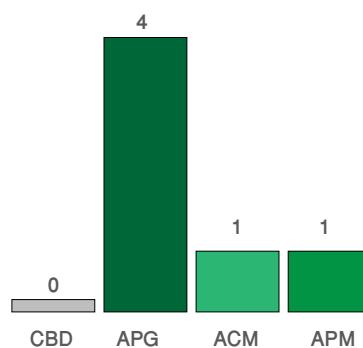
1. We are committed to providing safe working conditions that free from harm and risk. These include the prevention of work-related injuries and illnesses, and those environmental impacts arising from the organization's activities, products, and services.
2. We are committed to developing occupational health, safety, and environmental management systems in compliance with laws, regulations, rules, and collective agreements of all stakeholders.

3. We are committed to conducting business responsibly, protecting the environment, and sustaining the utilization of natural resources. These include appreciating, mitigating, and adapting to global climate change, biodiversity, and ecosystems that may arise in the future within both the community and society.
4. The company provides continuous follow-up and review of objectives, goals, and action plans; continuously supports management resources for occupational health, safety, and environment; these for maximum efficiency. The Company provides monitoring, reviewing of objectives, goals, operational plans and providing support for resources. In the continuous management of occupational health and environmental safety to achieve efficiency.

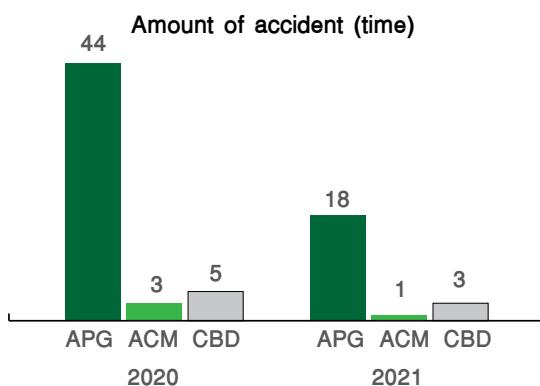
The Company promotes participation and considers Safety, Occupational Health and Environmental management is the duty and responsibility of all employees at all levels must act along with the business operation. With this regard, the company determined to encourage employee to have a better quality of life, safety in the good workplace and environmental as appropriately which will be engaged employee having more confident to grow along with the company sustainably.

In the year 2021, the cases of death from accidents at work were 0 and the amount of lost time accident as follows:

**The amount of lost time accident**



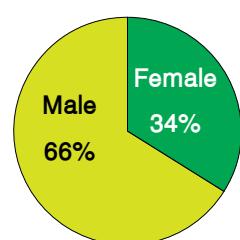
However, if considered into the details, the number of accidents has decreased over the past year, especially in the APG (Asia Pacific Glass Co., Ltd) plant, the number of accidents has decreased by 41%, demonstrating the processes and procedures that the Company has established as standard for practice. Training is carried out to introduce the characteristics of use, storage of equipment to reduce and prevent potential accidents. This results in employees understanding and being able to act effectively. It is overseen by the Organization's Safety, Occupation Health and Environment (SHE) agency.



## Promoting and developing the potential of people for sustainability

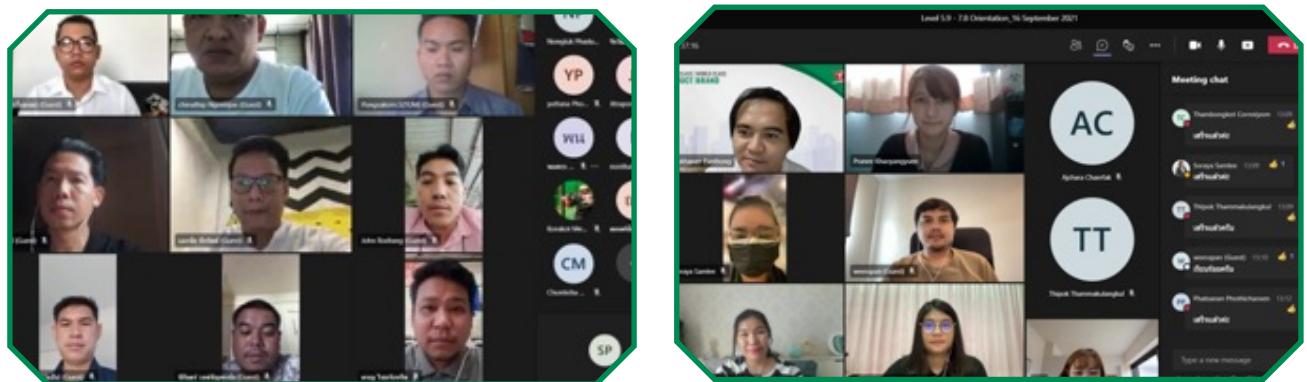
To strengthen the company's business competitiveness, and well prepare for the future changes amid the business opportunities and for becoming the World Class Product World Class Brand as the company's vision. Thus, the company emphasize the readiness of the employee as the priority to ensure that employees are understanding and able to act according to the values of the organization "Roojang Thamjing Tooktong Manyam" throughout to recruit the potential candidate who has various expertise to work with the company and towards to the quality organization with the highest management efficiency and organizational health by sustainability. In the year 2021, Carabao Group had the amount of employee at 3,245 by divided as male and female as follows:

**Amount of employee 2021**



However, in year 2021, although the COVID-19 pandemic continues to spread and widen, the social distancing, wearing masks to reduce and prevent the Corona virus disease, currently it become normal lifestyle of social living. Therefore, being to take response towards the procedure and guideline and to prevent the spread of the Covid-19, the company has improved and adapted the various learning activities as appropriately to the current situations such as:

The orientation program for new employee by Online The company is scheduled to hire new employee on the 1st and the 16th of every month, so that the orientation of new employees will be arranged in accordance with the recruitment period.



## Training for the year 2021

The Company has determined to develop the skills of employee as priority. The company confident and believe that employees are the value asset although it's on the situation of the covid-19 pandemic, the company has not stopped to develop employee as scheduled of training plan, the company has just changed its format to online platform in order to comply with the situation with the awareness of the most caring to the employee's health. Then, the training courses in 2021 had divided two categories as;

1. Executive training courses, which focus on business courses, accounted for 27% of the annual training plan.

- Business Competency Development Program
- Managerial Competency Development Program

2. Employee training courses, which focus to uplift the functional competency, accounts for 73% of annual training plans.

- Functional Competency Development Program
- Mandatory Program

However, the training plan year 2021, although there is in the social distancing situation, the company continues encourage employees to uplift their skills by attend the training program continuously. As shown below of the annual training plan, the number of training hours of employee at 10 hours per person per year, moreover, with the reformulation of online training, the cost of training expenses was spent only 14.52% from the budget.

## The training plan year 2021

Company	Number of courses (times)			Actual number of people and hours trained				Budget (Baht)			
	Plan	Real Training	In %	Number of people trained	Number of hours	Average training hours per person	Plan	Practical	Remaining	%	
CBG	2	7	350%	2	149	74.5	30,000	79,000	-49,000	263%	
CBD	10	30	300%	850	9,437	11.10	393,000	168,634	224,366	43%	
DCM	6	15	250%	950	11,623	12.23	726,000	91,390	634,610	13%	
CBD (Factory)	119	73	61%	1,083	8,194	7.57	2,132,193	406,756	1,725,438	19%	
APG (Factory)	66	16	24%	268	3,329	12.42	2,528,048	67,741	2,460,307	3%	
ACM (Factory)	85	57	67%	129	405	3.14	1,399,400	233,522	1,165,878	17%	
ToTal	288	198	68.75%	3,282	33,137	10.10	7,208,641	1,047,043	6,161,598	14.52%	

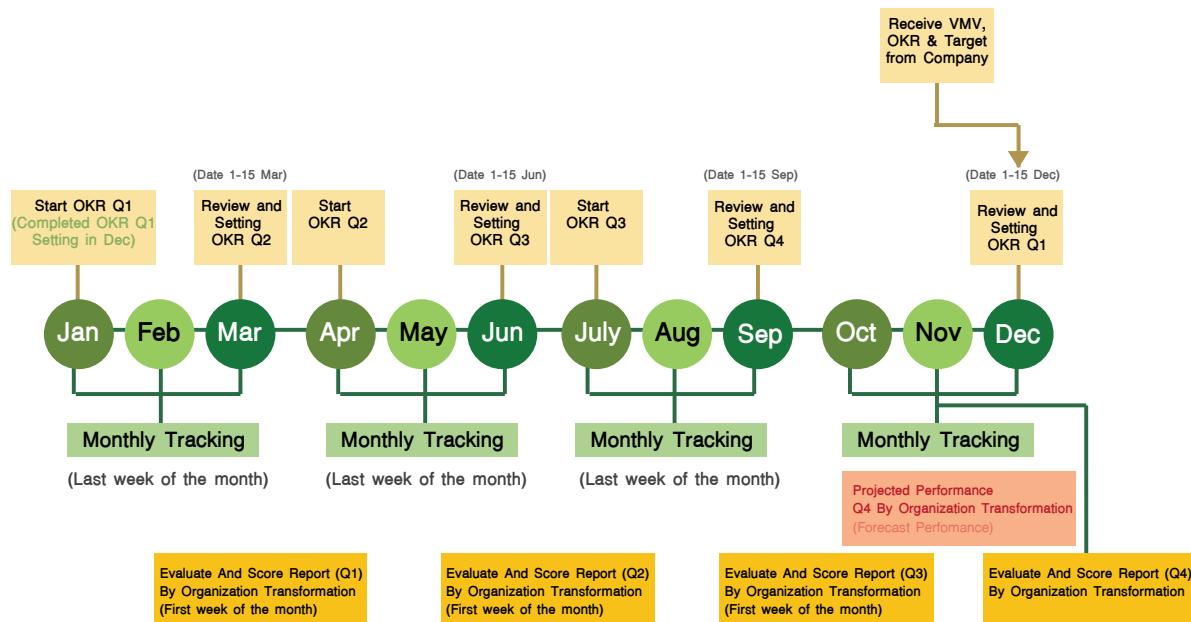
Moreover, the Group has adopted the OKR being the tools to drive the target to comply with the objective direction with the most effectiveness. In each year, at the Director's meeting, there is the priority setting objective to achieve the target, by identifying the main results for being a measurement to success the goal. Once, the company's Goal were set, there will be distributed into each department throughout the workshops session to ensure they are acknowledged the direction and goals of the company. This leads to the process of OKR setting by department which will support and align with the company's goals. Beside of that, there is setting the target by position level to encourage and promote the participation to drive the company success by bottom up.

### The procedure of OKR, there are 3 processes,

#### 1. Setting OKR Target

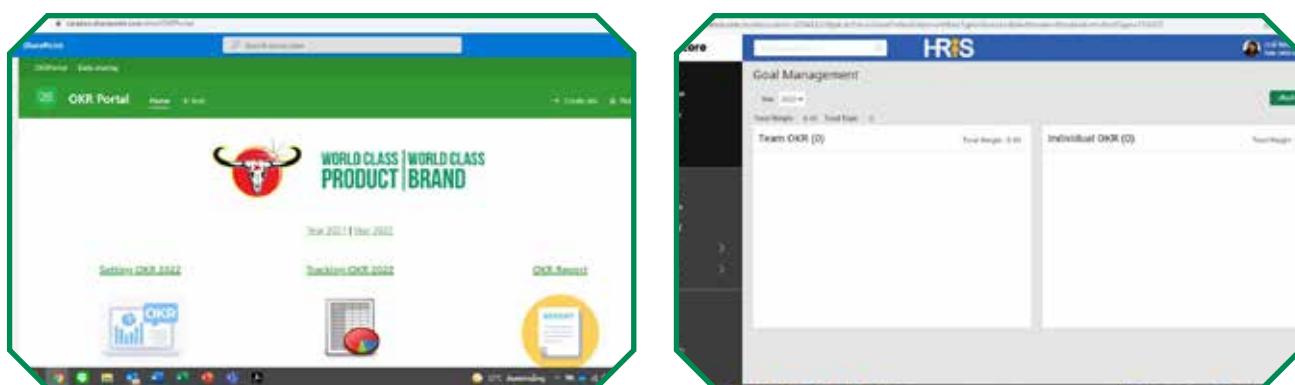
Setting the target of Carabao Group starts in middle of November, the objective strategy was set as a company level that will be considered and focused comply to the business situation of each year and cascade to the department to set their strategy, which it shall be complied and support to the company's goals, then take that to set the division/team OKR, as well as to create the action plan or project that will support to achieve the target. At the end of quarter, the target of each department will be reviewed the OKR results to define the OKR for the next quarter and will be conducted in each quarter throughout the year.

### OKR Process & Timeline



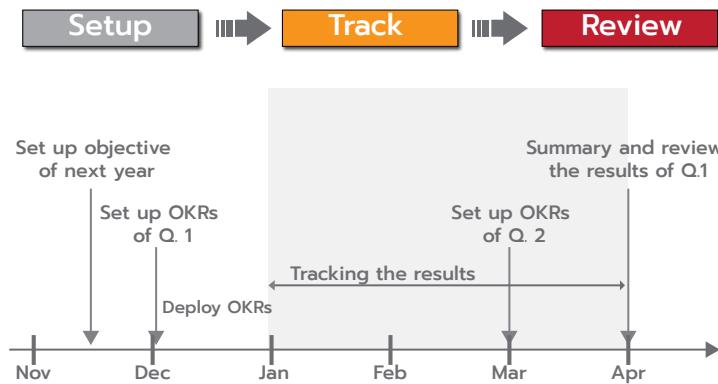
#### 2. OKR Tracking

The Group has adopted the technology for tracking the results of OKR in order to increase the working process efficiency and comfortable for all employees to log-in the system at as their convenience time and place allowing to access via both computers and mobile phones by log-in through the OKR Portal and OKR Module which will allow the permission for only a responsible person to fill out and update their progress, there is to track and follow up the goal's success at every end of month then catching the results to set the working plan to achieve the target.



### 3. Review target and achievement

At the end of each quarter, all department/team will review the targets, results succession in any issues which affect to the success of the goal, including the additional of topic issue to be developed to enhance all employee to put more effort to have more achievable in the company target, then it will be defined to issue OKR in the next quarter.



The main target of the company in the previous year and for the year 2022, the target will be set in the topic of the profit creation from both domestic and international sales, including reducing costs or cost saving and the target of increase more efficiency of internal management (4 inputs) as process, structures, people, and technology whereby there is defined key indicators clearly.

#### Factory team

Setting the comply target and encourage the target of the company successfully as example:

1. Increase efficiency, which will be directly affects to reduce the production costs by:
  - a. Reduce downtime
  - b. Reduce the losses from defect production
  - c. Reduce waiting time
  - d. Reduce unnecessary processes
2. Cost savings from the raw material management (weight reduction, down gauging coils, produce slim can) from energy power (e.g. electricity, water, gas, wind system) in consumables
3. Reduction accidents affects to people and property which the accident will be effect indirectly to the expenses, and the cost of product.
4. Reduce customer complaints / increase satisfaction
5. To develop the employee's competency skills such as Carabao core value, skill matrix, functional skills, managerial skills, soft skills, mindset, and the learning center to address defects occurring.

#### Combat Team

There is set up the Value-based OKR, such as sales target, revenue, profit, and the market share of each product categories to comply with the company's target by issued the activity/project which will support the completion of the objective and key results. Besides of the mentioned above, there will set the objective concerning of the 4 inputs of development such as re-organization and the process of working to be faster or the development of technology systems to approach into the process having more productive and effectiveness, as well as to improve the skills of employees.

#### Support Team

There is set up the objective where to focus on the strategy of each function to support the goals approaching to the vision and mission of the organization to succeed. Setting the objective, the new innovative management to maintain the organizations up to date towards the external changes, including the cost-savings initiative which support the corporate profitability of the company, and to develop the 4 inputs of internal management ensuring to have the continuous development process towards the company's vision "World Class Product, World Class Brand".

## Vaccine vs COVID-19

The Company is determined the critical of surveillance the coronavirus 2019 pandemic for the benefit and safety of employees with the highest procedure. Reference the number of people infected with coronavirus disease 2019 has increased and spread across the country. To prevent the spread of the disease and reduce the risk of everyone from the working process or any activities in various fields. The company has a policy for all employees to receive at least 2 doses of vaccines by providing and coordinating with both public and private agencies to have sufficient vaccines for all employees.

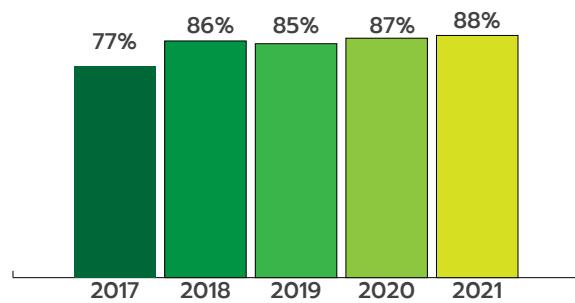


## Economic/Governance Dimension

### Corporate Governance

For supporting the growth and increasing the commercial competitiveness. The Company has concrete management of corporate governance and sustainability management structures. Including to review and improve the operating guidelines in accordance with the good governance principles. As a result, the overall assessment results have been increasing for three consecutive years.

**Results of the Corporate Governance Scored**



## Business Innovation

Creating the system of QR Code printing on the carton and each of pallets being the tools to acknowledge the distribution of the product information throughout the system, starting from deliver to the agent, the sub-agent, the wholesale, until the retailer affects to know the information of the product in each area either fasting or slowing of the product distribution which it could be help to quick solve the problems in each area and improving competitiveness. As a result, the company recognized the Outstanding Innovation Company Awards with QPAC Innovation connecting to the store network at the SET AWARDS.



## Carabao Group Value Chain Management

Carabao Group has expanded and complemented its business from upstream to downstream. The company has its own factory and packing plant, as well as hiring other factories to produce products under its own brand, or own brand group that started with ready-to-drink canned coffee, and recently there is Sahamit company operates the consumer goods by commissioning products such as dishwashing liquid, fabric softeners, detergents, seasonings, canned fish and snacks to deliver to consumers.

The Group has issued the sustainability report which has been included in the company's annual report for over the year which prepared to present the stakeholders to acknowledge the direction of the company's sustainability approach in various dimensions of economic, social, environmental, and the good corporate governance which the company has always been a principal guideline for its business operations.

This year, the company has added content to present various sustainability issues in line with its environmental sustainability business operations, such as energy management and water to increase the capability for the business growth and response to the expectations of all shareholders.

# ACCOMPLISHMENT AWARDS YEAR 2021

Carabao Group operates its business under the principles of good governance to supervise the group and subsidiaries to operate the business with honesty fair and transparent including aware of the potential impact on the economy, social, natural resources, and environment by focusing on the sustainable development. As a results in the year 2021 Carabao Group recognizes the awards in the various categories from both national and international at the total of 10 awards

**The awards recognizes on behalf of Carabao Group Public Company Limited are as follows:**



Recognize the awards on the Corporate Social Responsibility (3G Championship Award for CSR Campaign 2021) and the reporting award the excellent Corporate Governance (3G Excellence in Corporate Governance Reporting Award 2021)



Recognize the international award for Thailand's Best Managed Companies. The award, globally recognized by Deloitte, recognizes a leading Thai private company with annual revenues of more than US\$ 25 million and achievements success in management and participate in driving the industry and the country's economic system



Recognize 3 SET Awards 2021 awards in the Business Excellence category:

1. Best CEO Awards, Mr. Sathien Setthasit, Chief Executive Officer
2. Company Performance Awards for listed Company on the Stock Exchange of Thailand with a market value of more than THB100,000 million
3. Outstanding Innovative Company Awards with "Q Pack", an innovation in connecting the shops

## The awards recognizes on behalf of Carabao Tawandang Company Limited are as follows ;



Recognize the royal award of the Thailand Corporate Excellence Awards 2021 in the category of Leadership Excellence, organized by the Thailand Management Association (TMA) in collaboration with the Sasin Graduate Institute of Business Administration of Chulalongkorn University by General Prayut Chan-ocha, Prime Minister. is the recipient of the royal award Somdej Phra Kanithathirat Department of Her Royal Highness Princess Maha Chakri Sirindhorn for organizations with management excellence in management in various category



Recognize an honorary award for an establishment with a good management for the year 2021 from the Office of Labor Protection and Welfare, Chachoengsao Province, amounting to 2 awards, including the Thai Labor Standard Award (TLS 8001-263) and the award for the establishment of good labor practices (Good Labor Practices: GLP) in the award ceremony. "Chachoengsao Labor Management Excellence Award 2021"



Recognize award for Organization that supports the operation of the disabled at a good level from the Ministry of Social Development and Human Security (MD) by the Department of Empowerment of Persons with Disabilities on the International Day of Persons with Disabilities 2021

# MANAGEMENT DISCUSSION AND ANALYSIS : MD&A



## Financial Position and Financial Performance

### Financial Statement

#### Summary of the auditor's report

The independent auditor's report for consolidated financial statement of year ended 2021 audited by Kamontip Lertwitworatep, CPA No. 4377, from EY Office Limited, expressed an unqualified audit opinion that the financial statements for the year ended 2021, financial position of the same period of consolidated Carabao Group Public Company Limited and its subsidiaries and for non-consolidated Carabao Group Public Company Limited, present fairly, in all material respects, and in accordance to the Thai Financial Reporting Standards.

#### The auditor's fee

- Audit fee

The Company and subsidiaries paid audit fee THB 4,400,000 in 2021

- Non-Audit Fee

Other services include services with a mutually agreed scope related to information in an application for tax privilege and Inventory destruction report. Other services fees are THB 440,000.

#### Financial highlight

##### Consolidated statement of financial position

Unit: Thousand Baht	For the year ended 31 December		
	2019	2020	2021
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	961,954	946,548	1,134,246
Current investments	-	-	-
Trade and other receivables	1,140,322	1,420,363	1,755,669
Inventories	991,625	1,489,401	2,337,179
Other current assets	103,510	135,940	154,524
<b>Total current assets</b>	<b>3,197,411</b>	<b>3,992,252</b>	<b>5,381,618</b>
<b>Non-current assets</b>			
Investment properties	103,220	106,894	102,642
Property, plant and equipment	10,872,367	12,031,909	12,537,386
Right-of-use assets	-	303,826	442,732
Goodwill	481,115	494,732	549,003
Intangible assets	81,156	100,277	104,339
Deferred tax assets	33,492	45,208	54,520
Other non-current assets	11,275	11,579	13,408
<b>Total non-current assets</b>	<b>11,582,625</b>	<b>13,094,425</b>	<b>13,804,030</b>
<b>Total assets</b>	<b>14,780,036</b>	<b>17,086,677</b>	<b>19,185,648</b>
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities</b>			
Short-term loans from financial institutions	6,762	2,335,000	2,811,835
Trade and other payables	1,446,721	1,572,982	1,768,732
Current portion of long-term loans from financial institutions	291,000	169,200	569,200
Current portion of lease liabilities	-	84,885	103,366

Unit: Thousand Baht	For the year ended 31 December		
	2019	2020	2021
Current portion of debentures	1,699,428	1,089,631	-
Short-term loans from non-controlling interests of the subsidiary	-	-	-
Income tax payable	320,548	395,726	168,374
Other current liabilities	12,822	7,780	5,783
<b>Total current liabilities</b>	<b>3,777,281</b>	<b>5,655,204</b>	<b>5,427,290</b>
<b>Non-current liabilities</b>			
Long-term loans from financial institutions, net of current portion	1,042,750	893,850	1,624,650
Lease liabilities, net of current portion	-	221,786	346,508
Debentures	1,088,692	-	1,498,096
Provision for long-term employee benefits	135,780	152,606	167,688
Deferred tax liabilities	1,411	-	-
Deposits received for rental	15,758	5,945	10,631
<b>Total non-current liabilities</b>	<b>2,284,391</b>	<b>1,274,187</b>	<b>3,647,573</b>
<b>Total liabilities</b>	<b>6,061,672</b>	<b>6,929,391</b>	<b>9,074,863</b>
<b>Shareholders' equity</b>			
<b>Share capital</b>			
Registered	1,000,000	1,000,000	1,000,000
Issued and fully paid up	1,000,000	1,000,000	1,000,000
Share premium	3,962,980	3,962,980	3,962,980
Surplus on business combination under common control	323,216	323,216	323,216
Surplus on changes in percentage of shareholding in local subsidiaries	108,959	108,959	108,959
Surplus on changes in percentage of shareholding in overseas subsidiaries	(368,686)	(368,686)	(653,182)
<b>Retained earnings</b>			
Appropriated - statutory reserve	100,000	100,000	100,000
Unappropriated	3,536,648	4,950,864	5,429,639
Other components of shareholders' equity	(97,307)	(121,319)	(62,327)
<b>Equity attributable to owners of the company</b>	<b>8,565,810</b>	<b>9,956,014</b>	<b>10,209,285</b>
Non-controlling interests of the subsidiary	152,554	201,271	(98,501)
<b>Total shareholders' equity</b>	<b>8,718,364</b>	<b>10,157,286</b>	<b>10,110,784</b>
<b>Total liabilities and shareholders' equity</b>	<b>14,780,036</b>	<b>17,086,677</b>	<b>19,185,648</b>

**Consolidated Income Statement**

Unit: Thousand Baht	For the year ended 31 December		
	2019	2020	2021
<b>Profit or loss</b>			
Revenues			
Revenues from contracts with customers	14,933,012	17,230,640	17,364,321
Other income	117,218	151,427	205,001
<b>Total revenues</b>	<b>15,050,230</b>	<b>17,382,067</b>	<b>17,569,322</b>
<b>Expenses</b>			
Cost of sales	9,122,570	10,172,906	11,181,003
Selling and distribution expenses	1,967,643	1,914,885	1,862,596
Administrative expenses	784,915	965,097	1,081,958
Other expenses	11,693	-	-

Unit: Thousand Baht	For the year ended 31 December		
	2019	2020	2021
Total expenses	11,886,821	13,052,888	14,125,557
Profit before finance cost and income tax expenses	3,163,409	4,329,179	3,443,765
Finance income	1,585	4,227	1,006
Finance cost	(132,724)	(106,796)	(88,706)
Profit before income tax expenses	3,032,270	4,226,610	3,356,065
Income tax expenses	(564,008)	(667,449)	(513,268)
Profit for the year	2,468,262	3,559,161	2,842,797
Profit attribution to			
Equity holders of the company	2,506,461	3,525,028	2,881,002
Non-controlling interest of the subsidiaries	(38,199)	34,133	(38,205)
Profit for the year	2,468,262	3,559,161	2,842,797
Basic earnings per share			
Profit attributable to equity holders of the company (Baht/share)	2.51	3.53	2.88
Weighted average number of ordinary shares (Thousand shares)	1,000,000	1,000,000	1,000,000

### Consolidated statement of cash flows

Unit: Thousand Baht	For the year ended 31 December		
	2019	2020	2021
Net cash flows from operating activities	3,081,497	3,636,426	2,468,846
Net cash flows used in investing activities	(432,442)	(1,670,170)	(1,175,916)
Net cash flows from (used in) financing activities	(1,839,099)	(1,933,002)	(1,115,943)
Net decrease in cash and cash equivalents	823,957	(19,330)	188,486

### Key Financial Ratios

	For the year ended 31 December		
	2019	2020	2021
<b>Liquidity Ratio</b>			
Current ratio	Time	0.8	0.7
Quick ratio	Time	0.6	0.4
Cash flow liquidity ratio	Time	0.9	0.8
Account receivables turnover ratio	Time	16.3	14.8
Days sales outstanding	Days	22.4	24.7
Inventory turnover ratio	Time	22.6	21.1
Days sales of inventory	Days	16.1	17.3
Account payables turnover ratio	Time	11.5	16.6
Days payables outstanding	Days	31.7	22.0
Cash cycle	Days	6.8	20.0
<b>Profitability Ratio</b>			
Gross profits	%	38.9	41.0
Operating profits	%	20.5	24.2
Other profits	%	0.7	0.9
		1.2	

		For the year ended 31 December		
		2019	2020	2021
Cash to earning	%	100.8	87.0	76.2
Net profits	%	16.4	20.5	16.2
<b>Efficiency Ratio</b>				
Return on equities	%	30.7	37.7	28.1
Return on equities, Equity holders of the Company <sup>y</sup>	%	31.8	38.1	28.6
Return on assets	%	17.0	22.3	15.7
Return on fixed assets	%	22.4	36.3	28.3
Assets turnover	Time	1.0	1.1	1.0
<b>Financial Policy Ratio</b>				
Debts to equity	Time	0.7	0.7	0.9
Interest bearing debt to equity	Time	0.5	0.5	0.7
Interest coverage ratio	Time	27.9	46.8	47.3
Debt service coverage ratio	Time	1.7	1.3	1.2
Net debt to earnings before interest, taxes, depreciations and amortizations (EBITDA)	Time	1.4	1.2	1.9
B/E, P/N size to interest bearing debt ratio	Time	0.0	0.4	0.4
Interest bearing debt matured in 1 year to total interest bearing debt ratio	Time	0.5	0.8	0.5
Loans from financial institutions to total debt	Time	0.2	0.5	0.6
Net interest bearing debt to equity	Time	0.4	0.4	0.6
Debt service coverage ratio (Cash basis)	Time	1.4	1.0	1.1
Dividend payout ratio	%	67.8	68.1	65.9

## Management Discussion and Analysis for the fiscal year ended 31 December 2021

Consolidated financial performance of the Group for the fiscal year ended 31 December 2021 in comparison with the corresponding period last year ended 31 December 2020

### 1. Revenue from sales

Total revenue from sales in 2021 was THB 17,364 million, up by 0.8%. An expansion of revenue from 3<sup>rd</sup> party products for distribution by 47.9% due to growing selection of quality products and consumer base, coupled with an increase in revenue from other sources, managed to help offset the impacts of declining revenue from sales of branded own products during slow pace of economies and the Covid-19 pandemic.

Revenue from sales by product group	2020		2021		
	THBmn	%	THBmn	%	%YoY
Branded products by own manufacture 1/	14,082	82%	12,622	73%	-10.4%
Branded products by 3 <sup>rd</sup> party's manufacture 2/	443	3%	504	3%	13.7%
3 <sup>rd</sup> party's products for distribution	2,413	14%	3,568	21%	47.9%
Others	293	2%	670	4%	128.7%
<b>Total</b>	<b>17,231</b>	<b>100%</b>	<b>17,364</b>	<b>100%</b>	<b>0.8%</b>

Note: 1/ Energy Drinks, Sport Drinks, and Functional Drinks

2/ Drinking Water, 3-in-1 Coffee and RTD Coffee

Revenue from sales by geography	2020		2021		%YoY
	THBmn	%	THBmn	%	
Domestic	9,133	53%	10,433	60%	14.2%
Overseas	8,098	47%	6,931	40%	-14.4%
CLMV	6,875	40%	5,660	33%	-17.7%
China	385	2%	731	4%	89.7%
ICUK	95	1%	166	1%	74.5%
Others	743	4%	374	2%	-49.5%
<b>Total</b>	<b>17,231</b>	<b>100%</b>	<b>17,364</b>	<b>100%</b>	<b>0.8%</b>

1.1) Sales of branded own products amounted to THB 12,622 million, down by 10.4% YoY, following slow pace of economies and the Covid-19 pandemic throughout the year. Of which, domestic and overseas sales were at the ratio of 45:55.

(1.1.1) Domestic sales were THB 5,697 million, down by 4.8%, due mainly to a drop in sales of Carabao Dang energy drinks. According to the Nielsen's final sales data to end consumers in 2021, the Thai energy drink market contracted by 7.5%. Our Carabao Dang energy drinks ranked the 2nd with 20.7% share. Meanwhile, the Thai healthy shot market increased by 0.1%. Our Woody C+ Lock commanded the 2nd with 8.7% share.

(1.1.2) Overseas sales were THB 6,925 million, down by 14.5%. We managed to grow exports to China by 89.7%, whereas exports to other main markets outside Thailand declined.

CLMV countries are considered our sizable business base for international market expansions. However, export sales to CMLV countries declined by 17.7% due to the Covid-19 pandemic like the prevailing situation in Thailand. Lockdown was implemented in many cities, taking Vietnam and Cambodia for an example. Moreover, there were more country specific risks in Myanmar, including currency depreciations, affecting overall consumptions in the country.

China is essentially our market of the future with growth potentials on the back of the world's number 1 largest population. It is a priority for us to plan not only marketing and promotions but also extended routes to markets together with our partner. In 2021, we launched our non-carbonated Carabao energy drinks in bottle format so as to expand consumer base in several areas in the country. The initiatives brought about positive feedback, forming part of our growth strategy to further footprints going forwards. Export sales to European countries through our subsidiary, namely Intercarabao Company Limited ("ICUK"), increased by 74.5% since the measures against the Covid-19 pandemic was gradually eased off. In addition, ICUK promoted more sales through online distribution channels. In 2021, online channels accounted for 15% of total sales in the United Kingdom market.

1.2) Sales of 3<sup>rd</sup> party products for distribution amounted to THB 3,568 million, up by 47.9% YoY ,driven by the variety and quality aspects that kept improving over time. This noticeable growth also resulted in part from our success in managing direct access to approximately 180,000 retail stores by a sizable fleet of over 300 active cash vans nationwide.

1.3) Sales of branded product by 3rd party's manufacture amounted to THB 504 million, up by 13.7% YoY ,due mainly to an increase in sales of drinking water and Carabao RTD coffee.

1.4) Other sales amounted to THB 670 million, up by 128.7% YoY ,with the vast majority being manufacture and sales of glass bottles under the operations of our subsidiary, namely Asia Pacific Glass Company Limited ("APG"). As a result of our business partner's attempt to expand and launch new products in foreseeable term, APG benefited from an increasing number of purchase orders for glass bottles.

## 2. Gross profits and gross profits margin

Gross profits in 2021 were THB 6,183 million, down by 12.4%, which was equivalent to gross profits margin of 35.6% versus 41.0% a year ago. Such a decrease resulted from declining sales of branded own products to which they accounted for 72.7% of total revenue from sales versus 81.7% a year ago. Raw materials and packaging materials used for our productions also hiked up in price, especially the market price for aluminum coils that witnessed a sharp uptrend throughout the year.

Gross profits by product group	2020		2021		%YoY
	THBmn	%GPM	THBmn	%GPM	
Branded products by own manufacture 1/	6,712	47.7%	5,576	44.2%	-16.9%
Branded products by 3 <sup>rd</sup> party's manufacture 2/	68	15.3%	72	14.2%	5.5%
3 <sup>rd</sup> party's products for distribution	166	6.9%	260	7.3%	57.1%
Others	112	38.2%	275	41.1%	146.3%
<b>Total</b>	<b>7,058</b>	<b>41.0%</b>	<b>6,183</b>	<b>35.6%</b>	<b>-12.4%</b>

Note: 1/ Energy Drinks, Sport Drinks, and Functional Drinks

2/ Drinking Water, 3-in-1 Coffee and RTD Coffee

## 3. Selling, general and administrative (SG&A) expenses

Selling and administrative expenses in 2021 were THB 2,945 million, up by 2.2%, representing the SG&A to total revenue from sales ratio of 17.0% versus 16.7% a year ago. Such an increase corresponded to our administrative expenses.

Selling and Administrative expenses	2020		2021		%YoY
	THBmn	%to Sales	THBmn	%to Sales	
Selling expenses	1,915	11.1%	1,863	10.7%	-2.7%
Sponsorship fees	332	1.9%	272	1.6%	-17.9%
Selling without sponsorship fees	1,583	9.2%	1,591	9.2%	0.5%
Administrative expenses	965	5.6%	1,082	6.2%	12.1%
<b>Total SG&amp;A</b>	<b>2,880</b>	<b>16.7%</b>	<b>2,945</b>	<b>17.0%</b>	<b>2.2%</b>

Selling expenses in 2021 were THB 1,863 million, down by 2.7%, representing 10.7% of total revenue from sales versus 11.1% a year ago. Of which, sponsorship fees were THB 272 million, down by 17.9% as a result of the contract signed for Chelsea Football Club (CFC) coming to the end in mid 2021.

Administrative expenses in 2021 were THB 1,082 million, up by 12.1%, since we have recruited more staff pursuant to our human resources policies.

## 4. Financial expenses

Financial expenses in 2021 were THB 89 million, down by 16.9% from our management of debt-like capital that paved the way for lower percentage point costs despite an increase in the outstanding balance of interest bearing debts as reported.

## 5. Corporate income tax expenses

Corporate income tax expenses in 2021 amounted to THB 513 million, down by 23.1%, representing the effective corporate income tax rate of 15.3% versus 15.8% a year ago.

## 6. Net profits and net profits margin

Net profits attributed to our shareholders in 2021 were THB 2,881 million, down by 18.3%, due mainly to declining sales of branded own products i.e. our main source of revenue flows, price hikes for raw materials and packaging materials as well as an increase in administrative expenses.

## Consolidated financial position as of 31 December 2021 in comparison with that as of 31 December 2020

### Assets

Total assets as of 31 December 2021 and 31 December 2020 were THB 19,186 million and THB 17,087 million, respectively. An increase of THB 2,099 million derived mainly from (1) THB 848 million increase in inventories, especially those relating to packaging materials in stock to support our business volumes in foreseeable term (2) THB 505 million increase in property, plant and equipment and (3) THB 335 million increase in receivables.

### Liabilities

Total liabilities as of 31 December 2021 and 31 December 2020 were THB 9,075 million and THB 6,929 million. That said a respective increase of THB 2,145 million. Current liabilities were THB 5,427 million, down by THB 228 million, whereas non-current liabilities were THB 3,648 million, up by THB 2,373 million. Such an increase in non-current portion resulted mainly from our financial attempts to mitigate interest rate risk including issuance of corporate bonds worth THB 1,500 million and drawdown of term loans worth THB 1,300 million during the year.

### Shareholders' equity

Total shareholders' equity as of 31 December 2021 and 31 December 2020 were THB 10,111 million and THB 10,157 million, respectively. Such a decrease of THB 47 million was due in large part to the transaction, whereby we have entered into the Share Purchase Agreement with the SHOWA Group so as to agree and buy all the shares in Asia Can Manufacturing Company Limited ("ACM"), causing an increase of THB 284 million in the deficit on changes in percentage of shareholding in subsidiaries and a decrease of THB 266 million in the non-controlling interests of the subsidiaries

## Key financial ratios

### 1. Liquidity ratio

Liquidity ratios as of December 31, 2021 and 2020 were 1.0. times and 0.7 times, respectively, led by increases in current assets while current liabilities decreases

### 2. Cash cycle

The cash cycle for the year ended December 31, 2021 and 2020 was 31.7 days and 20.0 days, respectively, driven by longer average inventory (finished-goods) period from 17.3 days to 22.0 days, and longer average collection period from 2.7 days to 30.0 days

### 3. Return on shareholders' equity

Return on shareholders' equity for the year ended December 31, 2021 and 2020 were 28.1% and 37.7%, respectively

### 4. Return on assets

Return on assets as of December 31, 2021 and 2020 were 15.7% and 22.3%, respectively, mainly due to the improved overall performance as mentioned above

### 5. Debt to equity ratio

Debt to equity ratio as of December 31, 2021 and 2020 were 0.9 times and 0.7 times, respectively, mainly led by increased in long term loan from financial institutions and bond issued in July 2021 for 1,500 million THB.

### 6. Interest bearing debt to equity ratio

Interest bearing debt to equity ratio as of December 31, 2021 and 2020 were 0.47 times and 0.5 times, respectively. The company still maintains this ratio as committed as bond issuer, Interest bearing debt to equity ratio not over 2.5 times.

## Key drivers which could affect future operations and financial status

We aim to take our Carabao trademarks ahead to one of the leading beverage players with solid stage of footprints spanning major markets globally. Provided that our sales of energy drinks to the Thai market and the markets outside were at the ratio of 45:55 in 2021, our financial performance may be effected by several risk factors specific to the countries where we manage to sell, distribute and market energy drinks through our business partners presently and in the future as we may decide to penetrate as a result of our business plans. Those risk factors may include but not limited to social, economic, competitive setting, related laws and regulations as well as the COVID-19 pandemic. In addition, there are also risk factors arising from changes in global supply and demand for commodities and key raw materials. Such market price on an uptrend may effect our profitability. For more information, please find in the Risk Factors section.

# GENERAL INFORMATION

## Issuer

### Carabao Group Public Company Limited (“the Company” or “CBG”)

Type of business	Engage as a holding company of domestic and overseas subsidiaries that (i) operate vertically integrated business activities of manufacturing, marketing, selling and distributing energy drinks under Carabao Dang and Carabao trademarks, electrolyte drinks under Carabao Sport trademark, and other beverages under the Company's trademark including drinking water, 3-in-1 coffee and ready-to-drink (RTD) coffee, and (ii) act as a distributor for consumer products of 3rd parties in both food and non-food categories
Principle place of business	393, 393 Silom Building, 7 <sup>th</sup> – 10 <sup>th</sup> floor, Silom Road, Silom, Bangrak, Bangkok 10500 Thailand
Company registration number	0107557000268
Website	<a href="http://www.carabaogroup.com">www.carabaogroup.com</a>
Telephone	02-636-6111
Fax	02-636-7951
Securities Class	Ordinary Share
Registered capital	1,000,000,000 shares at par value of Baht 1.00 per share, as of 31 December 2021

## The Company's subsidiaries as of December 31, 2021

### 1. Carabao Tawandang Co., Ltd (“CBD”)

Type of business	Principally engage in manufacturing, marketing, and selling energy drinks under Carabao Dang and Carabao trademarks, electrolyte drinks under Carabao Sport trademark, and other beverages the Company plans to produce and sell in the future
Principle place of business	393, 393 Silom Building, 7 <sup>th</sup> – 10 <sup>th</sup> floor, Silom Road, Silom, Bangrak, Bangkok 10500 Thailand
Company registration number	0105544081165
Securities Class	Ordinary Share
Registered capital	Baht 300,000,000, as of 31 December 2021
Number of shares (Shares)	3,000,000
CBG's shareholding (Shares)	2,999,990
Shareholding percentage	99.99%

### 2. Tawandang DCM Co., Ltd. (“DCM”)

Type of business	Principally engage in managing domestic distribution of the Company's products, including branded products by our own manufacture, branded products by 3rd party manufacture, and 3rd party products for distribution through both traditional trade, via multi-tiered agent system and our cash vans, and modern trade channels
Principle place of business	393, 393 Silom Building, 7 <sup>th</sup> – 10 <sup>th</sup> floor, Silom Road, Silom, Bangrak, Bangkok 10500 Thailand
Company registration number	0105555092457
Securities Class	Ordinary Share
Registered capital	: Baht 100,000,000, as of 31 December 2021
Number of shares (Shares)	1,000,000
CBG's shareholding (Shares)	999,980
Shareholding percentage	99.99%

### 3. Asia Pacific Glass Co., Ltd. ("APG")

Type of business	Principally engage in manufacturing and procuring glass bottles as packaging materials for energy drinks and other beverages
Principle place of business	393, 393 Silom Building, 7 <sup>th</sup> – 10 <sup>th</sup> floor, Silom Road, Silom, Bangrak, Bangkok 10500 Thailand
Company registration number	0105548125787
Securities Class	Ordinary Share
Registered capital	Baht 1,300,000,000 as of 31 December 2021
Number of shares (Shares)	13,000,000
CBG's shareholding (Shares)	12,999,980
Shareholding percentage	99.99%

### 4. Asia Can Manufacturing Co., Ltd. ("ACM")

Type of business	Principally engage in manufacturing and procuring aluminum cans as packaging material for energy drinks and other .
Principle place of business	393, 393 Silom Building, 7 <sup>th</sup> – 10 <sup>th</sup> floor, Silom Road, Silom, Bangrak, Bangkok 10500 Thailand
Company registration number	0105560097232
Securities Class	Ordinary Share
Registered capital	Baht 700,000,000 as of 31 December 2021
Number of shares (Shares)	7,000,000
CBG's shareholding (Shares)	6,999,998
Shareholding percentage	99.99%
Other information	: CBG's stake holding in ACM increased to 100% from 74% since March 2021 by shares acquired from SHOWA DENKO Group, with reference to resolutions of the Company's Director Meeting No.1/2021 on 19 February 2021.

### 5. INTERCARABAO LIMITED ("ICUK")

Type of business	Principally engage in marketing, sale and distribution of energy drinks under Carabao trademark in the United Kingdom and other countries outside Asia
Principle place of business	Aquis House, Level 1, 49-51 Blagrave Street, Reading, Berkshire, RG1 1PL, United Kingdom
Company registration number	09557445
Securities Class	Ordinary Share
Registered capital	GBP 83,900,000 as of 31 December 2021
Shareholding percentage	100% held by CVHLUX
Other information	Registered capital increased to GBP 83,900,000 shares in March 2021 with reference to resolutions of the Company's Director Meeting No.7/2020 on 17 December 2020

### 6. CARABAO HOLDINGS (HONG KONG) LIMITED ("CHHK")

Type of business	Principally engage as an overseas holding company for the Company
Principle place of business	LEVEL 54, HOPEWELL CENTRE, 183 QUEEN'S ROAD EAST, HONG KONG
Company registration number	2423613
Securities Class	Ordinary Share
Registered capital	USD 96,198,133 as of 31 December 2021
Shareholding percentage	100% held by the Company
Other information	Registered capital increased to USD 96,198,133 in March 2021 with reference to resolutions of the Company's Director Meeting No.7/2020 on 17 December 2020

## 7. CARABAO VENTURE HOLDINGS (LUXEMBOURG) LIMITED S.À.R.L. ("CVHLUX")

Type of business	Principally engage as an overseas holding company which is a joint-venture between CHHK, Intercarabao Private Limited ("ICSG") an unrelated Singaporean business partner, and Northend Investment Limited ("NIHK") a holding company of which ultimate beneficial owner is Mr. Sathien Setthasit, with 84.31%, 6.05% and 9.64% shareholding, respectively, in the registered and paid capital as of 31 December 2021
Principle place of business	17, boulevard F.W. Raiffeisen - 2nd Floor, L-2411 Luxembourg
Company registration number	B20952
Securities Class	Ordinary Share
Registered capital	EUR 62,308,565 as of 31 December 2021
Shareholding percentage	84.31% held by CHHK
Other information	CHHK's stake holding in CVHLUX increased to 84.3% from 51.0% since January 2018 with reference to the Change of overseas subsidiaries' capital structure transaction

## 8. CARABAO TRADING (HONG KONG) LIMITED ("CTHK")

Type of business	Principally engage as an international trading company
Principle place of business	LEVEL 54, HOPEWELL CENTRE, 183 QUEEN'S ROAD EAST, HONG KONG
Company registration number	2448031
Securities Class	Ordinary Share
Registered capital	USD 50,000 as of 31 December 2021
Shareholding percentage	100% held by the Company

## 9. Asia Packaging Manufacturing Co., Ltd. ("APM")

Type of business	Principally engage in manufacturing and procuring packaging materials including but not limited to paper carton, shrink film, and oriented polypropylene (OPP) label.
Principle place of business	393, 393 Silom Building, 7 <sup>th</sup> – 10 <sup>th</sup> floor, Silom Road, Silom, Bangrak, Bangkok 10500 Thailand
Company registration number	0105563039110
Securities Class	Ordinary Share
Registered capital	Baht 700,000,000 as of 31 December 2021
Number of shares (Shares)	7,000,000
CBG's shareholding (Shares)	6,999,997
Shareholding percentage	99.99%

## 10. Asia Carabao Venture Co., Ltd ("ACV")

Type of business	Principally engage as a holding company
Principle place of business	393, 393 Silom Building, 7 <sup>th</sup> – 10 <sup>th</sup> floor, Silom Road, Silom, Bangrak, Bangkok 10500 Thailand
Company registration number	0105563044091
Securities Class	Ordinary Share
Registered capital	Baht 20,000,000 as of 31 December 2021
Number of shares (Shares)	200,000
CBG's shareholding (Shares)	199,997
Shareholding percentage	99.99%

**11. A Woody Drink Co., Ltd ("AWD")**

Type of business	Principally engage in marketing and sale of functional drinks under Woody C+ Locak trademark and other functional drinks/ products to be developed in the future, which is a joint venture between ACV and Mr. Vuthithorn Milintachinda, an influencing moderator and content owners with popularity among televisions and social medias, with shareholding of 85% and 15%, respectively.
Principle place of business	393, 393 Silom Building, 7 <sup>th</sup> - 10 <sup>th</sup> floor, Silom Road, Silom, Bangrak, Bangkok 10500 Thailand
Company registration number	0105563036200
Securities Class	Ordinary Share
Registered capital	Baht 200,000,000 as of 31 Demcember 2021
Number of shares (Shares)	2,000,000
Shareholding percentage	85% held by ACV

**12. Carabao Marketing Group Co., Ltd. ("CBMG")**

Type of business	Principally engage in the business of creating, maintain and developing online applications and various information.
Principle place of business	393, 393 Silom Building, 7 <sup>th</sup> - 10 <sup>th</sup> floor, Silom Road, Silom, Bangrak, Bangkok 10500 Thailand
Company registration number	0105564046004
Securities Class	Ordinary Share
Registered capital	Baht 1,000,000 as of 31 Demcember 2021
Number of shares (Shares)	10,000
CBG's shareholding (Shares)	9,997
Shareholding percentage	99.99%

**Securities Registration**

Thailand Securities Depository Co., Ltd.  
 62 The Stock Exchange of Thailand Building  
 Level 4<sup>th</sup>,6<sup>th</sup>, 7<sup>th</sup> Rajadapisek Road, Klongtoey, Bangkok 10110 Thailand  
 Phone: +66 2009 9999

**Auditor**

EY OFFICE COMPANY LIMITED  
 33<sup>rd</sup> floor, Lake Rajada Office Complex  
 193/136-137 Rajadapisek Road, Klongtoey, Bangkok 10110 Thailand  
 Phone: +66 2264 9090

**Lawyer**

Baker & McKenzie Ltd.  
 990 Abdulrahim Place Rama IV Road, Bangkok 10500 Thailand  
 Phone: +66 2636 2000

**Bond Registrar**

Bangkok Bank Public Company Limited  
 333 Silom Road, Silom, Bangrak, Bangkok 10500 Thailand  
 Phone: +66 2230 1478

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 393, 393 Silom Building, 7th - 10th floor, Silom Road, Silom, Bangrak, Bangkok 10500 Thailand  
 Phone: +66 2636 6111 ext. 822  
 E-mail: IR@carabaogroup.com

# INFORMATION ON THE SECURITIES AND SHAREHOLDERS



## Capital

As of 31 December 2021, the registered capital and paid-up capital of the company is Baht 1,000 million (Par value baht 1). Total of shares are traded in Stock Exchange of Thailand.

## Shareholder

The shareholding and percentage of Top 10 of shareholders as of August 30, 2021 are as follows:

No.	Shareholders' name	Number of shares	Shareholding Percentage
1	Sathientham Holding Co.,Ltd.	250,064,500	25.01%
2	Ms. Nutchamai Thanombooncharoen	210,000,000	21.00%
3	Mr. Yuenyong Opakul	70,480,000	7.05%
4	UBS AG SINGAPORE BRANCH	45,161,400	4.52%
5	Thai NVDR	44,233,250	4.42%
6	Miss Jarunee Shinwongworakul	40,000,000	4.00%
7	Mrs. Linjong Opakul	26,145,800	2.61%
8	Mr. Sathien Setthasit	25,974,100	2.60%
9	Mrs. Wongdao Thanombooncharoen	18,152,700	1.82%
10	Miss Nicha Opakul	15,588,000	1.56%

Holding companies that are the Company's major shareholders and have significant impact for company's policies and operations are as follows:

1. The shareholding structure of Sathientham Holding Co., Ltd. is as follows: Mr. Sathien Setthasit holds shares at 55.0 percent, Mrs. Dararat Setthasit holds shares at 15.0, Mr. Veeratham Setthasit holds shares at 10.0 percent, Mr. Romtham Setthasit holds shares at 10.0 percent, and Miss Tientham Setthasit holds shares at 10.0 percent of the total paid-up capital of Sathientham Holding Co., Ltd.
2. UBS AG SINGAPORE BRANCH was appointed to serve as a custodian for and on behalf of Northend Investment Ltd. which was incorporated under the applicable laws of Hong Kong, whereby Mr. Sathien Setthasit and Autumn Gold Capital Ltd. are the shareholders representing 90% and 10% of capital, respectively. Autumn Gold Capital Ltd. was incorporated under the applicable laws of the British Virgin Islands, having Mr. Sathien Setthasit as the ultimate beneficial owner.

### 3. Summary of Directors and Managements' Shareholding Year 2021

Director / Management	Relation	Number of Shares (Beginning)	Increase / (Decrease) During Year	Number of Shares (Ending)
<b>1. Sathien's Group</b>				
1.1 Mr. Sathien Setthasit		25,974,100	-	25,974,100
1.2 Sathientham Holding Co., Ltd.		250,064,500	-	250,064,500
1.3 NORTHEND INVESTMENT LIMITED		45,161,400	-	45,161,400 <sup>1</sup>
<b>2. Nutchamai's Group</b>				
2.1 Ms. Nutchamai Thanombooncharoen		210,000,000	-	210,000,000
2.2 Mrs. Wongdao Thanombooncharoen	Ms. Nutchamai's Sister	18,152,700	-	18,152,700
<b>3. Yuenyong's Group</b>				
3.1 Mr. Yuenyong Opakul		70,480,000	-	70,480,000
3.2 Mrs. Linjong Opakul	Mr. Yuenyong's Wife	26,145,800	-	26,145,800

Remark : <sup>1</sup> UBS AG SINGAPORE BRANCH is appointed to serve as a custodian for and on behalf of Northend Investment Limited.

## The Subsidiaries

At present, the shareholding structure of the Group's subsidiaries could be summarized as follows.

### 1. Carabao Tawandang Company Limited (CBD)

Name of Major Shareholder	Number of Shares	Shareholding Percentage
1. The Company	2,999,990	99.9
2. Mr. Sathien Setthasit	5	0.0
3. Mr. Veeratham Setthasit	5	0.0
<b>Total</b>	<b>3,000,000</b>	<b>100.0</b>

### 2. Tawandang DCM Company Limited (DCM)

Name of Major Shareholder	Number of Shares	Shareholding Percentage
1. The Company	999,980	99.9
2. Mr. Sathien Setthasit	10	0.0
3. Miss Nutchamai Thanombooncharoen	10	0.0
<b>Total</b>	<b>1,000,000</b>	<b>100.0</b>

### 3. Asia Pacific Glass Company Limited (APG)

Name of Major Shareholder	Number of Shares	Shareholding Percentage
1. The Company	12,999,980	99.9
2. Mr. Sathien Setthasit	10	0.0
3. Miss Nutchamai Thanombooncharoen	10	0.0
<b>Total</b>	<b>13,000,000</b>	<b>100.0</b>

### 4. CARABAO TRADING (HONG KONG) LIMITED ("CTHK")

Name of Major Shareholder	Number of Shares	Shareholding Percentage
1. The Company	50,000	100.0
<b>Total</b>	<b>50,000</b>	<b>100.0</b>

### 5. CARABAO HOLDINGS (HONG KONG) LIMITED ("CHHK")

Name of Major Shareholder	Number of Shares	Shareholding Percentage
1. The Company	96,198,133	100.0
<b>Total</b>	<b>96,198,133</b>	<b>100</b>

## 6. CARABAO VENTURE HOLDINGS (LUXEMBOURG) LIMITED S.À.R.L. (“CVHLUX”)

Name of Major Shareholder	Number of Shares	Shareholding Percentage
1. CHHK	52,526,120	84.3
2. Northend Investment Limited	5,981,622	9.6
3. INTERCARABAO PRIVATE LIMITED	3,800,823	6.1
<b>Total</b>	<b>62,308,565</b>	<b>100.0</b>

## 7. INTERCARABAO LIMITED (“ICUK”)

Name of Major Shareholder	Number of Shares	Shareholding Percentage
1. CVHLUX	83,900,000	100.0
<b>Total</b>	<b>83,900,000</b>	<b>100.0</b>

## 8. Asia Can Manufacturing Company Limited (“ACM”)

Name of Major Shareholder	Number of Shares	Shareholding Percentage
1. The Company	6,999,998	99.9
2. Mr. Sathien Setthasit	1	0.0
3. Miss Nutchamai Thanombooncharoen	1	0.0
<b>Total</b>	<b>7,000,000</b>	<b>100.0</b>

## 9. A WOODY DRINK COMPANY LIMITED (“AWD”)

Name of Major Shareholder	Number of Shares	Shareholding Percentage
1. Asia Carabao Venture Company Limited	1,699,999	85.0
2. Mr. Wutthitorn Milintachinda	300,000	15.0
3. Mr. Sathien Setthasit	1	0.0
<b>Total</b>	<b>2,000,000</b>	<b>100.0</b>

## 10. Asia Packaging Manufacturing Company Limited (“APM”)

Name of Major Shareholder	Number of Shares	Shareholding Percentage
1. The Company	6,999,997	99.9
2. Mr. Sathien Setthasit	1	0.0
3. Miss Nutchamai Thanombooncharoen	1	0.0
4. Mr. Pongsarn Klongwathanakith	1	0.0
<b>Total</b>	<b>7,000,000</b>	<b>100.0</b>

## 11. ASIA CARABAO VENTURE COMPANY LIMITED (“ACV”)

Name of Major Shareholder	Number of Shares	Shareholding Percentage
1. The Company	199,997	99.9
2. Mr. Sathien Setthasit	1	0.0
3. Miss Nutchamai Thanombooncharoen	1	0.0
4. Mr. Pongsarn Klongwathanakith	1	0.0
<b>Total</b>	<b>200,000</b>	<b>100.0</b>

## 12. Carabao Marketing Group Company Limited (“CBMG”)

Name of Major Shareholder	Number of Shares	Shareholding Percentage
1. The Company	9,997	99.9
2. Mr. Sathien Setthasit	1	0.0
3. Miss Nutchamai Thanombooncharoen	1	0.0
4. Mr. Pongsarn Klongwathanakith	1	0.0
<b>Total</b>	<b>10,000</b>	<b>100.0</b>

### Shareholders Agreement

- None. -

### Outstanding Values of Debentures

As of 31 December 2021, the Company has THB 1,500 million of outstanding detailed details as follows.

Issue	Amount (THB mn)	Interest rate (% p.a.)	Time to Maturity (Year)	Maturity date
CBG237A	1,500.0	1.27%	2.00	16 July 2023





**PART 2**

**CORPORATE  
GOVERNANCE**

6.

CORPORATE GOVERNANCE POLICY

7.

SHAREHOLDING STRUCTURES OF MAJOR SUBSIDIARIES  
OF THE CORE BUSINESS

8.

SUSTAINABILITY PERFORMANCE IN 2021

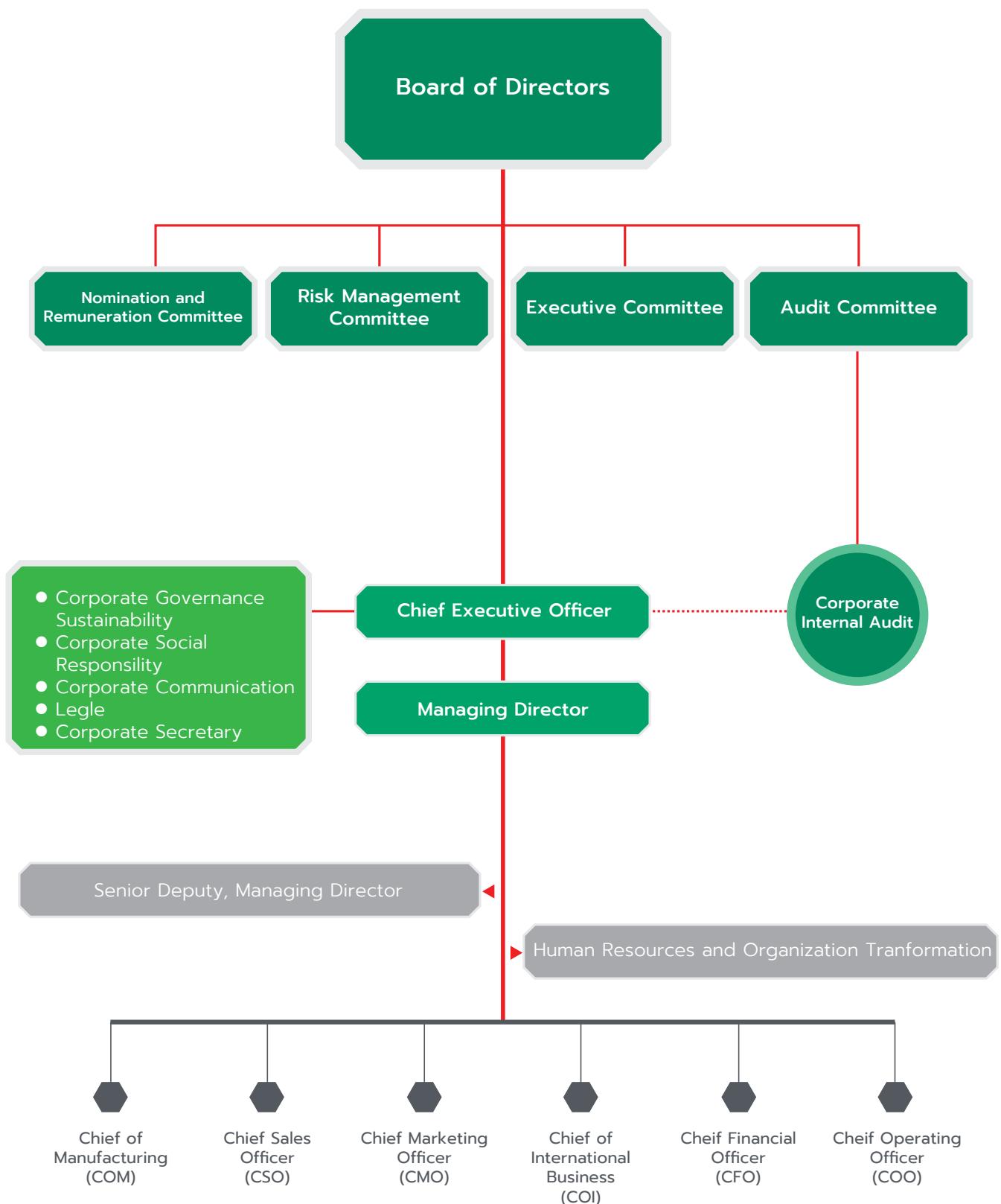
9.

INTERNAL CONTROL AND RELATED PARTY TRANSACTIONS

## MANAGEMENT STRUCTURE OF THE COMPANY



## Organization Structure



## Board of Directors

The Board of Directors of the Company comprises of 13 directors as follows:

Name	Position
1. Mr. Sathien Setthasit	Chairman of the Board of Directors / Chairman of Executive Committee / Chairman of Nomination and Remuneration Committee
2. Miss Nutchamai Thanombooncharoen	Vice-Chairman of the Board of Directors / Vice-Chairman of Executive Committee / Vice-Chairman of Risk Management Committee / Member of Nomination and Remuneration Committee
3. Mr. Yuenyong Opakul	Director
4. Mrs. Wongdao Thanombooncharoen (Appointed April 22, 2021)	Director / Member of Executive Committee
5. Mr. Kamoldist Smuthkochorn	Director / Member of Executive Committee / Member of Risk Management Committee
6. Mr. Romtham Setthasit	Director / Member of Executive Committee / Member of Risk Management Committee
7. Mrs. Saowanee Kamolbutr	Director / Chairman of Audit Committee / Member of Risk Management Committee / Vice Chairman of Nomination and Remuneration Committee / Independent Director
8. Mr. Kanit Patsaman	Director / Member of Audit Committee / Member of Nomination and Remuneration Committee / Member of Risk Management Committee / Independent Director
9. Mr. Nha-kran Loahavilai	Director / Member of Audit Committee / Independent Director
10. GEN. Siripong Wongskhanti	Director / Independent Director
11. Miss Nutchanok Vongswat	Director / Member of Risk Management Committee
12. Mr. Predee Daochai Appointed April 22, 2021	Director / Chairman of Risk Management Committee / Independent Director
13. Mr. Sanchai Jullamon Appointed November 12, 2021	Director / Independent Director
Miss Urawee Ngowrungruang Resigned October 1, 2021	Director / Member of Audit Committee / Independent Director

Remark: Miss Raewadee Rassameesangpatch acts as the secretary to the Board of Directors.

The proportion of the independent directors to the total board of directors 6:13 is 46.15% and the proportion of non-executive directors to all directors 7:13 is 53.84%.

The company has a chairman is the same person as the manager (Chief Executive Officer) and not an independent director. The company is in the process of adjusting the proportion of independent directors of the company. To be more than half

### (1) Authorized Director

The Company's authorized directors to sign to bind the Company are Mr. Sathien Setthasit, or Mr. Yuenyong Opakul, or Miss Nutchamai Thanombooncharoen, or Mr. Kamoldist Smuthkochorn. Any two out of four of such authorized directors jointly sign with the Company's seal affixed in order to bind the Company, except for certification of documents or copies of documents, which shall require the signature of any one of these four authorized directors with the Company's seal affixed.

### (2) Board of Directors meetings

Name of Director	Board of Director	Audit Committee	Numeration and Remuneration Committee	Risk Management Committee
1. Mr. Sathien Setthasit	✓		✓	
2. Miss Nutchamai Thanombooncharoen	✓		✓	✓
3. Mr. Yuenyong Opakul	✓			
4. Mrs. Wongdao Thanombooncharoen	✓			
5. Mr. Kamoldist Smuthkochorn	✓			✓

Name of Director	Board of Director	Audit Committee	Numeration and Remuneration Committee	Risk Management Committee
6. Mr. Romtham Setthasit	✓			✓
7. Mrs. Saowanee Kamolbutr	✓	✓	✓	✓
8. Mr. Kanit Patsaman	✓	✓	✓	✓
9. Mr. Nha-kran Laohavilai	✓	✓		
10. Mr. Predee Daochai	✓			✓
11. Miss Nutchanok Vongswat	✓			✓
12. GEN. Siripong Wongkhunti	✓			
13. Mr. Sanchai Jullamon	✓			
14. Mr. Pongsarn Klongwattanakith (CFO)				✓

### (3) Director Meetings

Name of Director	Board of Director		Audit Committee		Numeration and Remuneration Committee		Risk Management Committee		Annual General Shareholders' Meeting	
	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
1. Mr. Sathien Setthasit	7/7	6/6	-	-	2/2	4/4	-	-	1/1	1/1
2. Miss Nutchanai Thanombooncharoen	7/7	6/6	-	-	2/2	4/4	4/4	4/4	1/1	1/1
3. Mr. Yuenyong Opakul	2/7	6/6	-	-	-	-	-	-	1/1	1/1
4. Mrs. Wongdao Thanombooncharoen	-	4/4	-	-	-	-	-	-	-	-
5. Mr. Kamoldist Smuthkochorn	7/7	6/6	-	-	-	-	4/4	4/4	1/1	1/1
6. Mr. Romtham Setthasit	7/7	6/6	-	-	-	-	-	-	1/1	1/1
7. Mrs. Saowanee Kamolbutr	7/7	6/6	5/5	5/5	2/2	4/4	4/4	4/4	1/1	1/1
8. Mr. Kanit Patsaman	7/7	6/6	5/5	5/5	2/2	4/4	4/4	4/4	1/1	1/1
9. Mr. Nha-kran Laohawilai	3/3	6/6	-	1/5	-	-	-	-	-	1/1
10. Mr. Predee Daochai	-	4/4	-	-	-	-	-	3/4	-	-
11. Miss Nutchanok Vongswat	3/3	6/6	-	-	-	-	1/1	4/4	-	1/1
12. GEN. Siripong Wongkhunti	6/7	6/6	-	-	-	-	-	-	1/1	1/1
13. Mr. Sanchai Jullamon	-	1/1	-	-	-	-	-	-	-	-
14. Mr. Pongsarn Klongwattanakith (CFO)	-	-	-	-	-	-	4/4	4/4	1/1	1/1
Miss Urawee Ngowrungruang (resigned)	7/7	4/4	5/5	3/5	-	-	-	-	1/1	1/1

## Sub – Committee

The Company has 3 sub-committee such as Audit Committee, Nomination and Remuneration Committee and Risk Management Committee

### Audit Committee compose of 3 Independent Directors

Name of Director	Position
1. Mrs. Saowanee Kamolbutr	Chairman of the Audit Committee
2. Mr. Kanit Patsaman	Member of the Audit Committee
3. Mr. Nha-Kran Laohavilai	Member of the Audit Committee

### Nomination and Remuneration Committee compose of 4 Directors

Name of Director	Position
1. Mr. Sathien Setthasit	Chairman of the Nomination Remuneration Committee
2. Mrs. Saowanee Kamolbutr	Vice Chairman of the Nomination Remuneration Committee
3. Ms. Nutchamai Thanombooncharoen	Member of the Nomination Remuneration Committee
4. Mr. Kanit Patsaman	Member of the Nomination Remuneration Committee

### Risk Management Committee compose of 8 Directors

Name of Director	Position
1. Mr. Predee Daochai	Chairman of the Risk Management Committee
2. Miss Nutchamai Thanombooncharoen	Vice Chairman of the Risk Management Committee
3. Mrs. Saowanee Kamolbutr	Member of the Risk Management Committee
4. Mr. Kamoldist Smuthkochorn	Member of the Risk Management Committee
5. Mr. Kanit Patsaman	Member of the Risk Management Committee
6. Miss Nutchanok Vongswat*	Member of the Risk Management Committee
7. Mr. Romtham Setthasit	Member of the Risk Management Committee
8. Mr. Pongsarn Klongwathanakith	Member of the Risk Management Committee

\*Mr. Romtham Setthasit were appointed to be member of Executive Committee and member of the Risk Management Committee by resolution of the Board of Directors No. 1/2022 on February 18, 2022.

### Executive Committee compose of 6 Directors

Name of Director	Position
1. Mr. Sathien Setthasit	Chairman of Executive Committee
2. Miss Nutchamai Thanombooncharoen	Vice Chairman of Executive Committee
3. Mr. Kamoldist Smuthkochorn	Member of Executive Committee
4. Mrs. Wongdao Thanombooncharoen	Member of Executive Committee
5. Mr. Romtham Setthasit	Member of Executive Committee
6. Mr. Pongsarn Klongwathanakith	Member of Executive Committee

## Executives

Executive Management of the Company consists 7 executives as follows:

Name	Position
1. Mr. Sathien Setthasit	Chief Executive Officer
2. Miss Nutchamai Thanombooncharoen	Managing Director
3. Mr. Yuenyong Opakul	Senior Deputy Managing Director
4. Mrs. Wongdao Thanombooncharoen	Senior Deputy Managing Director
5. Mr. Kamoldist Smuthkochorn	Deputy Managing Director, Production
6. Mr. Romtham Setthasit	Deputy Managing Director, International Business
7. Mr. Pongsarn Klongwathanakith	Chief Financial Officer

## CHIEF EXECUTIVE OFFICER'S SCOPE OF DUTIES AND RESPONSIBILITIES

1. Establish vision, objectives, policies, strategy and business plan and budget together with the company's Board of Director
2. Monitor, supervise, manage and operate business as a routine with consideration on benefits of the Company and aligning to the company's policies, vision, goals, objectives approved by Board of Directors and/or Shareholders' Meeting
3. Convey business directions to the Company's vision and missions set by Board of Directors and according to the Company's business plan, budget, and strategy approved by Board of Directors and/or Shareholders' Meeting
4. Coordinate with Audit Committees and Risk Management Committees to convey business operations and manage risks of the Company to align with the Company's objectives, articles of association, as well as the resolution of Board of Directors and/or Shareholders' Meeting
5. Supervise financial management, marketing plan, human resources and other operations to align with the Company's objectives, business plan according to the resolution of Board of Directors and/or Shareholders' Meeting
6. Negotiate and enter into agreements and/or any transactions as a normal business operation (for example, investments in machines and other assets according to the approval by Board of Directors, storage costs, or sales of products) according to the degree of authorization level according to the resolution of Board of Directors
7. Command and raise any rules, regulations, announcements, and internal memorandum for the Company's operations as to align with the Company's policies for the benefits of the Company and for discipline
8. Monitor, supervise, and/or implement normal day-to-day operations of the Company
9. Monitor, follow, and supervise performance of the Company's, the Company's subsidiaries, and/or associations against the budget and report to the Board of Directors on quarterly basis as well as identify opportunity for further improvements and development
10. Develop the organization with consideration on performance improvement as well as provide an ongoing improvement for a sustainable organization development
11. Explore any new investment opportunity with thoroughness and comprehensiveness both technical and financial perspectives for management decision
12. Consider and approve any normal business transactions and other transactions in normal commercial terms under the amount approved by the Board of Directors and/or Executive Committees by complying to the regulations of Asset Acquisition or Disposal transaction by SEC and SET as well as the Table of Authority approved by the Board of Directors
13. Appoint any consultants in necessity to the Company's operation
14. Authorized and/or assigned any person or a group of people to perform the Chief Executives Office's tasks with alignment to the scope of duties stated in the Company's power of attorney and/or rules, regulations or other resolutions of the Board of Directors  
Nonetheless, such authorization under the scope of duties and responsibilities of CEO shall have no conflicts in any forms to the benefits of Company's or the Company's subsidiaries, otherwise, such authorization shall be approved and agreed by the Company's Board of Directors and/or Shareholders' Meeting (as the case may be) unless such transaction is under normal business operations and on the arm's length basis
15. Perform other tasks as assigned and authorized by the Board of Director

## Company Secretary

Board of Directors Meeting No. 5/2015, held on August 7, 2015, was approved the appointment of Mr. Waranchai Jensiriwanich as the Company secretary, in order to comply with section 89/15 of the Securities and Exchange Act. The duties and responsibilities of the Company secretary are as follows:

(1) to prepare and keep the following documents:

(a) directors register;

(b) notices of Board of Directors meetings, minutes of Board of Directors meetings, annual reports of the Company, and preparing supporting details and documents for Board of Directors meetings; and

(c) notices of shareholders meetings, minutes of shareholders meeting, and preparing supporting details and documents for shareholders meetings;

(2) to keep reports on the interests as reported by the directors and executives;

(3) to perform other acts as prescribed by the Capital Market Supervisory Board; and

(4) to send copies of reports on the interests under section 89/14, as prepared by the directors and executives, to the chairman of the Board of Directors and the chairman of the Audit Committee within seven business days from the receipt thereof by the Company.

The Company Secretary must perform the aforementioned duties in a responsible, careful, and honest manner, and comply with the laws, the Company's objectives and Articles of Associations, and the resolutions of the Board of Directors and shareholders meetings.

## Remuneration of the directors and executives

### (1) Remuneration of the directors

#### Policy and Criteria of the Compensation of the Board of Directors

The Board of Directors has set the compensation for directors in 2 forms as follows:

1)Meeting allowance per attendance is based on the business performance and the size of the Company, responsibilities, knowledge, capabilities and experiences of directors, and contribution of such directors to the Company with comparison to the allowance of comparable companies in the same business and with the amount high enough to retain qualified directors

2) Annual director bonus is based on the performance of the Company.

#### (a) Monetary remuneration

Monetary remuneration of the company consist that salary, meeting allowance and bonus.

Refer to resolution of Annual General Meeting Year 2021, held on April 22, 2021 was approved monetary remuneration for non-executive directors not more than THB 7.0 million per year the details as follows:

	Salary	Meeting allowance
Chairman of the Board of Directors or chairman of committee	THB 45,000 / person / month	THB 30,000 / person / time
Director	THB 30,000 / person / month	THB 30,000 / person / time

In considering bonus payments to non-executive directors, it is at the discretion of the Chairman of the Board of Director, but not more than the amount approved by the shareholders.

For the Year 2021, the Company has director remuneration expenses as follows.

Name	Position	Monetary remuneration	Bonus
1. Mr. Sathien Setthasit	Chairman of the Board of Director / Chief Executive Officer		
2. Miss Nutchamai Thanombooncharoen	Vice Chairman of the Board of Director / Managing Director		
3. Mr. Yuenyong Opakul	Director / Senior Deputy Managing Director		None
4. Mrs. Wongdao Thanombooncharoen	Director / Senior Deputy Managing Director		
5. Mr. Kamoldist Smuthkochorn	Director / Deputy Managing Director		
6. Mr. Romtham Setthasit	Director / Deputy Managing Director		
7. Mrs. Saowanee Kamolbutr	Director / Chairman of Audit Committee / Member of Risk Management Committee / Vice Chairman of Nomination and Remuneration Committee / Independent Director Committee / Independent Director	1,140,000	350,000
8. Mr. Kanit Patsaman	Director / Member of Audit Committee / Member of Nomination and Remuneration Committee / Member of Risk Management Committee Independent Director	960,000	200,000
9. Mr. Nha-kran Loahawilai	Director / Independent Director	600,000	75,000
10. Mr. Predee Daochai	Director of the company / Chairman of Risk Management Committee	562,500	-
11. Miss Nutchanok Thanombooncharoen	Director / Member of Risk Management Committee	690,000	90,000
12. GEN. Siripong Wongkhunti	Director / Independent Director	570,000	150,000
13. Mr. Sanchai Jullamon	Director / Independent Director	60,000	-
Miss Urawee Ngowrungruang (resigned)	Director / Member of Audit Committee / Independent Director	510,000	180,000
	Total	5,092,500	1,045,000

### (b) Non-monetary remuneration

- None -

### (2) Remuneration of the executives

#### Policy and Criteria of the Compensation of Top Executives

Nomination and Compensation Committee is responsible for reviewing compensation in the form of monthly compensation, bonuses for presenting to the Board of Directors for approval. Such compensation shall have been reviewed by Nomination and Compensation Committee, who structures the appropriate compensation packages that are linked with the Company's performance and Financial status. Everyone's work is consistent with the goals and responsibilities. (Key Performance Indicator)

### (a) Monetary remuneration

Type of Remuneration	For the fiscal year ended 31 December 2020		For the fiscal year ended 31 December 2021	
	No. of Executives	Value (Baht)	No. of Executives	Value (Baht)
Salary and bonus	7	224,574,000	7	201,489,980
Provident fund and social security contributions	7	4,478,424	7	5,745,754
Total		229,052,424	207,235,734	

The Nomination and Remuneration Committee consider the bonus payout criteria and salary adjustment for top executives.

### (b) Non-monetary remuneration

- None -

## Management Structures of the Subsidiaries

### (1) Boards of Directors of Subsidiaries

As of 31 December 2021, the Boards of Directors of the 8 subsidiaries, viz. CBD APG DCM ACM APM ACV AWD and CBMG, consist of five directors as follows:

Name	CBD	APG	DCM	ACM	APM	ACV	AWD	CBMG
1. Mr. Sathien Setthasit	✓	✓	✓	-	-	-	✓	-
2. Miss Nutchamai Thanombooncharoen	✓	✓	✓	✓	✓	✓	-	-
3. Mr. Yuenyong Opakul	✓	✓	✓	-	-	-	-	-
4. Mrs. Wongdao Thanombooncharoen	✓	✓	✓	-	✓	✓	-	-
5. Mr. Kamoldist Smuthkochorn	✓	✓	✓	✓	✓	✓	-	-
6. Mr. Pongsarn Klongwathanakith (CFO)	✓	✓	✓	✓	✓	✓	-	-
7. Mr. Kritpong Nillawong	-	-	-	-	-	-	✓	-
8. Mr. Songpon Kittiveja	-	-	-	-	-	-	✓	-
9. Mr. Wutthitorn Milintachinda	-	-	-	-	-	-	✓	-
10. Mrs. Kanyaluck Milintachinda	-	-	-	-	-	-	✓	-
11. Mr. Waranchai Jensiriwanich	-	-	-	-	-	-	-	✓
12. Miss Wipara Prutnatee	-	-	-	-	-	-	-	✓

### (2) Authorized director of the subsidiaries

The authorized directors of the six subsidiaries, i.e. CBD, APG, DCM APM ACM and ACV are any two directors, who shall jointly sign with the seal affixed in order to bind such three subsidiaries, except for certification of documents and/or copies of documents, which shall require the signature of any one director with each subsidiary's seal affixed.

The authorized directors of the subsidiaries, AWD are Mr. Sathien Setthasit sign with the seal affixed or MR. Kritpong Nillawong or MR. Songpon Kittiveja sign with MR. Wutthitorn Milintachinda or MRS. Kanyaluck Milintachinda as two persons with the seal affixed

The authorized directors of the subsidiaries, CBMG are two persons with the seal affixed except for certification of documents and/or copies of documents, which shall require the signature of any one director with each subsidiary's seal affixed.

## Management of the subsidiaries

As of 31 December 2021, the management of the three subsidiaries, i.e. CBD, APG, DCM, ACM APM and ACV consists of eight executives as follows:

Name	Position	CBD	APG	DCM	ACM	APM	ACV
1. Mr. Sathien Setthasit	Chief Executive Director	✓	✓	✓	-	✓	✓
2. Miss Nutchamai Thanombooncharoen	Managing director	✓	✓	✓	✓	✓	✓
3. Mr. Yuenyong Opakul	Senior Deputy Managing Director	✓	-	-	-	-	-
4. Mrs. Wongdao Thanombooncharoen	Senior Deputy Managing Director	✓	-	-	-	-	-

Name	Position	CBD	APG	DCM	ACM	APM	ACV
5. Mr. Kamoldist Smuthkochorn	Deputy Managing Director, Production	✓	✓	-	✓	✓	✓
6. Mr. Romtham Setthasit	Deputy Managing Director	✓	✓	✓	✓	✓	✓
7. Mr. Pongsarn Klongwathanakith	Chief Financial Officer	✓	✓	✓	✓	✓	✓

## PERSONNEL OF THE GROUP

### Number of personnel and remuneration

For the fiscal year ended 31 December 2019, 2020 and 2021 the Group had a total number of employees (excluding management) of 2,896 persons 2,993 persons and 3,245 persons, respectively.

Company	Number of Employer year 2019	Number of Employer year 2020	Number of Employer year 2021
CBG	9	5	5
CBD	1,410	1,439	1,518
DCM	1,057	1,073	1,182
APG	260	275	283
ACM	160	158	155
APM	-	43	102
<b>Total</b>	<b>2,896</b>	<b>2,993</b>	<b>3,245</b>

### Summary of employees' remuneration.

Type of Remuneration	For the fiscal year ended 31 December 2019		For the fiscal year ended 31 December 2020		For the fiscal year ended 31 December 2021	
	No. of Employee	Value (Baht)	No. of Employee	Value (Baht)	No. of Employee	Value (Baht)
Salary and bonus	2,896	891,530,773	2,993	1,020,702,991	3,245	1,236,399,862
Provident fund and social security contributions	2,896	37,177,589	2,993	33,840,992	3,245	42,662,941
<b>Total</b>		<b>928,708,362</b>		<b>1,054,543,983</b>		<b>1,279,062,803</b>

### Dispute on laboring issues

During the past 3 years ended 31 December 2021, the Group was not a party to any legal dispute on laboring issues that may have materially affected their business operation.

### Human Resources Management Policy

In order to achieve efficiency and effectiveness of the operation of human resources management, which is considered as an important and valuable resource for the company's sustainable growth, and compliance with business direction and goals of the company, the company has established the human resources management policy to be used as a principle and guidance for managing human resources and promoting engagement of employees at all levels in building business success and constant growth of the organization. The policy is divided into the following areas of human resources management:

#### 1. Employment and Assignment of Employees

The company has a policy to manage its manpower to fit the organization structure by improving the procedure to recruit and select employees with attributes, abilities and faculties that suit each position in order to achieve the organization's visions, goals and missions. In the event that a vacancy is available, the company will give priority to its current employees to be assigned to the position. When the internal recruitment isn't successful, then the company will perform recruitment and hire persons outside the company instead.

## 2. Chain of Command and Job Allocation Structure

The company has set the organization structure with a concise chain of command and job allocation. Specific duties and scope of responsibility are clearly allocated to each department and position, in accordance with the type or sort of the company's business. The allocation will be constantly reviewed to be suitable and in line with the situation of the company.

## 3. Operating Results Management

The company has a policy to manage the operation results to be effective by determining an indicator (KPI) which consists of goals of the company, goals of the department and personal goals that are explicit and compatible. There will also be a connection between the operating results and reward consideration to motivate and reward the employees that achieve the expected goals.

## 4. Work Environment

The company aims to encourage the work environment that meets the diversity workforce and intends to make the employees work happily and safely and has a good quality of work life. In this regard, the company has set the workplace, utensils, and uniform to be suitable for each sort of work. The company also provides its employees with a variety of facilities, such as, parking lots, first aid rooms, restrooms, etc.

## 5. Employee Welfare

The company has a policy to manage the reward system and other welfare suitably and fairly, and to be competitive in the labour market of the same sort of business. Besides being compliant with laws, the company also adds more welfare for its employees, such as, life insurance, accident and health insurance, provident fund, marriage allowance, funeral allowance, and employee loan fund, etc.

## 6. Human Resources Development

The company gives precedence to the human resources development, considering each employee as a valuable asset that can be improved by time. In this way, the human resources development is a long-term action. It is not only a training session, but also a design and development of activities or any other action that provide the employees with learning to enhance their knowledge, skills and attitude, which can be used to improve their working. The learning does not emphasize only the specific knowledge on their current scope of responsibility, but also including the enrichment of ability that can serve the changing needs of other jobs and prepare for the changing demands of the market and clients. This is considered as an improvement of the human resources development to become a learning organization that can make the company achieve its goals and grow sustainably. The Company has set up personnel development structure in 5 groups as follows.

### (1) Orientation Program

Orientation Program is allocated for new employees to pass on information about management structure of the Company, business, products and services of the Company Group, nature of work and other necessary information including requirement, regulations, policies rules and bylaws of the Company of which employees must comply with strictly to achieve correct and safe operation. This program supports employees of the affiliated companies to know and to create good relationship among employees, to support readiness among new employees to adjust themselves to the organization in order to start working in the Company with positive attitude toward their chief and colleagues. As a result, all employees will develop positive attitude toward organization.

### (2) Core Competency Training Program

Core Competency Training Program is a program developed to improve core competency among employees to contribute to support, development and create business growth for the Company, including to be a code of practice which will lead to promoting corporate culture where the final goal is to cultivate the same characteristics and required behavior among all employees.

### (3) Business Competency Development Program

Business Competency Development Program is developed to educate employees on knowledge, understanding about concept, pattern and business operation tool to build skill and required abilities for development and operation in their work line under business competition environment, to achieve targets of each operation line and to move forward in same direction as a whole.

### (4) Managerial Competency Development Program

Managerial Competency Development Program is a program developed to pass on knowledge, enhance management skill of which executive staff should possess in order to manage their work, and to lead subordinates toward corporate goals efficiently, for example, planning, strategic thinking and leadership etc.

## (5) Functional Competency Development Program

Functional Competency Development Program is a program developed to pass on knowledge, skill and technical ability on specific fields which require expertise and time for learning and practicing. These abilities will affect the success of work assigned from supervisor, for example, communication skills, ability to control and maintain equipment and machinery or knowledge in various occupations. Personnel Development Groups are divided by nature of business, based on structure of development program which consists of 4 group namely Sales Team, Baodang Girls, Factory Employees and Supporting

Employees. Details are as follows.

### (1) Sales Team

The Group has a training system to provide its Sales Team with knowledge in the management of agents, extensive distribution of products, and sales management techniques.

### (2) Bao Dang Girls Team

The Bao Dang Girls Team is in charge of communications, sales promotion activities, and introduction of the Group's new products to target groups for testing. To ensure the achievement of these objectives, the Group provide to its team with the development of various skills, such as hosting, acting, attracting consumers, and communicating skills.

### (3) Factory Team

In developing the Factory Team, the Group emphasizes on production, product quality, cost reduction, increase in productivity, and work process, to be consistent with the main objectives of the factory, i.e. increase in productivity, cost reduction, and management of the quality systems, such as GMP system, HACCP system, and ISO 22000 system. Employees are also provided with training on techniques and development of other soft skills.

### (4) Supporting Team

Development of the Supporting Team is significant for business operations in order to achieve the organization's goals. The Group provides development to their Supporting Team as if they were business partners. Supporting Team is provided with development of knowledge and abilities from its actual work, in-house training, the advice of experienced persons in each field, and training by third-party organizations.

Moreover, the company has set an obligatory course for all employees, which is the safe driving awareness creating course. And also has established a project to promote safe driving under the project named "Bao Dang Safe Driving, Caring For All" in order to encourage the employees of the organization to be aware of the traffic rules and raise awareness on safe driving and caring for other companions on the road. This awareness creating does not apply only with the driving during working time, but also serves as a way to express our concern on the driving of our employees during their private time when coming to work or going back home, including on how they live their daily lives caring for others on the same road.

Apart from the abovementioned course set by the company, the human resources department will perform surveys and analyze the necessity of training sessions, and using training course suggestions that the C-level employees consider suitable for enhancing knowledge of their subordinates to build the annual training plan. This is to make the training courses serve the needs and maximize the benefit of employee development.

# POLICY, PRACTICE AND CORPORATE GOVERNANCE SYSTEM OF THE COMPANY



Carabao Group Public Company Limited, together with its subsidiary companies, has been adhering to and abiding by corporate governance principles to operate under the synergy of its board, executives, and employees in compliance with its own corporate governance policies, which have been in effect since 2014, for the purpose of building investor confidence and of maintaining the sustainability of its business value. In 2021, our board members considered changing its corporate governance policies in order to render them apt to our business circumstances and performance, with some improvements made as to the policies concerning corporate governance in correspondence with the corporate governance principles stated by the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC) and the instructions by the Thai Institute of Directors. Both the executives and employees were notified of this amendment requiring their compliance.

Our company's corporate governance policies are composed of 5 sections as follows:

1. The Rights of Shareholders
2. The Equitable Treatment of Shareholders
3. The Role of Shareholders
4. Disclosure and Transparency
5. Board Responsibilities

Corporate governance policies of the five categories of the Company cover the guidelines relating to the board of directors. Nomination and Remuneration for Directors and Executives. Independence of the board of directors from the management, Director Development and evaluation of the performance of the director's duties Including supervision of subsidiaries and associated companies

In addition, practices relating to shareholders and stakeholders. Covering shareholder care equitable treatment of shareholders, promoting the exercise of shareholders' rights, protection against the use of inside information, prevention of conflicts of Interest, responsibility to stakeholder's compensation for Rights, violation and anti-corruption

(Corporate Governance Policy and Code of conduct in attachment 5)

### **Assessment of the Company's Board of Directors**

The Company has the policy to the Board of Directors to do the self-assessment at least once a year to be utilized in developing and improving the performance of the Company's Board of Directors. According to the principles of Good Corporate Governance for the listed companies, the Board of Directors and the sub-committee of the listed companies are recommended to do the self-assessment at least once a year During the month of December The secretary of the board of directors shall send the evaluation form to all directors at least 30 days in advance for the Board of directors to jointly consider the work and improve. The assessment on the performance of various committees in the year 2017 can be divided as follows:

1. Assess the performance of the Board of Directors.
2. Assess the performance of the Audit Committee.
3. Assess the performance of the Nomination and Remuneration Committee
4. Assess the performance of the Risk Management Committee.

The Company uses the self-assessment form designed by the Stock Exchange of Thailand as the guidelines for listed companies. The assessment criteria cover the following topics:

Topic	Committee	Individual
1. Structure and qualifications of the board	✓	✓
2. Roles, duties and responsibilities of the board	✓	✓
3. Meeting of the board	✓	✓
4. The duties of directors	✓	
5. Relationship with management	✓	
6. Self-development of directors and executive	✓	

Type 1 "Self-assessment form of each committee" to assess the operation of the committee as a whole.

Type 2 "Self-assessment of sub-committee" to assess the operation of the sub-committee as a whole.

The scores can be given in several ways and it should be standardized for the whole committee to be able to compare the results of each assessment or compare the results of each year, for example:

- 0 = strongly disagree or no action is taken on that.
- 1 = disagree or some action is taken on that.
- 2 = agree or the action is taken on that sufficiently.
- 3 = quite agree or the action is taken on that well.
- 4 = strongly agree or the action is taken on that excellently.

Which the self-assessment of the Board of Directors and sub-committee get an average of more than 98 percent

In addition, in 2021, the Board of Directors Determine individual self-assessment between the 13 directors of the company. The evaluation form, the Stock Exchange of Thailand is designed which results of the evaluation of the work of the directors was in a good level with a score of more than 96 percent

## Orientation

The Company's Board of Directors defines the orientation for all new directors in order that the new directors can know the roles, duties, responsibilities of the Company's Board of Directors, policies, and codes of practices in the supervision of the Company's operation as well as creating the knowledge and understanding in the business, products, business plan, and operations of the Company including the visits on various operational units of the Company to be prepared for the operational performance of the Company's Board of Directors. In 2021, there are 3 new directors, the company secretary Orientation for new directors to understand the nature of business operation, Regarding the epidemic situation of corona virus 2019 (Covid-19) that affects to the part of orientation program for New Director cannot to visit all of the Group's production facilities.

## Development of Directors

The Company has the policies to promote and encourage all Company's Board of Directors to attend the beneficial seminar and study in various training programs held by Thai Institute of Directors Association or IOD and SEC including the independent organizations or various agencies to enhance the knowledge and benefit the performance to be more efficient.

In 2021 Directors had attended the training and seminar as follows;

Name	IOD's Course	Others
1. Mr. Sathien Setthasit	-	-
2. Miss Nutchamai Thanombooncharoen	-	-
3. Mr. Yuenyong Opakul	-	-
4. Mrs. Wongdao Thanombooncharoen	-	-
5. Mr. Kamodist Smuthkochorn	-	-
6. Mr. Romtham Setthasit	-	-
7. Mrs. Saowanee Kamolbutr	Ethical Leadership Program (ELP 24/2021)	-
8. Mr. Kanit Patsaman	-	-
9. Mr. Nha-kran Laohavilai	-	-
10. Mr. Predee Daochai	-	-
11. Miss Nutchanok Vongswat	-	-
12. Gen Siripong Wongkhunti	-	-
13. Mr. Sanchai Jullamon	-	-

## Criteria and Procedures on Whistle Blowing and Complaints Management

The Company arranged for the protocols and whistle blowing channels for all stakeholders to file complaints or report conducts that may lead to violation or failure to comply with the laws, rules, regulations or corporate governance policy, as well as incorrect disclosure of financial information, faulty internal control system directly to the Audit Committee or the Company Secretary. The contact channels are available on the Company's website under Investor Relations menu.

In case of witnessing illegal conducts or failure to comply with the Business Code of Conduct, complaints can be filed to the following channels:

### 1. Email

To Audit Committee and Company Secretary : whistleblowing@carabao.co.th

### 2. Post

Audit Committee / Company Secretary  
CARABAO GROUP PLC.  
393, 393 Silom Building 7<sup>th</sup> – 10<sup>th</sup> floor,  
Silom Road Silom, Bangrak, Bangkok 10500 Thailand

### 3. QR Code (for employee)

To Audit Committee and Company Secretary

In the year 2021, the company has followed up on the reports of whistleblowing or complaints through the aforementioned channels, there was no whistleblowing or complaints about corruption or violating morality and ethics

## Nomination and Appointment of Directors and Top-Level Executives

### (1) Board of directors

The composition, nomination, appointment, removal or retirement of directors of the Company are specified in the charter of the board of directors approved by Board of Directors Meeting. The charter specifies the qualifications of the Company's directors, which can be summarized as follows:

(a) The Company's directors need not hold shares in the Company. A director must possess knowledge, ability, experience beneficial to the operation of the Company's business, honesty, integrity, morality in operating the business, and sufficient time to dedicate his or her knowledge and ability and must be able to fully perform their duties for the Company. Furthermore, a director must possess all qualifications required and must not possess any prohibited characteristics under the law governing public limited companies and the law governing securities and exchange. A director must not possess any trait that reflects lack of suitability to be trusted with managing a business of which the public hold the shares, as specified by the SEC. A director must be listed in the database of directors and executives of securities issuing companies under Notification of the Capital Market Supervisory Board Re: Rules for Listing Names of Persons on Database of Directors and Executives of Securities Issuing Companies.

(b) The board of directors shall consist of no fewer than five directors and at least one half of the total number of directors shall be domiciled in Thailand.

(c) There shall be at least three independent directors and the number of independent directors shall constitute at least one-third of the Company's board of directors. Independent directors must be independent from the control of major shareholders and shall not have any financial or operational relation or interest. Independent directors shall also possess all qualifications under the rules prescribing qualifications of independent directors prescribed in Notification of the Capital Market Supervisory Board No. TorJor. 28/2551 Re: Application and Approval for New Shares ("Notification TorJor. 28/2551") as amended.

(d) The board of directors shall include no fewer than three audit directors. The audit directors must possess all qualifications required under Notification TorJor. 28/2551, and shall have the authority, duty and responsibility in accordance with the scope specified by the SET.

(e) The board of directors may elect one director to be the chairman of the board of directors. If the board of directors deems it appropriate, they may appoint one or more directors as vice chairman.

## (2) Independent directors

The nomination and remuneration committee will consider the qualifications of the persons appointed as independent directors by considering the qualifications and prohibited characteristics prescribed in the PLCA, the SEC Act, notifications of the Capital Market Supervisory Board, and other relevant notifications, regulations and/or rules. Furthermore, the board of directors will consider selecting persons with qualifications, experience and suitability to be the Company's independent directors and propose them to the shareholders meeting for consideration and appointment as Company's directors. It is the Company's policy to ensure that the number of independent directors shall constitute at least one-third of the Company's board of directors and not fewer than three members. The board of directors has specified the qualifications of an independent director, as follows:

(a) an independent director must not hold shares exceeding one percent of the total shares with voting rights of the Company, the parent company, the subsidiaries, the associate companies, major shareholders, or controlling persons of the Company. Such percentage shall include shares held by related persons of such independent director;

(b) an independent director shall not be or have been an executive director, employee, staff and consultant who receives a regular salary or a controlling person of the Company, the parent company, the subsidiaries, the associate companies, the same-level subsidiaries, major shareholders, or controlling persons of the Company, unless the director has not held such position for at least two years before the date of submission of the application to the Office of the SEC;

(c) an independent director shall not be related by blood or legal registration as father, mother, spouse, sibling, or child, including spouse of a child of another director, executive, major shareholder, controlling person to be nominated as an executive director or controlling person of the Company or the subsidiaries;

(d) an independent director shall not have or have had a business relationship with the Company, the parent company, the subsidiaries, the associate companies, major shareholders or controlling persons of the Company in the manner that may prevent free judgment, and shall not be or have been a significant shareholder or controlling person of a person related to the business of the Company, the parent company, the subsidiaries, the associate companies, major shareholders, or controlling persons of the Company, unless such relationship ended at least two years before the date of submission of the application to the Office of the SEC;

(e) an independent director shall not be or have been an auditor of the Company, the parent company, the subsidiaries, the associate companies, major shareholders, or controlling persons of the Company, and shall not be a significant shareholder, controlling person of or a partner in the auditing office in which the auditor of the Company, the parent company, the subsidiaries, the associate companies, major shareholders, or controlling persons of the Company works, unless the director has not held such position for at least two years before the date of submission of the application to the Office of the SEC;

(f) an independent director shall not be or have been a provider of any professional service, including legal advisory or financial advisory service receiving more than Baht two million of service charges per year from the Company, the parent company, the subsidiaries, the associate companies, major shareholders, or controlling persons of the Company, and shall not be a significant shareholder, controlling person or a partner of the service provider, unless the director has not held such position for at least two years before the date of submission of the application to the Office of the SEC.

(g) an independent director shall not be a director appointed as the agent of the directors of the Company, major shareholders, or shareholders related to a major shareholder.

(h) an independent director shall not operate a business of the same nature with and in competition with the business of the Company or the subsidiaries and shall not be a significant partner in a partnership, or be an executive director, employee, staff and consultant who receives a regular salary, or hold shares exceeding one percent of the total shares with voting rights, of another company operating a business of the same nature with and in competition with the business of the Company or the subsidiaries.

(i) an independent director shall not possess any other characteristics that prevent them from freely giving an opinion regarding the Company's operation.

## (3) Audit committee

The components and nomination, appointment, removal, or retirement of audit directors are specified in the charter of the audit committee approved by Board of Directors Meeting.

(a) The board of directors selects and appoints the Company's audit committee, which shall consist of at least three members. An audit director shall be an independent director of the Company who possesses the qualifications required under the law governing securities and exchange and the notifications, regulations and/or rules of the SET.

(b) At least one member of the audit committee shall possess knowledge and experience in verifying the accuracy of the financial statements, and such qualifications shall be set out in the certificate and biography of audit committee members to be submitted to the SET and in the filing forms, Form 56-1 and Form 56-2.

(c) Upon expiration of the term of an audit committee member or if an audit committee member vacates the office before the term expires, causing the number of members to be lower than three, the board of directors will appoint replacement members within three months from the date on which the number of members becomes lower than three for continuity in the performance of the audit committee.

(d) The Company's head of audit shall be the secretary of the audit committee.

(e) The term of each member of the audit committee is three years.

#### **(4) Executive committee**

The components and nomination, appointment, removal, or retirement of executive directors are specified in the charter of the executive committee approved by Board of Directors Meeting, which can be summarized as follows:

(a) The executive committee consists of at least three members.

(b) The board of directors will appoint one member as the chairman of the executive committee. If the board of directors deems it appropriate, they may appoint one or more members as vice chairman of the executive committee.

#### **(5) Risk management committee**

Board of Directors Meeting, passed a resolution appointing a risk management committee, consisting of directors and/or executives who possess appropriate qualifications, in order to determine policies related to risk management covering the whole organization, ensure that the company implements risk management systems or processes to control risks and minimize impact on the Company's business. The main duties of the risk management committee include identification of risks related to the operation of the business of the Company, determination of preventive measures, and monitoring compliance with such measures. The purpose of the charter is to ensure that the risk management committee members understand their roles, duties, and responsibilities and use the charter as a guideline for their performance.

The risk management committee is appointed by the board of directors. The term of office is three years from the date of appointment. A retiring member of risk management committee is eligible for reappointment.

#### **(6) Nomination and remuneration committee**

Board of Directors Meeting, passed a resolution appointing a nomination and remuneration committee consisting of directors and executives who possess appropriate qualifications, in order to determine policies related to nomination of persons to be directors and top-level executives, and screening of persons with appropriate qualifications and proposing the same to the board of directors or shareholders meeting for appointment. The nomination and remuneration committee also plays an important role in considering criteria in determining appropriate remuneration of directors and top-level executives that reflect the performance of directors and top-level executives, based on the goals specified.

The nomination and remuneration committee consists of no fewer than three directors and executives. The board of directors will appoint one member as the chairman of the nomination and remuneration committee. The term of the nomination and remuneration committee, appointed by the board of directors, is three years from the date of appointment. A retiring member of nomination and remuneration committee is eligible for reappointment.

### **Governance of Operation of Subsidiaries and Associate Companies**

The Company is a holding company with no significant business of its own. Therefore, in order for the Company to govern and be responsible for the operation of the subsidiaries as though they are a part of the Company and in order to maintain the interest of the Company's investment, Board of Directors Meeting No. 3/2014, held on 22 April 2014, passed a resolution approving the policy on control of and mechanism for governing the business in which the Company invests in order to determine the mechanism for governing subsidiaries and the measures for monitoring the operation of the subsidiaries to ensure compliance with the rules prescribed in Notification TorJor. 28/2551. Furthermore, the Extraordinary General Meeting of Shareholders No. 3/2014, held on 1 October 2014, passed a resolution approving the amendment of the Articles of Association of The Company and the subsidiaries to be in compliance with the rules prescribed in Notification TorJor. 28/2551.

The details of governing the operation of the subsidiaries and associate companies in accordance with the policy on control of and mechanism for governing the business in which the Company invests are as follows.

## **1 Exercise of voting rights by the Company's representative in the shareholders meetings of the subsidiaries and associate companies**

The Company has determined the guidelines on exercise of voting rights by the Company's representative in the shareholders meetings of the subsidiaries with respect to certification of minutes of ordinary and/or extraordinary general meetings of shareholders, certification of annual financial statements, election of directors and determination of remuneration, appointment of auditors and determination of remuneration, allocation of profit, approval of other matters, and consideration of other matters not specified in advance in the agenda in order to comply with the guidelines on good corporate governance and to maintain the best interests of the Company, the subsidiaries and other shareholders as a whole.

## **2 Structure of management of subsidiaries**

The Company has determined the structure of management of subsidiaries in order to control the management and be responsible for the operation of the subsidiaries as though they are a part of the Company. The Company also implements measures for monitoring management of the subsidiaries in order to maintain the interest of the Company's investment, as follows.

### **(1) Nomination of directors of subsidiaries**

The Company will nominate persons approved by the board of directors meeting as directors of the subsidiaries in a number reflecting the shareholding proportion of the Company in the respective subsidiary. The nominated director shall have the required qualifications, role, duty, and responsibility, and shall not possess untrustworthy characteristics as prescribed in the notifications of the SEC concerning determination of untrustworthy characteristics of directors and executives of a company.

### **(2) Determination of scope of duty and responsibility of directors and executives of subsidiaries**

The directors appointed by the resolution of the board of directors meeting as a director of subsidiaries shall observe the scope of duty and responsibility specified in the Articles of Association of the subsidiaries specified by a resolution passed by the Extraordinary General Meeting of Shareholders of the Company No. 3/2014, held on 1 October 2014. The objective of the Articles of Association is to ensure that the boards of directors of the Company and the subsidiaries understand their roles, duties, and responsibilities toward the shareholders of the Company and the subsidiaries, and that they will perform their duties efficiently and effectively with transparency. More importantly, the board of directors of the subsidiaries must perform their duties in accordance with the policy on control of and mechanism for governing the business in which the Company invests, and the policy of corporate governance specified by the Company.

The Company shall ensure that the subsidiaries have internal control system, risk management system, fraud prevention system which are appropriate, efficient and adequate, ensuring that the operations of the subsidiaries are in compliance with the Company's policy, the Articles of Association of the subsidiaries, Chapter 5: "the management for the compliance with the controlling policy and corporate governance mechanism of the company in which the Company invests", as well as, law and notifications regarding good corporate governance of listed companies, including relevant notifications, regulations and rules of the Capital Market Supervisory Board, the Office of the SEC and the SET. The Company shall also procure a clear arrangement to demonstrate that the subsidiaries have a sufficient system for disclosing significant transactions in accordance with prescribed rules with continuity and accountability, allowing directors and executives of the Company to have access to the information of the subsidiaries for the purpose of effectively monitoring operating results and financial conditions, related party transactions between the subsidiaries and directors and executives of subsidiaries and significant transactions of the subsidiaries. In addition, the Company shall have mechanism for auditing the said system of the subsidiaries by ensuring that the internal audit team and independent directors of the Company have direct access to such information and also the result of the system audit is reported to directors and executives of the Company, ensuring that the subsidiaries constantly comply with the system.

### **(3) Disclosure of data of directors and executives of the subsidiaries**

(a) A director and executive of a subsidiary must disclose and submit data on their interest and involvement in any transaction that can be expected to create a conflict of interest with the Company and a subsidiary to the board of directors of the subsidiary or the person assigned by the board of directors of the subsidiary within the period specified by the subsidiary. The board of directors of the subsidiary has the duty to notify the board of directors of the Company of the matter within the period specified by the Company so that such data can be used to support any consideration or approval. The board of directors will consider the matter, taking into account the best interest of the subsidiary and the Company. The directors and executives of the subsidiary shall not be involved in the approval of any matter in which they have an interest or conflict of interest.

(b) A director and executive of a subsidiary, including persons related to the director and executive, have the duty to notify the board of directors of the subsidiary of their relationship and transaction with the subsidiary in a manner that may cause a conflict of interest, and shall avoid making any transaction that may create a conflict of interest with such subsidiary. The board of directors of the subsidiary has the duty to notify the Company of such matter.

The following actions, which cause a director, executive, or person related to the director or executive to gain other financial interests apart from those normally receivable by them, or cause damage to the subsidiary shall be assumed as actions that materially conflict with the interest of the subsidiary:

- a transaction made between the subsidiary and a director, executive, or related person not in accordance with the rules concerning related party transactions;
- use of data of the Company and the subsidiary which such person has obtained, unless such data has been disclosed to the public; or
- use of property or a business opportunity of the Company and the subsidiaries in a manner that violates the rules or general practices prescribed by the Capital Market Supervisory Board.

#### **(4) Disclosure of information of subsidiaries**

a) It is the duty of a subsidiary to disclose accurate and complete information on its financial status and operating results, transactions made between the subsidiary and a connected person, acquisition or disposal of assets, or other important transactions of the subsidiary, and to apply the rules concerning disclosure and transactions of a nature similar to the rules of the Company.

(b) A subsidiary must report its business operation plan, business expansion, investment in large projects, and joint investment with other business operators to the Company through a monthly performance report. The Company is entitled to invite the subsidiary to provide an explanation or submit supporting documents for consideration, and the subsidiary shall strictly comply with such request immediately. If the Company finds any significant issue, the company may request that the subsidiary provide an explanation and/or submit documents for consideration by the Company.

#### **(5) Use of inside information of subsidiaries**

No director, executive, staff, employee, or designated persons of the subsidiaries, including spouse or minor child of the aforementioned persons shall use the inside information of the Company and the subsidiaries, whether obtained in accordance with their duty or otherwise, in a manner that significantly affects or may affect the Company and/or the subsidiaries for their own or others' interest whether directly or indirectly, or whether any benefit is gained from such use.

#### **(6) Transactions made by the directors, executives, or persons related to subsidiaries**

The director, executive, or related person of a subsidiary may enter a transaction only when such transaction has been approved by the Company's board of directors or shareholders meeting, depending on the size of the transaction, calculated based on the rules prescribed in the related party transaction notification, unless such transaction is a commercial agreement of a nature which a reasonable person would enter with a general party under similar circumstances without any influence as a director, executive, or related person, as the case may be. The commercial terms of such transactions must be approved by the board of directors or in accordance with the criteria previously approved by the board of directors.

### **3 Financial control of subsidiaries**

1. A subsidiary has the duty to submit monthly operating results and reviewed quarterly financial statements, as well as data supporting the preparation of such financial statements of the subsidiary and associate company to the Company, and agrees that the Company may use such data for preparation of financial statements or annual or quarterly reports of the Company's operating results, as the case may be.
2. A subsidiary has the duty to prepare estimates of operating results and a summary of comparison of operating results with the actual operation plan on a quarterly basis, monitor the operating results to ensure compliance with the plan, and notify the Company of the same.
3. A subsidiary has the duty to report significant financial issues to the Company upon discovery or request by the Company to investigate and report such issues.

# INTERNAL CONTROL & RELATED PARTY TRANSACTIONS



Carabao Group Public Company Limited has placed importance on internal control system on a continuous basis to ensure that the internal controls of the Company are adequate and appropriate for the business. The managements of each department have responsibility to ensure that all staff perform their duties and follow the internal control strictly. The internal audit division has the duty to audit and review the performance of various departments in the Company and report directly to the Audit Committee. This is to ensure that the operations of the Company are effective and efficient; that the Company's resources are used efficiently for maximum benefits; that the Company's assets are well protected and maintained; and that any risk of mistake is minimized, and damages are prevented. The audits are also carried out to ensure the supervision of the Company's operations; to ensure that financial statements are accurate, reliable, and prepared in a timely manner, as well as to ensure the compliance with policies, rules, regulations, and laws to prevent any damage to the Company. In addition, the Board of Directors performs the internal control assessment of the Company every year based on the guidelines from the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) referring to COSO framework (The Committee of Sponsoring Organizations of the Tread Way Commission) which is comprised of five components and 17 principles, to ensure the compliance with the Company's internal control system.

## 1. Control Environment

The Company's organizational structure is clearly and properly designed to support the good internal control environment. Also, the Company's business goals, and Key Performance Indicators (KPIs) are clearly defined as a tool to assess the performance efficiency and the alignment of the Company's goals. The authority delegation manuals and the operation manuals for all functions are clearly defined and written. The Company's goals are communicated to all divisions and functions. Efforts also have been made to encourage the environment for good operations to promote good attitudes, honesty, and ethics among staff at all levels in the Company. In addition, the Company has continued to reinforce the good corporate governance principles to all executives and employees to ensure the transparency and the fairness to all stakeholders.

## 2. Risk Assessment

The Company has placed importance on the risk management which may affect its business and prevent the Company from achieving its goals. The Board of Directors had the resolution to set up the Risk Management Committee comprising of independence directors, executive directors, and the managements from various functions responsible for regularly assessing the risks and monitoring the risk management measures through the quarterly Risk Management Committee meeting. The Risk assessment results have been reported to the Board of Directors for consideration. The risk management detail is described in the "Risk Management" topic.

## 3. Control Activities

The Company has adequate and proper control measures. The policies and operating guidelines have been established in a way that clearly prescribes the scope of duties, the authority and approval and the segregation of duties. Control measures also include the manuals that provide guidelines for the performance at every stage, as well as the review of financial reports and the reports on the Company's non-financial operating results to ensure the compliance with defined rules and regulations. All the accounting transactions are recorded accurately and completely. The accounting information and documents are retained systematically and legally. The check and balance mechanism is implemented to ensure the accuracy such as the financial transactions, sales, procurement, the safeguarding of assets etc. The information systems are also implemented to speed up performance and improve its efficiency. The Company has implemented the Human Resource Management system which includes the efficient performance evaluation and the continuous competency development.

In the case of transactions with possible conflicts of interest or related transactions, the Audit Committee will review the reasonableness of the transactions and further report to the Board of Directors for approval.

In addition, the Company has implemented the monitoring system over the Subsidiaries performance. The business goals and Standard Operating Procedures (SOPs) have been established and provided to Subsidiaries as guidelines for the performance. The Company has also appointed the directors and management to oversee the Subsidiaries' operations and reported to Executive Committee on a monthly basis. The Subsidiaries' operation results are also reported to Audit Committee and Board of Directors on a quarterly basis.

## 4. Information and Communication

The Company recognizes the importance of the information systems and communication; therefore, the information systems are continuously improved to ensure that the information is accurate and up to date. The Data Security Control Measures have been implemented to ensure the proper access granting and data storage. The systems have stored information and kept documents in an efficient manner to ensure the accuracy, adequacy, appropriateness, reliability, and availability of the data usage of the management and stakeholders.

In addition, the Company's Investor Relations Unit is in place to coordinate with investors ensuring that they can obtain information on the Company's operations and investments promptly and conveniently through highly accessible channels such as Company's website, E-mail, and Call Center etc. More importantly, the whistle - blowing channel is available for both employees and external parties to report on complaints or fraud cases such as Company's website, E-mail, QR Code etc.

## 5. Monitoring and Evaluation

The Company has monitored and evaluated its internal control system on a continuous basis. Assigned by the Board of Directors, the Audit Committee is responsible for reviewing and monitoring the Company's internal control system through the internal audit division's audit execution based on the annual internal audit plans approved by the Audit Committee to ensure that the internal controls are adequate, and that the audit findings are properly and timely resolved. The audit results are presented to the Audit Committee and executives on a quarterly basis.

Moreover, the Audit Committee regularly reviews the Internal Audit Charter and recognizes the importance of internal audit's competency development. Therefore, the personal development trainings in relevant topics such as industry related, internal controls, best practices, are encouraged. Taking professional certificates is also promoted to improve their audit knowledge and expertise.

In addition, the Audit Committee has invited the Company's external auditor to its meeting to review and acknowledge the results of financial statement audits and internal control issues on a quarterly basis. In 2020, the Audit Committee was of the same opinion as the External Auditor that the Company has in place an adequate internal control system suited to its business and no material weaknesses were found in the internal control system.

## Related Party Transactions

### 1 Person Who May Have Conflict of Interest

#### 1 Mongol Co., Ltd.

<b>Nature of Business</b>	<ul style="list-style-type: none"> <li>Engaging in the businesses of manufacturing and selling audio tapes, CDs and VCDs, and composing music</li> </ul>
<b>Nature of Relationship with the Company</b>	<ul style="list-style-type: none"> <li>One joint director, Mr. Yuenyong Opakul</li> <li>Two joint shareholders, i.e. Mr. Yuenyong Opakul and Mrs. Linjong Opakul who hold 50% and 20% of shares, respectively, in Mongol Co., Ltd</li> </ul>

#### 2 Tawandang Brew House Co., Ltd.

<b>Nature of Business</b>	<ul style="list-style-type: none"> <li>Engaging in the business of (1) producing and selling beer; and (2) selling food and beverages</li> </ul>
<b>Nature of Relationship with the Company</b>	<ul style="list-style-type: none"> <li>One joint director, Miss Nutchamai Thanombooncharoen</li> <li>Two joint shareholders, i.e. Mr. Sathien Setthasit and Miss Nutchamai Thanombooncharoen who hold 30% and 15% of shares, respectively, in Tawandang Brewery Co., Ltd</li> </ul>

#### 3 Tawandang German Brewery Co., Ltd

<b>Nature of Business</b>	<ul style="list-style-type: none"> <li>Engaging in the business of (1) producing and selling beer; and (2) selling food and beverages</li> </ul>
<b>Nature of Relationship with the Company</b>	<ul style="list-style-type: none"> <li>One joint director, Miss Nutchamai Thanombooncharoe</li> <li>Two joint shareholders, i.e. Mr. Sathien Setthasit and Miss Nutchamai Thanombooncharoen who hold 40% and 40% of shares, respectively, in Tawandang German Brewery Co., Ltd</li> </ul>

#### 4 Tawandang German Brewery 1999 Co., Ltd.

<b>Nature of Business</b>	<ul style="list-style-type: none"> <li>Engaging in the business of (1) producing and selling beer; and (2) selling food and beverages</li> </ul>
<b>Nature of Relationship with the Company</b>	<ul style="list-style-type: none"> <li>One joint director, Miss Nutchamai Thanombooncharoen</li> <li>Two joint shareholders, i.e. Mr. Sathien Setthasit and Miss Nutchamai Thanombooncharoen who hold 40% and 20% of shares, respectively, in Tawandang German Brewery 1999 Co., Ltd</li> </ul>

#### 5. C.J. Express Group Co., Ltd.

<b>Nature of Business</b>	<ul style="list-style-type: none"> <li>Engaging in the business of wholesale stores and convenience stores</li> </ul>
<b>Nature of Relationship with the Company</b>	<ul style="list-style-type: none"> <li>Three joint directors, i.e. Mr. Sathien Setthasit, Miss Nutchamai Thanombooncharoen, and Mrs. Wongdao Thanombooncharoen</li> <li>Five joint shareholders, i.e. Mr. Sathien Setthasit, Miss Nutchamai Thanombooncharoen, Mrs. Wongdao Thanombooncharoen, Mr. Yuenyong Opakul, and Mrs. Linjong Opakul, who hold 44.26% (part of shares are held by Sathientham Holding Co., Ltd. and Northend Investment Limited), 15.34%, 10.43%, 8.26% and 1.40% of shares, respectively, in C.J. Express Group Co., Ltd.</li> </ul>

#### 6 Sahamit Product Co., Ltd.

<b>Nature of Business</b>	<ul style="list-style-type: none"> <li>Trading</li> </ul>
<b>Nature of Relationship with the Company</b>	<ul style="list-style-type: none"> <li>One joint director, Miss Nutchanok Vongswat (Miss Nutchamai Thanombooncharoen's Daughter) and</li> <li>One director of the company related to the company such as Miss Phoogkwan Smuthkochorn (Mr. Kamoldist Smuthkochorn's Daughter) who hold 50% and 50% of shares, respectively, in Sahamit Product Co., Ltd</li> </ul>

**7 Sahamit Sugar Co., Ltd**

<b>Nature of Business</b>	<ul style="list-style-type: none"> <li>Engaging in the business of wholesale alcoholic beverage business and import alcoholic beverages.</li> </ul>
<b>Nature of Relationship with the Company</b>	<ul style="list-style-type: none"> <li>One joint director, Miss Nutchamai Thanombooncharoen</li> <li>Five joint shareholders, i.e. Mr. Sathien Setthasit, Mr. Yuenyong Opakul, Miss Nutchanok Vongswat, Miss Nutchamai Thanombooncharoen and Mrs. Linjong Opakul who hold 50% (part of shares are held by Sathientham Holding Co., Ltd.), 5%, 3.5%, 2.5% and 2% of shares, respectively, in Sahamit Sugar Co., Ltd</li> </ul>

**8 Tawandang 1999 Company Limited**

<b>Nature of Business</b>	<ul style="list-style-type: none"> <li>Engaging in the business of producing and selling alcoholic beverages</li> </ul>
<b>Nature of Relationship with the Company</b>	<ul style="list-style-type: none"> <li>Two joint directors, Mr. Sathien Setthasit and Mr. Romtham Setthasit</li> <li>Five joint shareholders, i.e. Mr. Sathien Setthasit, Mr. Yuenyong Opakul, Miss Nutchanok Vongswat Miss Nutchamai Thanombooncharoen and Mrs. Linjong Opakul who hold 50% (part of shares are held by Sathientham Holding Co., Ltd.), 5%, 3.5%, 2.5% and 2% of shares, respectively, in Tawandang 1999 Co., Ltd.</li> </ul>

**9 Tawandang F&B Company Limited**

<b>Nature of Business</b>	<ul style="list-style-type: none"> <li>Engaging in the business of (1) producing and selling beer; and (2) selling food and beverages</li> </ul>
<b>Nature of Relationship with the Company</b>	<ul style="list-style-type: none"> <li>One joint director, Miss Nutchamai Thanombooncharoen</li> <li>Two joint shareholders, i.e. Mr. Sathien Setthasit and Miss Nutchamai Thanombooncharoen who hold 45% and 10% of shares, respectively, in Tawandang F&amp;B Company Limited.</li> </ul>

**10. Baan Tawandang Company Limited**

<b>Nature of Business</b>	<ul style="list-style-type: none"> <li>Restaurant and the stage show restaurant</li> </ul>
<b>Nature of Relationship with the Company</b>	<ul style="list-style-type: none"> <li>One joint director, Mr. Romtham Setthasit</li> <li>One joint shareholder, Mr. Sathien Setthasit who hold 90% of shares in Baan Tawandang Limited.</li> </ul>

**11 Tawandang Logistics Company Limited**

<b>Nature of Business</b>	<ul style="list-style-type: none"> <li>Transportation</li> </ul>
<b>Nature of Relationship with the Company</b>	<ul style="list-style-type: none"> <li>One joint director, Mr. Sathien Setthasit</li> <li>One joint shareholder, Mr. Sathien Setthasit who hold 0% (a share) of shares in Tawandang Logistics limited.</li> </ul>

**12 Hunan Double Energy Beverage Co., Ltd.**

<b>Nature of Business</b>	<ul style="list-style-type: none"> <li>Engaging in the business of retail and wholesale</li> </ul>
<b>Nature of Relationship with the Company</b>	<ul style="list-style-type: none"> <li>One joint director, Mr. Sathien Setthasit</li> <li>Champion China Holding Limited hold 49% of shares in Hunan Double Energy Beverage Co., Ltd which hold 100% of shares by Raththam Holding Limited. Five joint shareholders, i.e. Mr. Sathien Setthasit, Miss Nutchamai Thanombooncharoen, Mr. Yuenyong Opakul, Mrs. Wongdao Thanombooncharoen and Mr. Romtham Setthasit who hold 51%, 25%, 15%, 5% and 4% of shares, respectively, in Hunan Double Energy Beverage Co., Ltd.</li> </ul>

**13. TD Tawandang Company Limited**

<b>Nature of Business</b>	<ul style="list-style-type: none"> <li>Engaging in the business of retail and wholesale</li> </ul>
<b>Nature of Relationship with the Company</b>	<ul style="list-style-type: none"> <li>Two joint directors, Mr. Sathien Setthasit and Mr. Romtham Setthasit</li> <li>Five joint shareholders, i.e. Mr. Sathien Setthasit, Mr. Yuenyong Opakul, Miss Nutchanok Vongswat, Mrs. Linjong Opakul and Miss Nutchamai Thanombooncharoen who hold 69% (part of shares are held by Sathientham Holding Co., Ltd.), 2.5%, 2%, 1.5% and 1% of shares, respectively, in TD Tawandang Company Limited</li> </ul>

## 2. Related Party Transactions

Below is a summary of the related party transactions between the Group and persons who may have conflicts of interest during the fiscal year ended 31 December 2020 and 2021

### 1 Mongol Co., Ltd

Nature of Transaction	Transaction Value (Baht)	
	For the year ended 31 December 2020	For the year ended 31 December 2021
Advertising expense CBD entered into an agreement with Mongol Co., Ltd. to engage Mr. Yuenyong Opakul to be a presenter of Carabao Dang energy drink.	12,000,000	12,000,000

### Necessity and Reasonableness

- On 1 January 2014, CBD entered an agreement with Mongol Co., Ltd. to engage Mr. Yuenyong Opakul to be a presenter of Carabao Dang energy drink (the same conditions as the agreement which the Company previously made with Mongol Co., Ltd.).
- On 1 July 2014, CBD amended the conditions of the agreement and entered a long-term agreement with Mongol Co., Ltd. Below is a summary of its conditions.
- CBD engages Mongol Co., Ltd. to hire Mr. Yuenyong Opakul to be a presenter of Carabao Dang energy drink as well as other beverages and products of CBD. The term of the agreement is five years, from 1 January 2014 to 31 December 2018. The remuneration is Baht 10.0 million per annum, whereby the payment will be made on 31 December of every year.
- Such agreement will be automatically renewed for another five years, from 1 January 2019 to 31 December 2023, with remuneration of Baht 12.0 million per annum. CBD has the right adjust the remuneration as suitable and consistent with the market price, as well as to terminate the agreement if the image of Mr. Yuenyong Opakul fails to meet the intent of the agreement

### Audit Committee's Opinion

This transaction supported the Company's normal course of business operations and on an arm's-length basis.

### 2 Tawandang Brewery Co., Ltd.

Nature of Transaction	Transaction Value (Baht)	
	For the year ended 31 December 2020	For the year ended 31 December 2021
Income from sale of products DCM supplied products to Tawandang Brewery Co., Ltd. for sale in its restaurant.	216,734	32,573
Trade receivable	34,853	-
Other expenses CBD and DCM paid for food and beverages, gift cards and entertaining its business partners, to Tawandang Brewery Co., Ltd.	966,148	54,471
Other payable	366,181	38,400

### Necessity and Reasonableness

- DCM supplied products to Tawandang Brewery Co., Ltd. for sale in its restaurant in Thailand, based on the market price and commercial term.
- CBD and DCM entertained its business partners and purchased food and beverage gift cards from Tawandang Brewhouse as New Year presents for its business partners, with prices and commercial terms as normally offered to other special customers.

## Audit Committee's Opinion

These transactions were done on an arm's-length basis of normal business transaction of CBD and DCM

### 3 Tawandang German Brewery Co., Ltd.

Nature of Transaction	Transaction Value (Baht)	
	For the year ended 31 December 2020	For the year ended 31 December 2021
Income from sale of product DCM supplied products to Tawandang German Brewery Co., Ltd. for sale in its restaurant.	259,204	43,535
Trade receivable	52,279	34,853
Other expenses CBD and DCM paid the cost of its employees' New Year party and entertaining its business partners, to Tawandang German Brewery Co., Ltd.	3,743,345	97,147
Other payable	20,162	-

## Necessity and Reasonableness

- DCM supplied products to Tawandang German Brewery Co., Ltd. for sale in its restaurant in Thailand, based on the market price and commercial term.
- CBD and DCM organized its employees' and executives' New Year party, and entertained its business partners, at Tawandang German Brewhouse, with a discount of 20% on food and beverages with prices and commercial terms as normally offered to other special customer

### Audit Committee's Opinion

These transactions were done on an arm's-length basis. A 20% discount was normally offered to other special customers of Tawandang German Brewery Co., Ltd.

### 4 Tawandang German Brewery 1999 Co., Ltd.

Nature of Transaction	Transaction Value (Baht)	
	For the year ended 31 December 2020	For the year ended 31 December 2021
Income from sale of product DCM supplied products to Tawandang German Brewery 1999 Co., Ltd. for sale in its restaurant.	193,558	21,611
Trade receivable	34,853	17,426
Other expenses CBD paid for a meal to Tawandang German Brewery 1999 Co. Ltd. in entertaining its business partners	732,955	32,071
Other payable	75,764	-

## Necessity and Reasonableness

- DCM supplied products to Tawandang German Brewery 1999 Co., Ltd. for sale in its restaurant in Thailand, based on the market price and commercial term.
- CBD organized its business partners, at Tawandang German Brewhouse 1999, with a discount of 20% on food and beverages with prices and commercial terms as normally offered to other special customers

## Audit Committee's Opinion

This transaction was done on an arm's-length basis. A 20% discount was normally offered to a special customers of Tawandang German Brewery (1999) Co., Ltd.

### 5 C.J. Express Group Co., Ltd.

Nature of Transaction	Transaction Value (Baht)	
	For the year ended 31 December 2020	For the year ended 31 December 2021
Income from sale of products DCM supplied products to C.J. Express Group Co.,Ltd. for sale in its convenience stores	183,560,826	308,163,583
Trade receivable C.J. Express Group Co., Ltd. was DCM's trade receivable on account of DCM's income from sales of products.	40,739,015	75,727,391
Sales promotion expenses DCM paid sales promotion expenses to C.J. Express Group Co., Ltd.	20,316,236	63,909,717
Other payable C.J. Express Group Co., Ltd. was DCM's other payable on account of DCM's sales promotion expense.	3,464,327	13,235,625
Office rent and service income CBD leased office space on the 1st to 2nd and 4 <sup>th</sup> to 6th floor of the 393 Silom Building, 2 <sup>nd</sup> to 4 <sup>th</sup> floor of 4th floor Building and 1st to 2 <sup>nd</sup> floor of Thani Building including services and facilities fee for space rental to C.J. Express Group Co., Ltd.	16,831,130	40,325,491
Other receivable and prepaid expenses C.J. Express Group Co., Ltd. was CBD's other receivable on account of CBD's office rental and service, CBG's other receivable on account of reimbursement of service fee for human resource program, and prepaid expenses for DCM on media advertising.	307,063	1,846,750
Other payable C.J. Express Group Co., Ltd. was CBD's other payable on account of CBD's office rental deposit.	3,530,091	8,216,531
Other expenses CBG, CBD, DCM and APG paid office supplies expenses, seminar expenses, and entertaining its business partners to C.J. Express Group Co., Ltd.	184,918	544,061

## Necessity and Reasonableness

- DCM supplied product to C.J. Express Group Co., Ltd. for sale in its convenience stores in Thailand, based on the market price and commercial term.
- DCM paid sales promotion expenses to C.J. Express Group Co., Ltd. for organizing a sales promotion campaign, based on the market price and commercial term.
- C.J. Express Group Co., Ltd. leased office space on 1, 2, 4 to 5 floor of the 393 Silom Building and 2<sup>nd</sup> to 4<sup>th</sup> floor of the 4<sup>th</sup> Building including 1<sup>st</sup> to 2<sup>nd</sup> floor of the Thani Building with a total space of 4,321.84 square meters in the building owned by CBD to be used as its office including services and facilities fee for space rental at the rental rate with service fee included of Baht 350-1,884 per square meter whereby such rental rate and conditions are based on the same rates and conditions as offered on the market. Rental and service fee of the other buildings in the nearby area are between Baht 350-2,343 per square meter.
- CBG, CBD, DCM, and APG paid to C.J. Express Group Co., Ltd for office supplies expenses, seminar expenses, and entertaining its business partners, based on the actual price

## Audit Committee's Opinion

These transactions were done on an arm's-length basis of normal business transaction of DCM. The leased office space which owned by CBD was also done on an arm's-length basis with fair market price.

## 6 Sahamit Product Co., Ltd

Nature of Transaction	Transaction Value (Baht)	
	For the year ended 31 December 2020	For the year ended 31 December 2021
Purchase of products DCM is a distributor of Sahamit Product Co., Ltd.	224,318,812	175,655,661
Trade payable Sahamit Product Co., Ltd. is a trade payable of DCM regarding the purchasing of goods.	18,211,890	11,769,797
Other receivable Sahamit Product Co., Ltd. is an other receivable of DCM regarding the amount due from sales promotion expenses.	257,484	240,276
Office rent and service income CBD leased office space on the 2 <sup>nd</sup> floor of the Siri Building including services and facilities fee for space rental to Sahamit Product Co., Ltd.	654,994	618,622
Other receivable Sahamit Product Co., Ltd. was CBD's other receivable on account of CBD's office rental and service.	9,860	13,560
Other payable Sahamit Product Co., Ltd. was CBD's other payable on account of CBD's office rental deposit.	91,700	91,700

## Necessity and Reasonableness

- DCM as a distributor of Sahamit Product Co., Ltd., distributes their products through multiple channels, based on the market price and commercial term.
- Sahamit Product Co., Ltd. leased office space on 2<sup>nd</sup> floor of the Siri Building with a total space of 131 square meters in the building owned by CBD to be used as its office including services and facilities fee for space rental at the rental rate with service fee included of Baht 350 per square meter whereby such rental rate and conditions are based on the same rates and conditions as offered on the market. Rental and service fee of the other buildings in the nearby area are between Baht 350-500 per square meter.

## Audit Committee's Opinion

These transactions were done on an arm's-length basis of normal business transaction of DCM. The leased office space which owned by CBD was also done on an arm's-length basis with fair market price.

## 7 Sahamit Sugar Co., Ltd.

Nature of Transaction	Transaction Value (Baht)	
	For the year ended 31 December 2020	For the year ended 31 December 2021
Purchase of products DCM is a distributor of Sahamit Sugar Co., Ltd.	2,151,489,191	3,121,207,510
Trade payable Sahamit Sugar Co., Ltd. is a trade payable of DCM regarding the purchasing of goods.	718,214	18,120,260
Other receivable and Advance payments for purchase of goods Sahamit Sugar Co., Ltd. is an other receivable of DCM regarding the amount due from sales promotion expenses including advance payments for purchase of goods.	29,006,638	44,164,016
Other expenses CBD paid for employees' New Year party to Sahamit Sugar Co., Ltd.	83,579	-

## Necessity and Reasonableness

- DCM as a distributor of Sahamit Sugar Co., Ltd., distributes their products through multiple channels, based on the market price and commercial term.
- DCM paid sales promotion expenses to Sahamit Sugar Co., Ltd. for organizing a sales promotion campaign, based on the market price and commercial term.

## Audit Committee's Opinion

These transactions were done on an arm's-length basis of normal business transaction of DCM

### 8 Tawandang 1999 Co., Ltd

Nature of Transaction	Transaction Value (Baht)	
	For the year ended 31 December 2020	For the year ended 31 December 2021
Income from sale of products APG and APM supplied bottles and packaging materials respectively to Tawandang 1999 Co., Ltd.	181,087,288	569,201,003
Trade receivable Tawandang 1999 Co., Ltd. was APG's and APM's trade receivable on account of their sales of products.	31,228,553	218,994,772
Office rent and service income CBD leased office space on the 5 <sup>th</sup> floor of the Siri Building including services and facilities fee for space rental to Tawandang 1999 Co., Ltd.	504,134	504,134
Other income CBD paid utility fees for space rental to Tawandang 1999 Co., Ltd	225,000	68,348
Other receivable Tawandang 1999 Co., Ltd. was CBD's other receivable on account of CBD's office rental and service.	9,075	13,560
Other payable Tawandang 1999 Co., Ltd. was CBD's other payable on account of CBD's office rental deposit.	92,400	92,400

## Necessity and Reasonableness

- Tawandang 1999 Co., Ltd. leased office space on 5<sup>th</sup> floor of the Siri Building with a total space of 132 square meters in the building owned by CBD to be used as its office including services and facilities fee for space rental at the rental rate with service fee included of Baht 350 per square meter whereby such rental rate and conditions are based on the same rates and conditions as offered on the market. Rental and service fee of the other buildings in the nearby area are between Baht 350-500 per square meter.
- APG supplied alcohol bottles to Tawandang 1999 Co., Ltd., based on the market price and commercial term.
- APM supplied packaging materials to Tawandang 1999 Co., Ltd., based on the market price and commercial term.

## Audit Committee's Opinion

These transactions were done on an arm's-length basis of normal business transaction of APG and APM. The leased office space which owned by CBD was also done on an arm's-length basis with fair market price.

## 9 Tawandang F&B Company Limited

Nature of Transaction	Transaction Value (Baht)	
	For the year ended 31 December 2020	For the year ended 31 December 2021
Income from sale of products DCM supplied products to Tawandang F&B Company Limited for sale in its restaurant.	45,140	12,897
Other expenses CBD and DCM paid for a meal to Tawandang F&B Company Limited in entertaining its business partners	5,332	7,096

### Necessity and Reasonableness

- DCM supplied products to Tawandang F&B Company Limited for sale in its restaurant in Thailand, based on the market price and commercial term.
- CBD and DCM organized its business partners, at Tawandang F&B Company Limited, with a discount of 20% on food and beverages with prices and commercial terms as normally offered to other special customers

### Audit Committee's Opinion

These transactions were done on an arm's-length basis. A 20% discount was normally offered to other special customers of Tawandang F&B Company Limited

## 10 Ban Tawandang Company Limited

Nature of Transaction	Transaction Value (Baht)	
	For the year ended 31 December 2020	For the year ended 31 December 2021
Income from sale of products DCM supplied products to Ban Tawandang Company Limited for sale in its restaurant.	114,944	16,286
Trade receivable	17,426	-

### Necessity and Reasonableness

- DCM supplied products to Ban Tawandang Company Limited for sale in its restaurant in Thailand, based on the market price and commercial term.

### Audit Committee's Opinion

This transaction supported the Company's normal course of business operations and on an arm's-length basis.

## 11 Tawandang Logistics Limited

Nature of Transaction	Transaction Value (Baht)	
	For the year ended 31 December 2020	For the year ended 31 December 2021
Rental and service expense CBD DCM ACM and APG paid for car rental and transportation expense relating to shipment of goods including maintenance services expense, to Tawandang Logistics Limited.	52,875,883	92,042,384
Other payable Tawandang Logistics Limited was CBD's, DCM's, and ACM's other payable on account of their office rental and service expense	5,999,531	10,191,870

## Necessity and Reasonableness

- During the year 2018, CBD and DCM entered into car rental agreements for transportation with Tawandang Logistics Limited. The agreements are effective for a period of 5 years. Such rental rate and conditions are based on the same rates and conditions as offered on the market.
- CBD DCM APG and ACM paid transportation service expenses to Tawandang Logistics Limited for goods shipment. Such service rate and conditions are based on the same rates and conditions as offered on the market

## Audit Committee's Opinion

The car leased was done on an arm's-length basis with fair market price.

## 12 Hunan Double Energy Beverage Co., Ltd.

Nature of Transaction	Transaction Value (Baht)	
	For the year ended 31 December 2020	For the year ended 31 December 2021
Income from sale of products CBD supplied products to Hunan Double Energy Beverage Co., Ltd for sale through multiple channels in China.	385,349,171	731,149,003
Trade receivable	211,306,802	316,968,355

## Necessity and Reasonableness

CBD supplied products to Hunan Double Energy Beverage Co., Ltd for sale through multiple channels in China, based on the market price and commercial term

## Audit Committee's Opinion

These transactions were done on an arm's-length basis of normal business transaction of CBD

## 13 TD Tawandang Company Limited

Nature of Transaction	Transaction Value (Baht)	
	For the year ended 31 December 2020	For the year ended 31 December 2021
Income from sale of products DCM supplied products to TD Tawandang Company Limited for sale in its convenience stores.	-	94,713,618
Trade receivable	-	32,821,372
Office rent and service income CBD leased office space on the 1st- 6th floor of the Kornthong Building including services and facilities fee for space rental to TD Tawandang Company Limited	4,953,950	11,781,835
Other receivable TD Tawandang Company Limited was CBD's other receivable on account of CBD's office rental and service, and CBG's other receivable on account of reimbursement of service fee for human resource program.	94,064	173,448
Sales promotion expenses DCM paid sales promotion expenses to TD Tawandang Company Limited	-	12,498,377
Other payable TD Tawandang Company Limited was DCM's other payable on account of DCM's sales promotion expense	-	1,885,268
Other payable TD Tawandang Company Limited was CBD's other payable on account of CBD's office rental deposit.	1,830,560	1,830,560

## Necessity and Reasonableness

- DCM supplied products to TD Tawandang Company Limited for sale in its convenience stores in Thailand, based on the market price and commercial term.
- DCM paid sales promotion expenses to TD Tawandang Company Limited for organizing a sales promotion campaign, based on the market price and commercial term.
- TD Tawandang Company Limited leased office space on 1st to 6th floor of the Siri Building with a total space of 2,377.35 square meters in the building owned by CBD to be used as its office including services and facilities fee for space rental at the rental rate with service fee included of Baht 385 per square meter whereby such rental rate and conditions are based on the same rates and conditions as offered on the market. Rental and service fee of the other buildings in the nearby area are between Baht 350-500 per square meter

## Audit Committee's Opinion

These transactions were done on an arm's-length basis of normal business transaction of DCM. The leased office space which owned by CBD was also done on an arm's-length basis with fair market price.

## 3. Guarantees and Mortgages

As at 31 December 2021, CBG has guaranteed for credit facilities, in form of bank overdrafts, promissory notes and letter of credit, of APM, ICUK and CTHK amounting to Baht 113 million, Pound sterling 4.5 million and Euro 3 million, respectively. (2020: Baht 1,100 million)

## 4. Necessity and Reasonableness of the Related Party Transactions

Audit Committee Meeting No. 1/2021, held on 19 February 2021 and No. 1/2022, held on 18 February 2022 considered the Company's related party transactions for the fiscal year ended 31 December 2020 and 2021 as well as information obtained from the Company's management, reviewed the information in the notes to financial statements audited by the Company's auditor, and was of the view that these related party transactions for the fiscal year ended 31 December 2020 and 2021 were for the Company's normal course of business operations and on an arm's-length basis

## 5. Related Party Transaction Approval Measures or Process

Board of Directors Meeting No. 4/2014, held on 29 May 2014, has considered and approved the related party transaction approval policy and process in order to ensure that related party transactions between the Group and persons or juristic persons who may have conflict of interest are transparent and in the interest of the Company. Below is a summary of such policy and process.

The Group's related or connected transactions must be in accordance with the rules under the Securities and Exchange Act, Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 re: Rules on Connected Transactions, and Notification of the Board of Governors of the Exchange re: Disclosure of Information and other Acts of a Listed Company Concerning Connected Transactions, including the relevant rules of the Office of the SEC and/or the SET. These transactions are also subject to compulsory disclosure in the notes to financial statements audited by the Company's auditor and the annual registration statement (form 56-1).

If the law provides that the Company must obtain approval from its board meeting or shareholders meeting before entering a related party transaction, the Company must cause its Audit Committee to audit and give an opinion on such transaction. The Audit Committee's opinion will be submitted to the Company's board meeting or shareholders meeting, as the case may be, to ensure that the proposed transaction is in the best interest of the Company.

If there are related party transactions between the Group and persons who may have interest or conflict of opinion on the necessity of these transactions and the reasonableness of their prices, based on various conditions according to the nature of normal business operation in

the industry and a comparison with third-party or market prices. If the Audit Committee has no expertise on any related party transaction that may take place, the Company may ask an independent specialist or the Company's auditor to provide an opinion on such related party transaction to support decision-making by the Board of Directors, the Audit Committee, or shareholders, as the case may be. Directors who have an interest in such transactions may not vote thereon. Related party transactions must also be disclosed in the notes to financial statements audited or reviewed by the Company's auditor.

In principle, management may approve these transactions if they are on an arm's-length basis and free of their influence in their capacity as directors, executives, or related persons, provided that the Company must prepare a summary report on these transactions and make a report to the next board meeting.

## 6. Policy on or Likelihood of Future Related Party Transactions

After the public offering of shares in the Company, connected transactions or transactions between the Group and persons who may have interest or conflict of interest, either for the time being or in the future, must be in accordance with the applicable rules of the SET or the SEC.

If the Company wishes to enter any connected or related party transactions between the Group and persons who may have interest or conflict of interest either for the time being or in the future, the Company must strictly adhere to the foregoing policy and process. The Audit Committee will provide guidelines for the consideration of these transactions, based on their necessity for the Company's operation, the prices of comparable transactions made with third parties (if any), and the significance of the transaction sizes.

If the Company enters a related party transaction, the Company will cause its Audit Committee to provide an opinion on the reasonableness of such transaction. If the Audit Committee has no expertise on the transaction, the Company will seek an opinion from a knowledgeable person or specialist, such as an independent auditor or valuer. The opinion of the Audit Committee or such knowledgeable person or specialist will be used to support decision-making by the Board of Directors or shareholders, as the case may be, so as to ensure that such transaction is not a manipulation or transfer of benefits by the Company or its shareholders, but is in the best interest of all shareholders.



## PART 3

### FINANCIAL STATEMENT





**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)

	<u>Note</u>	Consolidated financial statements		Separate financial statements		
		<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	
<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)

	<u>Note</u>	Consolidated financial statements		Separate financial statements		
		<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	
<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		1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000	
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		(62,327,554)	(121,319,360)	-	-	
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		(98,500,993)	201,271,464	-	-	
<b>Total shareholders' equity</b>		<b>10,110,784,446</b>	<b>10,157,285,762</b>	<b>6,553,319,704</b>	<b>6,989,757,785</b>	
<b>Total liabilities and shareholders' equity</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.

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Directors

**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>		<u>17,569,321,911</u>	<u>17,382,066,886</u>	<u>2,158,773,197</u>	<u>2,253,966,029</u>
<b>Expenses</b>					
Cost of sales		11,181,002,728	10,172,906,235	-	-
Selling and distribution expenses		1,862,595,900	1,914,884,214	-	-
Administrative expenses		<u>1,081,958,105</u>	<u>965,096,991</u>	<u>228,563,855</u>	<u>271,255,500</u>
<b>Total expenses</b>		<u>14,125,556,733</u>	<u>13,052,887,440</u>	<u>228,563,855</u>	<u>271,255,500</u>
<b>Operating profit</b>		3,443,765,178	4,329,179,446	1,930,209,342	1,982,710,529
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>		3,356,064,820	4,226,609,617	1,996,873,442	2,015,304,436
Income tax expenses	24	(513,267,750)	(667,448,564)	(31,591,202)	(9,933,580)
<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>Profit or loss attributable to</b>					
Equity holders of the Company		2,881,001,937	3,525,027,862	<u>1,965,282,240</u>	<u>2,005,370,856</u>
Non-controlling interests of the subsidiaries		(38,204,867)	34,133,191		
		<u>2,842,797,070</u>	<u>3,559,161,053</u>		
<b>Earnings per share</b>					
Basic earnings per share	26				
Profit attributable to equity holders of the Company		<u>2.88</u>	<u>3.53</u>	<u>1.97</u>	<u>2.01</u>
Weighted average number of ordinary shares (share)		<u>1,000,000,000</u>	<u>1,000,000,000</u>	<u>1,000,000,000</u>	<u>1,000,000,000</u>

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</i>					
<i>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</i>					
<i>to profit or loss in subsequent periods</i>					
Actuarial loss	20	<u>(2,784,298)</u>	<u>(13,513,946)</u>	<u>(2,150,401)</u>	<u>(8,958,020)</u>
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		<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>2,903,498,684</u>	<u>3,508,922,003</u>	<u>1,963,561,919</u>	<u>1,998,204,440</u>
<b>Total comprehensive income attributable to</b>					
Equity holders of the Company		<u>2,937,766,305</u>	<u>3,490,204,092</u>	<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>2,903,498,684</u>	<u>3,508,922,003</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	Share capital	Paid-up share premium	Surplus on business combination under common control	Surplus on changes in percentage of shareholding in subsidiary	Deficit on changes in percentage of shareholding in subsidiary	Retained earnings		Other components of equity	
						Appropriated - statutory reserve	Unappropriated reserve	Total equity attributable to owners of the Company	Total shareholders' equity
<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	8,565,810,206	152,553,553
Profit for the year	-	-	-	-	-	-	(97,306,747)	-	8,718,363,759
Other comprehensive income for the year	-	-	-	-	-	-	3,525,027,862	3,525,027,862	3,559,161,053
Total comprehensive income for the year	29	-	-	-	-	-	(24,012,613)	(24,012,613)	(15,415,280)
Dividend paid	-	-	-	-	-	-	(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	-	-	-	-	-	-	-	-
<b>Balance as at 31 December 2020</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
Profit for the year	-	-	-	-	-	-	(121,319,360)	-	201,271,464
Other comprehensive income for the year	-	-	-	-	-	-	2,881,001,937	2,881,001,937	2,842,797,070
Total comprehensive income for the year	-	-	-	-	-	-	(2,227,438)	(2,227,438)	60,701,614
Dividend paid	29	-	-	-	-	-	2,878,774,499	58,991,806	2,937,766,305
Effect of change in percentage of shareholding in subsidiary	10.4.4	-	-	-	-	-	(2,400,000,000)	(2,400,000,000)	-
<b>Balance as at 31 December 2021</b>	1,000,000,000	3,962,980,492	323,215,788	108,959,056	(653,181,536)	100,000,000	5,429,639,193	(62,327,554)	10,209,285,439
Effect of change in percentage of shareholding in subsidiary	10.4.4	-	-	-	-	-	(284,495,164)	(284,495,164)	(265,504,836)
<b>Balance as at 31 December 2021</b>	1,000,000,000	3,962,980,492	323,215,788	108,959,056	(653,181,536)	100,000,000	(62,327,554)	(98,500,933)	10,110,784,446

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)

Separate financial statements						
Note	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>	<b>1,000,000,000</b>	<b>3,962,980,492</b>	<b>108,959,056</b>	<b>100,000,000</b>	<b>1,919,613,797</b>	<b>7,091,553,345</b>
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	-	-	-	-	(2,100,000,000)	(2,100,000,000)
<b>Balance as at 31 December 2020</b>	<b>1,000,000,000</b>	<b>3,962,980,492</b>	<b>108,959,056</b>	<b>100,000,000</b>	<b>1,817,818,237</b>	<b>6,989,757,785</b>
<b>Balance as at 1 January 2021</b>	<b>1,000,000,000</b>	<b>3,962,980,492</b>	<b>108,959,056</b>	<b>100,000,000</b>	<b>1,817,818,237</b>	<b>6,989,757,785</b>
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	-	-	-	-	(2,400,000,000)	(2,400,000,000)
<b>Balance as at 31 December 2021</b>	<b>1,000,000,000</b>	<b>3,962,980,492</b>	<b>108,959,056</b>	<b>100,000,000</b>	<b>1,381,380,156</b>	<b>6,553,319,704</b>

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	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<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	<u>81,986,962</u>	<u>99,212,343</u>	<u>45,555,073</u>	<u>57,110,714</u>
<b>Profit from operating activities before changes in operating assets and liabilities</b>				
Operating assets (increase) decrease	4,255,638,522	5,007,672,960	96,418,498	16,800,052
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	<u>(7,367,159)</u>	<u>(12,977,409)</u>	-	<u>(6,599,048)</u>
<b>Cash from operating activities</b>				
Interest received	1,048,723	4,470,944	81,698	2,584,505
Income tax paid	<u>(749,387,583)</u>	<u>(602,720,628)</u>	<u>(18,474,317)</u>	<u>(7,812,168)</u>
<b>Net cash from operating activities</b>	<b>2,468,845,960</b>	<b>3,636,425,543</b>	<b>57,187,116</b>	<b>29,126,451</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)

	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 banks	(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)

	Consolidated financial statements		Separate financial statements	
	<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' 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 financial statements		Separate financial statements		Transfer pricing Policy	
	2021	2020	2021	2020		
<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 financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b><u>Trade and other receivables - related parties</u></b>				
(Note 8)				
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>				
(Note 29)				
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>				
(Note 16)				
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		<u>3,895,000</u>	<u>4,454,000</u>	<u>(2,950,000)</u>	<u>5,399,000</u>

As at 31 December 2021, short-term loans to related parties are in form 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		Separate	
	financial statements		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	<u>210.0</u>	<u>231.4</u>	<u>210.0</u>	<u>231.4</u>

**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 depurated 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 depurated 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 depurated 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 depurated 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	<u>1,133,996</u>	<u>946,318</u>	<u>62,139</u>	<u>21,243</u>
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>
<b><u>Trade receivables - related parties</u></b>				
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	<u>141,862</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total trade receivables - related parties	<u>644,564</u>	<u>283,009</u>	<u>-</u>	<u>-</u>
<b><u>Trade receivables - unrelated parties</u></b>				
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	<u>22,087</u>	<u>19,954</u>	<u>-</u>	<u>-</u>
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>
<b><u>Other receivables</u></b>				
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	2,133	469
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	
	2021	2020	2021	2020	2021	2020
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
Total	2,370,004	1,494,511	(32,825)	(5,110)	2,337,179	1,489,401

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	
	2021 (Thousand Baht)	2020 (Thousand Baht)	2021 (Percent)	2020 (Percent)	2021 (Thousands Baht)	2020 (Thousands Baht)	2021 (Thousands Baht)	2020 (Thousands Baht)	2021 (Thousands Baht)	2020 (Thousands Baht)	2021 (Thousands Baht)	2020 (Thousands Baht)
<u>Local subsidiaries</u>												
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	-	-	-
<u>Overseas subsidiaries</u>												
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	-	-
Total					6,748,154	6,010,872	(1,498,756)	(1,498,756)	5,249,398	4,512,116	1,839,995	1,969,994

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		(Unit: Million Baht) Profit (loss) allocated to non-controlling interests during the year	
	2021 (Percent)	2020 (Percent)	2021	2020	2021	2020
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

	As at 31 December						(Unit: Million Baht)	
	Carabao Venture		Asia Can Manufacturing		A Woody Drink			
	Holdings (Luxembourg)		Co., Ltd.		Co., Ltd.			
	2021	2020	2021	2020	2021	2020		
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

	For the years ended 31 December						(Unit: Million Baht)	
	Carabao Venture		Asia Can Manufacturing		A Woody Drink			
	Holdings (Luxembourg)		Co., Ltd.		Co., Ltd.			
	2021	2020	2021	2020	2021	2020		
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

	For the years ended 31 December						(Unit: Million Baht)	
	Carabao Venture		Asia Can Manufacturing		A Woody Drink			
	Holdings (Luxembourg)		Co., Ltd.		Co., Ltd.			
	2021	2020	2021	2020	2021	2020		
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)  
Separate  
financial  
statements

	Consolidated financial statements						
	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
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

(Unit: Thousand Baht)

Separate

financial

statements

Consolidated financial statements

	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
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
<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
<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>549,003</u>	<u>494,732</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					
	Trademark	Patents	Computer software	Knowhow for manufacturing	assets under development	Total
<b>31 December 2021:</b>						
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
<b>31 December 2020:</b>						
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

	Separate financial statements			
	Intangible			
	Computer software	assets under development	Total	
<b>31 December 2021:</b>				
Cost	5,200	6,940	12,140	
Less: Accumulated amortisation	(1,865)	-	(1,865)	
Net book value	3,335	6,940	10,275	
<b>31 December 2020:</b>				
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					(Unit: Thousand Baht)
						Separated financial statements
	Building and structures	Machinery and equipment	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

**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	346,508	221,786	54,813	56,625
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 financial statements		Separate 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 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 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 financial statements		Separate 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 financial statements		Separate 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>				
	<u>513,268</u>	<u>667,449</u>	<u>31,591</u>	<u>9,934</u>

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:

	Consolidated financial statements		(Unit: Thousand Baht) 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:

		Asia Pacific Glass Co., Ltd.			Asia Packaging Manufacturing Co., Ltd.		
Certificate No.	2326(4)/2556	59-1062-0-00-1-0	63-0557-1-00-1-0	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 corrugated 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)	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)	5 years (Has not yet started utilizing the privileges) (Tax exempted according to 50 percent of investment)	3 years (Has not yet started utilizing the privileges) (Tax exempted according to 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) Granted	3 years (Has not yet started utilizing the privileges) Granted
3 Exemption from import duty on machinery as approved by the board.	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>	<b>5,576</b>	<b>6,712</b>	<b>72</b>	<b>68</b>	<b>260</b>	<b>166</b>	<b>275</b>	<b>112</b>	<b>6,183</b>	<b>7,058</b>
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>									<b>3,356</b>	<b>4,226</b>
Income tax expenses									(513)	(667)
<b>Profit for the year</b>									<b>2,843</b>	<b>3,559</b>

### 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>	<b>17,364</b>	<b>17,231</b>

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**

Dividend	Approved by	Total dividends (Million Baht)	Dividend per share (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>			
<b><u>Carabao Tawandang Co., Ltd.</u></b>			
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
Total		1,320	
<b><u>Asia Pacific Glass Co., Ltd.</u></b>			
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
Total		520	
<b>Total dividend for 2021</b>			
		1,840	
<b><u>For the year 2020</u></b>			
<b><u>Carabao Tawandang Co., Ltd.</u></b>			
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
Total		1,710	
<b><u>Asia Pacific Glass Co., Ltd.</u></b>			
Interim dividend	Board of Directors' meeting of Asia Pacific Glass Co., Ltd. on 9 November 2020	260 <sup>(1)</sup>	20.0
Total		260	
<b>Total dividend for 2020</b>			
		1,970	

<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>
<b>Currencies:</b>		
Thai Baht	83.4	
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 financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Payable:</b>				
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	
<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 (Million)	Financial liabilities (Million)	Bought	Sold
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 (Million)	Financial liabilities (Million)	Bought	Sold
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
<b>Fixed interest rates</b>							
		Within 1 year	1-5 years	Over 5 years	Floating interest rate	Interest bearing	Effective interest rate (% per annum)
<b>Financial assets</b>							
Cash and cash equivalents	-	-	-	1,093	41	1,134	0.01 - 0.35
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,093</u>	<u>41</u>	<u>1,134</u>	
<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>	
<b>Fixed interest rates</b>							
		Within 1 year	1-5 years	Over 5 years	Floating interest rate	Interest bearing	Effective interest rate (% per annum)
<b>Financial assets</b>							
Cash and cash equivalents	-	-	-	851	96	947	0.01 - 0.25
	<u>-</u>	<u>-</u>	<u>-</u>	<u>851</u>	<u>96</u>	<u>947</u>	
<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			
	Within 1 year	1-5 years	Over 5 years	interest rate	Interest bearing	Total	Effective interest rate (% per annum)
<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>-</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>-</u>	<u>5,520</u>	

(Unit: Million Baht)

	Separate financial statements						
	As at 31 December 2020						
	Fixed interest rates			Floating			
	Within 1 year	1-5 years	Over 5 years	interest rate	Interest bearing	Total	Effective interest rate (% per annum)
<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>-</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>-</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
<b>Short-term loans from financial institutions</b>					
Institutions	2,806	6	-	-	2,812
Trade and other payables	-	1,769	-	-	1,769
Lease liabilities	-	115	352	18	485
<b>Long-term loans from financial institutions</b>					
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.



**CARABAO GROUP**

**ASIA PACIFIC GLASS**

**WORLD CLASS  
FACTORY**

**A.P.G.**



**PART 4**

**ATTACHMENT**



# Attachment 1 : Details of Directors, Management, Controlling Persons and Company Secretary

## Details of Directors

### 1. Mr. Sathien Setthasit

<b>Age</b>	67
<b>The date of appointment</b>	18 March 2014 Years in the position 7 years (2014 - Present)
<b>Shareholding in the Company (%)</b>	32.1
<b>Familial relationship</b>	Father of Mr. Romtham Setthasit

### Current Position

Chairman of the Board of Directors  
Chairman of the Executive Committee  
Chairman of the Nomination and Remuneration Committee  
Chief Executive Officer

### Educational Qualifications/Training

- B.A. (Political Science), Sukhothai Thammathirat Open University
- Director Accreditation Program (DAP) #19/2004, Thai Institute of Directors (IOD)

### Work Experience the past 5 years

2014 - Present	Chairman of the Board of Directors Chairman of the Executive Committee Chairman of the Nomination and Remuneration Committee Chief Executive Officer Carabao Group PCL.
2018 - Present	Director Tawandang Logistic Co.,Ltd. TD Tawandang Co.,Ltd. Express Med Co.,Ltd.
2014 - Present	Chairman of the Board of Directors Asia Pacific Glass Co., Ltd.
2012 - Present	Chairman of the Board of Directors Tawandang DCM Co., Ltd.
2013 - Present	Chairman of the Board of Directors Carabao Group PCL.
2002 - Present	Chairman of the Board of Directors Carabao Tawandang Co., Ltd.

## 2. Miss Nutchamai Thanombooncharoen

<b>Age</b>	59
<b>The date of appointment</b>	18 March 2014 Years in the position 7 years (2014 - Present)
<b>Shareholding in the Company (%)</b>	22.2
<b>Familial relationship</b>	Mother of Miss Nutchanok Vongswat

### Current Position

Vice Chairman of the Board of Directors  
Vice Chairman of the Executive Committee  
Member of the Nomination and Remuneration Committee  
Vice Chairman of the Risk Management Committee  
Managing Director

### Educational Qualifications/Training

- B.A. (Social Sciences), Silpakorn University
- M.A. (Commerce and Accountancy), Thammasat University
- Director Certification Program (DCP) #184/2014, Thai Institute of Directors (IOD)
- Financial Statements for Directors (FSD) #23/2014, Thai Institute of Directors (IOD)
- Risk Management Committee Program (RMP) #4/2014, Thai Institute of Directors (IOD)
- Transformative HR System, Panyapiwat Institute of Management (PIM)
- Top Management Program, Capital Market Academy (CMA) #16
- Top Executive Program in Commerce and Trade (TEPCoT)
- Diploma, National Defence College
- Certificate Program in Medical Governance for Top Executives

### Work Experience the past 5 years

2014 - Present	Vice Chairman of the Board of Directors / Vice Chairman of the Executive Committee / Vice Chairman of the Risk Management Committee / Member of the Nomination and Remuneration Committee and Managing Director Carabao Group PCL.
2017 - Present	Member of the Board of Directors / Member of the Executive Committee of Tawandang F&B Co.,Ltd.
2015 - Present	Member of the Board of Directors and Member of the Executive Committee of Tawandang Brewery 1999 Co.,Ltd.
2014 - Present	Vice Chairman of the Board of Directors Asia Pacific Glass Co., Ltd.
2013 - Present	Vice Chairman of the Board of Directors Carabao Group PCL.
2013 - Present	Managing Director Carabao Tawandang Co., Ltd.
2012 - Present	Managing Director Tawandang DCM Co., Ltd.
2002 - Present	Member of the Board of Directors Carabao Tawandang Co., Ltd.
2002 - 2013	Deputy Managing Director Carabao Tawandang Co., Ltd.
1999 - Present	Member of the Board of Directors and Member of the Executive Committee Tawandang Brewery Co., Ltd.
2005 - Present	Member of the Board of Directors and Member of the Executive Committee Tawandang German Brewery Co., Ltd.

### 3. Mr. Yuenyong Opakul

<b>Age</b>	67
<b>The date of appointment</b>	18 March 2014 Years in the position 7 years (2014 - Present)
<b>Shareholding in the Company (%)</b>	14.2
<b>Familial relationship</b>	- None -

#### Current Position

Member of the Board of Directors

Senior Assistant Managing Director

#### Educational Qualifications/Training

- Honorary Doctorate (Liberal Arts), Bangkok Thonburi University
- Honorary Doctorate (Thai Popular Music), Ramkhamhaeng University
- Director Accreditation Program (DAP) 112/2014, Thai Institute of Directors (IOD)

#### Work Experience the past 5 years

2014 - Present	Senior Deputy Managing Director Carabao Group PCL.
2014 - Present	Member of the Board of Directors Asia Pacific Glass Co., Ltd.
2014 - Present	Member of the Board of Directors Tawandang DCM Co., Ltd.
2013 - Present	Member of the Board of Directors Carabao Group PCL.
2002 - Present	Member of the Board of Directors / Senior Deputy Managing Director Carabao Tawandang Co., Ltd.

### 4. Mr. Kamoldist Smuthkochorn

<b>Age</b>	62
<b>The date of appointment</b>	August 2015 Years in the position 6 years (2015 - Present)
<b>Shareholding in the Company (%)</b>	- None -
<b>Familial relationship</b>	- None -

#### Current Position

Member of the Board of Directors

Member of the Executive Committee

Member of the Risk Management Committee

Deputy Managing Director - Production

#### Educational Qualifications/Training

Bachelor of Technology (Hons.), Computing Studies, University of Bradford

#### Work Experience

2015 - Present	Member of the Board of Directors Carabao Group PCL.
2015 - Present	Member of the Board of Directors Carabao Tawandang Co., Ltd.
2015 - Present	Member of the Board of Directors Asia Pacific Glass Co., Ltd.
2015 - Present	Member of the Board of Directors Tawandang DCM Co., Ltd.
2014 - Present	Member of the Executive Committee / Member of the Risk Management Committee and Deputy Managing Director - Marketing Carabao Group PCL.
2014 - Present	Deputy Managing Director-Marketing Tawandang DCM Co., Ltd.
2014 - Present	Deputy Managing Director- Marketing Tawandang DCM Co., Ltd.
2002 - 2013	Director of Marketing Carabao Tawandang Co., Ltd.

## 5. Mrs. Wongdao Thanombooncharoen

<b>Age</b>	59
<b>The date of appointment</b>	2 April 2021 Years in the position 8 months (8 months — Present)
<b>Shareholding in the Company (%)</b>	1.82
<b>Familial relationship</b>	Sister of Miss Nutchamai Thanombooncharoen

### Current Position

Member of the Board of Directors  
 Member of the Executive Committee  
 Senior Deputy Managing Director

### Educational Qualifications/Training

- Educational Qualifications/Training
- Bachelor of Arts, Journalism and Mass Communication, Thammasat University
- Financial Statements for Directors (FSD) #23/2014, Thai Institute of Directors (IOD)
- Risk Management Committee Program (RMP) #4/2014, Thai Institute of Directors (IOD)
- Director Accreditation Program (DAP) #112/2014, Thai Institute of Directors (IOD)
- Director Certification Program (DCP) #206/2015, Thai Institute of Directors (IOD)

### Work Experience the past 5 years

2021 - Present	Member of the Board of Directors
2020 - Present	Senior Deputy Managing Director, Carabao Group PCL.
2020 - Present	Member of the Board of Directors, Asia Packaging Manufacturing Co., Ltd. / Asia Carabao Venture Co., Ltd.
2014 - Present	Member of the Board of Directors and Senior Deputy Managing Director, Carabao Tawandang Co., Ltd.
2014 - Present	Member of the Board of Directors and Senior Deputy Managing Director, Tawandang DCM Co., Ltd.
2013 - Present	Member of the Board of Directors and Senior Deputy Managing Director, Asia Pacific Glass Co., Ltd.
2018 - 2020	Managing Director, CJ Express Group Co., Ltd.
2014 - 2018	Member of Executive Committee / Member of the Risk Management Committee and Senior Deputy Managing Director, Carabao Group PCL.

## 6. Mr. Romtham Setthasit

<b>Age</b>	37
<b>The date of appointment</b>	21 December 2016 Years in the position 5 years (2016 - Present)
<b>Shareholding in the Company (%)</b>	-None-
<b>Familial relationship</b>	Son of Mr. Sathien Setthasit

### Current Position

Member of the Board of Directors  
 Member of the Executive Committee  
 Member of the Risk Management Committee  
 Assistant Managing Director - International Business

### Educational Qualifications/Training

- Bachelor of Marketing, University of Wollongong, NSW, Australia
- Master of International Business, University of Queensland, QLD, Australia
- Director Accreditation Program (DAP) # 174/2020, Thai Institute of Directors (IOD)

## Work Experience

2018 - Present	Board of Directors / Member of Executive Committee Carabao Group PCL.
2017 - 2018	Member of the Board of Directors / Member of Executive Committee / Member of Risk Management Committee \ Carabao Group PCL.
2016	Director of CEO's Office, Carabao Group PCL.
2014 - 2015	Department Director, CJ Express Group Co., Ltd.
2012 - 2013	Department Director, Tawandang Singapore Co., Ltd.

## 7. Mrs. Saowanee Kamolbutr

<b>Age</b>	69
<b>The date of appointment</b>	18 March 2014 Years in the position 7 years (2014 — Present)
<b>Shareholding in the Company (%)</b>	- None -
<b>Familial relationship</b>	- None -

## Current Position

Member of the Board of Directors  
 Chairman of the Audit Committee  
 Vice Chairman of the Nomination and Remuneration Committee  
 Member of the Risk Management Committee

## Educational Qualifications/Training

- Educational Qualifications/Training
- Bachelor of Arts in Political Science (Public Administration), Thammasat University
- Master of Arts in Political Science (Public Administration) (M.Pol.Sc.), Thammasat University
- National Defense College (NDC 2015)
- Certificate (Class 7), Top Management Program, Capital Market Academy (CMA) Class 7
- Senior Executive Program (Kellogg — Sasin)
- The Management Development Program, Wharton School
- Director Certification Program (DCP) #69/2006, Thai Institute of Directors (IOD)
- Advance Audit Committee Program (ACP) #17/2014, Thai Institute of Directors (IOD)
- Role of the Compensation Committee (RCC) #8/2009, Thai Institute of Directors (IOD)
- Role of the Chairman Program (RCP) #23/2010, Thai Institute of Directors (IOD)
- Financial Institutions Governance Program (FGP) #1/2010, Thai Institute of Directors (IOD)
- Advanced Security Management Program Alumni (ASMA.) Class No.4, The Association National Defense College of Thailand under the Royal Patronage of His Majesty the King
- Boards that make a difference (BMD) #9/2019 Thai Institute of Directors (IOD)
- IT Governance and Cyber Resilience Program (ITG) #15/2020, Thai Institute of Directors (IOD)

## Work Experience the past 5 years

2021 - Present	Chairman of Board of Directors, AIRA Asset Management Co., Ltd.
2021 - Present	Independent Director / Member of Audit Committee, Thitikorn PCL.
2020 - Present	Independent Director / Chairman of the Audit Committee, Global Power Synergy Public PCL.
2019 - Present	Honorary Directors, Southeast Bangkok College
2016 - Present	Independent Director / Member of Audit Committee / Chairman of Good Corporate Governance Committee / Member of Risk Management Committee: FN Factory Outlet PCL.
2014 - Present	Independent Director, Chairman of the Audit Committee, Member of the Risk Management Committee and Vice Chairman of the Nomination and Remuneration Committee Carabao Group PCL.
2012 - Present	Independent Director and Chairman of the Audit Committee, Member of the Risk Management Committee T.K.S. Technology PCL.
2014 - 2021	Independent Director, Chairman of the Audit Committee, Chairman of the Risk Management Committee and Vice Chairman of the Nomination and Remuneration Committee Carabao Group PCL.

2016 - 2020	Independent Director / Member of Audit Committee: Glow Energy PCL.
2014 - 2020	Director, Small and Medium Enterprise Development Bank of Thailand (SME Bank)
2014 - 2019	Advisor, The Committee on Economics, Monetary Affairs and Finance, The Committee of the National Legislative Assembly
2017 - 2018	Independent Director / Member of Audit Committee Pacific Pipe PCL.
2014 - 2018	Honorary Director, Rajapark Institute
2012 - 2013	Chairman of the Executive Director, Retail Business Unit, Thai Yarnyon Co., Ltd.
2009 - 2013	Chairman of the Board of Directors, TMB Bank PCL.
2009 - 2013	Director, Don Muang Tollway PCL.
2009 - 2012	Deputy Permanent Secretary, Ministry of Finance

## 8. Mr. Kanit Patsaman

<b>Age</b>	59
<b>The date of appointment</b>	1 October 2014 Years in the position 7 years (2014 — Present)
<b>Shareholding in the Company (%)</b>	- None -
<b>Familial relationship</b>	- None -

### Current Position

Member of the Board of Directors  
 Member of the Audit Committee  
 Member of the Nomination and Remuneration Committee  
 Member of the Risk Management Committee

### Educational Qualifications/Training

- Bachelor of Economics, Ramkamhaeng University
- MBA, National Institute of Development Administration
- Director Certification Program (DCP) #156/2012, Thai Institute of Directors (IOD)
- Audit Committee Program (ACP) #40/2012, Thai Institute of Director (IOD)
- Corporate Governance for Board of Directors and Top Management of State Enterprise and Public Organization (PDI) # 11, King Prajadhipok's Institute
- Driving Company Success with IT Governance (ITG) #5/2017, Thai Institute of Directors (IOD)
- Role of the Chairman Program (RCP) #45/2019, Thai Institute of Directors (IOD)
- Ethical Leadership Program (ELP) #24/2021, Thai Institute of Directors (IOD)

### Work Experience the past 5 years

2017 - present	Member of the Board of Directors, Chairman of Audit Committee and Member of Risk Management Praram 9 Hospital
2016 - present	Member of the Board of Directors / Member of Audit Committee, Member of Nomination and Remuneration, Member of Risk Management Committee, Carabao Group PCL.
2014 - 2016	Member of the Board of Directors, Carabao Group PCL.
2013 - 2014	Member of the Board of Directors, Bank for Agriculture and Agricultural Co-operatives
2013	Member of the Board of Directors, Thai Credit Guarantee Corporation
2012 - 2014	Member of the Board of Directors, National Housing Authority
2005 - 2013	Advisor to Liquidation directors and authorized representative of liquidation directors, Thai Asset Management Corporation

## 9. Mr. Nha-kran Laoawilai

<b>Age</b>	56
<b>The date of appointment</b>	22 June 2020 Years in the position 1 year (2020 — Present)
<b>Shareholding in the Company (%)</b>	- None -
<b>Familial relationship</b>	- None -

### Current Position

Member of the Board of Director

### Educational Qualifications/Training

- Master of Science, Computer Rungsit University
- Bachelor of Arts, Major of newspaper, Chulalongkorn University
- Director Accreditation Program (DAP) #174/2020, Thai Institute of Directors (IOD)

### Work Experience the past 5 years

2020 - Present	Independent Director / Member of the Board of Director, Carabao Group PCL.
2020 - 2021	Vice President — News, BEC Multimedia Co., Ltd.
2018 - 2019	Editor in Chief, Bangkok Post Publishing PCL.
2016 - 2018	Deputy Chief Operating Officer, Post Publishing PCL.
2013 - 2016	Deputy editor, Post Publishing PCL.

## 10. Mr. Predee Daochai

<b>Age</b>	63
<b>The date of appointment</b>	22 April 2021, Years in the position 8 months (8 months - Present)
<b>Shareholding in the Company (%)</b>	- None -
<b>Familial relationship</b>	- None -

### Current Position

Member of the Board of Director

Chairman of the Risk Management Committee

### Educational Qualifications/Training

- Educational Qualifications/Training
- Honorary Doctorate in Business Administration, Southeast Bangkok College, Thailand
- Master's Degree (MCL), University of Illinois at Urbana-Champaign, USA
- Barrister-at-Laws, Institute of Legal Education, Thai Bar Association, Thailand
- Bachelor of Laws (Honors) Thammasat University, Thailand
- Advanced Management Program (AMP), Harvard Business School, USA
- Breakthrough Program for Senior Executives, IMD Business School, Switzerland
- Influence and Negotiation Strategies Program, Stanford Graduate School of Business, USA
- Making Innovation Happen Programme, London Business School, UK
- Executive Program, Singularity University, Silicon Valley, California, USA
- Executive Program on Risk Management, The Institute of International Finance, UK
- The Joint State - Private Sector Course, Class 24, National Defence College
- Capital Market Academy Leader Program, Class 20/2015, Capital Market Academy
- Executive Program "Energy Literacy for a Sustainable Future", Class 8/2016, Thailand Energy Academy
- Director Certification Program (DCP) Class 56/2005, Thai Institute of Directors Association (IOD)
- Financial Institutions Governance Program (FGP), Class 1/2010, Thai Institute of Directors Association (IOD)
- Ethical Leadership Program (ELP), Class 1/2015, Thai Institute of Directors Association (IOD)
- Corporate Governance for Capital Market Intermediaries (CGI), Class 11/2016, Thai Institute of Directors Association (IOD)

## Work Experience the past 5 years

2021 – Present	Member of the Board Directors, Chairman of the Risk Management Committee, Carabao Group PCL.
2021 – Present	Independent Director/Chairman of the Nomination and Remuneration Committee, Bangkok Dusit Medical Services PCL.
2021 – Present	Siam Paragon Development Company Limited
2021 – Present	Siam Paragon Retail Company Limited
2020 – 2020	Minister, Ministry of Finance
2020 – 2020	Chairman, Bank for Agriculture and Agricultural Cooperatives
2016 – 2019	Member, National Legislative Assembly
2016 – 2020	Committee, ASEAN Bankers Association
2016 – 2020	Member, National Strategy Committee
2016 – 2020	Committee, Payment Systems Committee, The Bank of Thailand
2016 – 2020	Member of the Board, Thailand Board of Investment (BOI)
2016 – 2020	EEC Policy Committee, Eastern Economic Corridor
2016 – 2020	Member of the Board, Office of SMEs Promotion
2016 – 2020	Chairman, Thai Bankers Association
2015 – 2020	Vice Chairman and Chairman of the Corporate Governance Committee, Thai Institute of Directors Association
2013 – 2020	Director and President, KASIKORN BANK Public Company Limited
2016 – 2019	Chairman, KASIKORN Securities Public Company Limited
2013 – 2020	Chairman, KASIKORN Factory and Equipment Company Limited
2010 – 2020	Director, Muangthai Group Holding Company Limited
2017 – 2020	Chairman, National ITMC Company Limited
2015 – 2019	Director, Dole Thailand Limited
2020 – 2020	Chairman, Beacon Venture Capital Company Limited
2020 – 2020	Chairman, National Digital ID Company Limited

## 11. GENERAL Siripong Wongskhunti

<b>Age</b>	60
<b>The date of appointment</b>	11 November 2016 Years in the position 5 years (2016 – Present)
<b>Shareholding in the Company (%)</b>	- None -
<b>Familial relationship</b>	- None -

### Current Position

Member of the Board of Director

### Educational Qualifications/Training

- Educational Qualifications/Training
- Military Academy (Class 20)
- Bachelor of Science, Chulachomklao Royal Military Academy (Class 31)
- Command and General Staff Officer Course, Class 71, Command and General Staff College
- Generic Technology Course, DSTO, Australia 1994
- Master of Political Science, Thammasat University, 2003
- The National Defense College Program Class 57, 2015
- Top Management Program in Energy Science Class 7 Institute of Energy Science, 2016
- Top Management Program, Capital Market Academy (CMA) Class 24, 2017
- Director Accreditation Program (DAP) #137/2017, Thai Institute of Directors (IOD)

## Work Experience the past 5 years

2016 – Present	Independent Director / Member of the Board of Director, Carabao Group PCL.
2018 – 2021	Director – General the War Veterans Organization of Thailand (Retirement)
2015 – 2017	Director – General, Defense Energy Department, Defense Industry and Energy Centre
2013 – 2014	Deputy Director — General, Defense Energy Department, Defense Industry and Energy Centre
2013	Expert, Office of the Permanent Secretary of Defense

## 12. Mr. Sanchai Jullamon

<b>Age</b>	61
<b>The date of appointment</b>	12 November 2021 Years in the position 1 year (2020 - Present)
<b>Shareholding in the Company (%)</b>	- None -
<b>Familial relationship</b>	- None -

### Current Position

Member of the Board of Director

### Educational Qualifications/Training

- Master of Laws, Ramkhamhaeng University
- Bachelor of Laws, Ramkhamhaeng University
- Advanced Certificate Course in Politics and Governance in Democratic Systems for Executives, #19, King Prajadhipok's Institute
- The program of Senior Executives of Justice Administration, class 18, Office of Courts of Justice
- Director Accreditation Program (DAP) #113/2014, Thai Institute of Directors (IOD)

### Work Experience the past 5 years

2021 - Present	Independent Director, Carabao Group PCL.
2013 - Present	Legal Consultant, B & W CASES Co., Ltd. (Subsidiary company of Double A)
2002 - Present	Partner and Legal Consultant, C & K Law Office
2019 - 2021	Senator
2016 - 2019	Independent Director, Member of Audit Committee and Member of the Nomination and Remuneration Committee, Carabao Group PCL.
2013 - 2018	Legal Consultant, Thai Foods PCL.
2014 - 2016	Independent Director, Carabao Group PCL.
2012 - 2013	Director General, The Zoological Park Organization under The Royal Patronage of H.M. The King, Ministry of Natural Resources and Environment.

## 13. Miss Nutchanok Vongswat

<b>Age</b>	33
<b>The date of appointment</b>	22 June 2020 Years in the position 1 year (2020 - Present)
<b>Shareholding in the Company (%)</b>	- None -
<b>Familial relationship</b>	Daughter of Miss Nutchamai Thanombooncharoen

### Current Position

Member of the Board of Director

Member of the Risk Management Committee

### Educational Qualifications/Training

- Master of Business Administrative (Financial Management), Graduate Institute of Business Administration Sasin of Chulalongkorn University
- Academy of Arts University, San Francisco, CA, USA
- Director Accreditation Program (DAP) #174/2020, Thai Institute of Directors (IOD)

### Work Experience the past 5 years

2019 - Present	Member of the Board of Director / Member of the Risk Management Committee, Carabao Group PCL.
2016 - Present	Member of the board of director, Sahamit Products Co., Ltd.
2018 - 2019	Assistant Managing Director, Carabao Tawandang Co., Ltd.
2015 - 2016	Manager, Tawandang DCM Co., Ltd.
2014 - 2015	Investor Relation, Carabao Tawandang Co., Ltd.

**14. Mr. Pongsarn Klongwathanakith**

<b>Age</b>	53
<b>The date of appointment</b>	1 April 2015
<b>Shareholding in the Company (%)</b>	- None -
<b>Familial relationship</b>	- None -

**Current Position**

Chief Financial Officer  
 Assistant Managing Director  
 Member of Executive Committee  
 Member of Risk Management Committee

**Educational Qualifications/Training**

- Bachelor's Degree in mechanical engineering, Ohio State University, Columbus, USA.
- Master of Business Administration, Sasin Graduate Institute of Business Administration

**Work Experience the past 5 years**

2015 Present	Member of Executive Committee / Member of Risk Management Committee / Chief Financial Officer (CFO) / Assistant Managing Director Carabao Group PLC.
2012 - 2015	Assistant Managing Director of Corporate Finance & Equity Capital Market, CIMB Thai Bank PCL.
2001 - 2011	Senior Director of Wanichthanakij department, Maybank Kim Eng PLC.

**15 . Mr. Waranchai Jensiriwanich**

<b>Age</b>	50
<b>The date of appointment</b>	24 July 2015
<b>Shareholding in the Company (%)</b>	- None -
<b>Familial relationship</b>	- None -

**Current Position**

Company Secretary and Legal Director

**Educational Qualifications/Training**

- Bachelor of Laws, Thammasat University
- Master Business Administration, University of the Thai Chamber of Commerce

**Work Experience the past 5 years**

2015 - Present	Company Secretary and Director of Legal Department Carabao Group PLC.
2003 - 2015	Senior Director of Legal Department and Company Secretary Maybank Kim Eng PLC.

## Development of The person taking the highest responsibility in finance and accounting and the person supervising accountingnting and the person supervising accounting

Name Mr. Pongsarn Klongwathanakith  
 Position Chief Financial Officer

Training in Year 2021	Training Hours
TLCA TLCA CFO CPD No. 9/2021 Topic "ESG related Financial Innovation"	2
TLCA TLCA CFO CPD No. 3/2021 "How to Manage the Company's Finance & Accounting and Communicate with Stakeholders during COVID-19 Crisis"	2
TLCA TLCA CFO Professional Development Program No. 1/2021	2

Name Mr. Ratchapon Rojchyaroon  
 Position Accounting Director

Training in Year 2021	Training Hours
Accounting Coach (Thailand) Co.,Ltd Key Issue of Corporate Income Tax	5
Accounting Coach (Thailand) Co.,Ltd Finance for Accountant	6
Accounting Coach (Thailand) Co.,Ltd Accounting Principles for trading businesses	3

## Attachment 2 The detail of the subsidiaries' director

Name	CBD	APG	DCM	ACM	APM	ACV	AWD	CBMG
1. Mr. Sathien Setthasit	X	X	X	-	-	-	X	-
2. Miss Nutchamai Thanombooncharoen	✓	✓	✓	X	X	X	-	-
3. Mr. Yuenyong Opakul	✓	✓	✓	-	-	-	-	-
4. Mrs. Wongdao Thanombooncharoen	✓	✓	✓	✓	✓	✓	-	-
5. Mr. Kamoldist Smuthkochorn	✓	✓	✓	✓	✓	✓	-	-
6. Mr. Pongsarn Klongwathanakith (CFO)	✓	✓	✓	✓	✓	✓	-	-
7. Mr. Kritpong Nillawong	-	-	-	-	-	-	✓	-
8. Mr. Songpon Kittiveja	-	-	-	-	-	-	✓	-
9. Mr. Wutthitorn Milintachinda	-	-	-	-	-	-	✓	-
10. Mrs. Kanyaluck Milintachinda	-	-	-	-	-	-	✓	-
11. Mr. Waranchai Jensiriwanich	-	-	-	-	-	-	-	X
12. Miss Wipara Prutnatee	-	-	-	-	-	-	-	✓

X Director

✓ Chairman of Board of Director

## Attachment 3 Profile - Head of Internal Audit

Mr. Suparak Inthajak / Director of Internal Audit and Risk Management

Age	44
Education	- Bachelor of Accountancy, Thammasat University - Master of Administrative for executive, Chulalongkorn University
Shareholding in the Company (%)	- None -
Familial relationship	- None -
Experience (5 years past experiences)	2021 - Present Director of Internal Audit and Risk Management Carabao Group Public Company Limited 2016 - 2020 Director PricewaterhouseCoopers ABAS Ltd.
Professional Certificate	Certified Public Accountant, CPA

## Attachment 4 Assets used in Business Operation

### 1. Assets Used in Business Operation

Type /Nature of Assets	Net book value as at 31 December 2021 (Million Baht)	Obligation
1. Land and land improvement	3,441.0	None
2. Buildings and builing improvement	3,304.3	None
3. Machinery and equipment	5,480.8	None
4. Furniture, fixtures, and office equipment	85.7	None
5. Motor vehicles	70.4	None
6. Assets under construction and installation	155.2	None
Total	12,537.4	

#### 1.1 Land and land improvement as of 31 December 2021

<b>Ownership</b>	: CBD
<b>Location and area size (Rai-Ngan-Wah)</b>	: Land in Silom area, Silom Sub-District, Bangrak District, Bangkok (6 parcels), with the area of 5-2-33.5.
<b>Possessory objective</b>	: Location of head quarter of the Group and for commercial benefits.
<b>Type of ownership</b>	: Owner
<b>Net book value (Million Baht)</b>	: 2,154.9
<b>Obligation</b>	: None
<b>Ownership</b>	: CBD
<b>Location and area size (Rai-Ngan-Wah)</b>	: Land in Bang Bo area, Bang Prieng Sub-District, Bang Bo District, Samutprakarn (84 parcels), with the area of 23-0-63.
<b>Possessory objective</b>	: Location of factory for energy drink and beverage production.
<b>Type of ownership</b>	: Owner
<b>Net book value (Million Baht)</b>	: 116.2
<b>Obligation</b>	: None
<b>Ownership</b>	: CBD
<b>Location and area size (Rai-Ngan-Wah)</b>	: Land in Cha-am area, Cha-am Sub-District, Cha-am District, Phetchaburi (1 parcel), with the area of 0-2-59.4.
<b>Possessory objective</b>	: Guesthouse
<b>Type of ownership</b>	: Owner
<b>Net book value (Million Baht)</b>	: 16.5
<b>Obligation</b>	: None
<b>Ownership</b>	: CBD
<b>Location and area size (Rai-Ngan-Wah)</b>	: Land in Bangpakong area, Pimpa Sub-District, Bangpakong District, Chachoengsao (7 parcels), with the area of 88-1-11.
<b>Possessory objective</b>	: Location of factory for energy drink and beverage production.
<b>Type of ownership</b>	: Owner
<b>Net book value (Million Baht)</b>	: 361.7
<b>Obligation</b>	: None

<b>Ownership</b>	:	CBD
<b>Location and area size (Rai-Ngan-Wah)</b>	:	Land in Bang Pra Sub-District, Mueang District, Chachoengsao (1 parcel), with the area of 4-1-57.1.
<b>Possessory objective</b>	:	Learning Center
<b>Type of ownership</b>	:	Owner
<b>Net book value (Million Baht)</b>	:	21.0
<b>Obligation</b>	:	None

<b>Ownership</b>	:	CBD
<b>Location and area size (Rai-Ngan-Wah)</b>	:	Land in Bangpood Sub-District, Pak Kret District, Nonthaburi (14 parcel), with the area of 24-0-54.7.
<b>Possessory objective</b>	:	Learning Center and warehouse
<b>Type of ownership</b>	:	Owner
<b>Net book value (Million Baht)</b>	:	357.9
<b>Obligation</b>	:	None

<b>Ownership</b>	:	APG
<b>Location and area size (Rai-Ngan-Wah)</b>	:	Land in Bangpakong area, Pimpa Sub-District, Bangpakong District, Chachoengsao (15 parcels), with the area of 119-1-30, and (1 parcel), with the area of 10-1-50..
<b>Possessory objective</b>	:	Location of factory for amber glass bottles production
<b>Type of ownership</b>	:	Owner
<b>Net book value (Million Baht)</b>	:	384.2
<b>Obligation</b>	:	None

<b>Ownership</b>	:	ACM
<b>Location and area size (Rai-Ngan-Wah)</b>	:	Land in Bangpakong area, Pimpa Sub-District, Bangpakong District, Chachoengsao with the area of 31-3-85, based on the long-term lease agreement with APG.
<b>Possessory objective</b>	:	Location of factory for aluminum can production.
<b>Type of ownership</b>	:	Lessee (APG is the owner of this land)
<b>Net book value (Million Baht)</b>	:	28.6
<b>Obligation</b>	:	None

**As at 31 December 2021, net book value of land and land improvement totaling THB 3,441.0 million.**

## 1.2 Buildings and building improvement as of 31 December 2021

<b>Ownership</b>	:	CBD
<b>Location and area size (Rai-Ngan-Wah)</b>	:	Office building and shop house at Silom sub-District, Bangrak District, Bangkok.
<b>Possessory objective</b>	:	Location of head quarter of the Group and for commercial benefits.
<b>Type of ownership</b>	:	Owner
<b>Net book value (Million Baht)</b>	:	53.1
<b>Obligation</b>	:	None

<b>Ownership</b>	:	CBD
<b>Location and area size (Rai-Ngan-Wah)</b>	:	Factory at Bang Prieng Sub-District, Bang Bo District, Samutprakarn.
<b>Possessory objective</b>	:	Factory for energy drink and beverage production.
<b>Type of ownership</b>	:	Owner
<b>Net book value (Million Baht)</b>	:	64.9
<b>Obligation</b>	:	None
<b>Ownership</b>	:	CBD
<b>Location and area size (Rai-Ngan-Wah)</b>	:	Fatory at Pimpa Sub-District, Bangpakong District, Chachoengsao.
<b>Possessory objective</b>	:	Factory for energy drink and beverage production.
<b>Type of ownership</b>	:	Owner
<b>Net book value (Million Baht)</b>	:	1,560.3
<b>Obligation</b>	:	None
<b>Ownership</b>	:	CBD
<b>Location and area size (Rai-Ngan-Wah)</b>	:	Guesthouse at Cha-am Sub-District, Cha-am District, Phetchaburi.
<b>Possessory objective</b>	:	Guesthouse
<b>Type of ownership</b>	:	Owner
<b>Net book value (Million Baht)</b>	:	13.8
<b>Obligation</b>	:	None
<b>Ownership</b>	:	CBD
<b>Location and area size (Rai-Ngan-Wah)</b>	:	Warehouse at Bangpood Sub-District, Pak Kret District, Nonthaburi.
<b>Possessory objective</b>	:	Warehouse
<b>Type of ownership</b>	:	Owner
<b>Net book value (Million Baht)</b>	:	21.7
<b>Obligation</b>	:	None
<b>Ownership</b>	:	APG
<b>Location and area size (Rai-Ngan-Wah)</b>	:	Factory
<b>Possessory objective</b>	:	Location of machinery and equipment for amber glass bottle production.
<b>Type of ownership</b>	:	Owner
<b>Net book value (Million Baht)</b>	:	762.3
<b>Obligation</b>	:	None
<b>Ownership</b>	:	ACM
<b>Location and area size (Rai-Ngan-Wah)</b>	:	Factory
<b>Possessory objective</b>	:	Location of machinery and equipment for aluminum can production.
<b>Type of ownership</b>	:	Owner
<b>Net book value (Million Baht)</b>	:	377.2
<b>Obligation</b>	:	None
<b>Ownership</b>	:	APM
<b>Location and area size (Rai-Ngan-Wah)</b>	:	Factory
<b>Possessory objective</b>	:	Location of machinery and equipment for packaging production.
<b>Type of ownership</b>	:	Owner
<b>Net book value (Million Baht)</b>	:	451.0
<b>Obligation</b>	:	None

**As at 31 December 2021, net book value of Buildings and building improvement totaling THB 3,304.3 million.**

### 1.3 Machinery and equipment as of 31 December 2021

<b>Ownership</b>	:	CBD
<b>Location and area size (Rai-Ngan-Wah)</b>	:	Machinery and equipment
<b>Possessory objective</b>	:	Production
<b>Type of ownership</b>	:	Owner
<b>Net book value (Million Baht)</b>	:	2,538.3
<b>Obligation</b>	:	None
<b>Ownership</b>	:	DCM
<b>Location and area size (Rai-Ngan-Wah)</b>	:	Equipment
<b>Possessory objective</b>	:	Business operation support
<b>Type of ownership</b>	:	Owner
<b>Net book value (Million Baht)</b>	:	0.2
<b>Obligation</b>	:	None
<b>Ownership</b>	:	APG
<b>Location and area size (Rai-Ngan-Wah)</b>	:	Machinery and equipment
<b>Possessory objective</b>	:	Production
<b>Type of ownership</b>	:	Owner
<b>Net book value (Million Baht)</b>	:	1,276.3
<b>Obligation</b>	:	None
<b>Ownership</b>	:	ACM
<b>Location and area size (Rai-Ngan-Wah)</b>	:	Machinery and equipment
<b>Possessory objective</b>	:	Production
<b>Type of ownership</b>	:	Owner
<b>Net book value (Million Baht)</b>	:	1,402.6
<b>Obligation</b>	:	None
<b>Ownership</b>	:	APM
<b>Location and area size (Rai-Ngan-Wah)</b>	:	Machinery and equipment
<b>Possessory objective</b>	:	Production
<b>Type of ownership</b>	:	Owner
<b>Net book value (Million Baht)</b>	:	263.4
<b>Obligation</b>	:	None

**As at 31 December 2021, Net book value of Machinery and equipment totaling THB 5,480.8 million.**

#### 1.4 Furniture, fixtures, and office equipment as of 31 December 2021

<b>Ownership</b>	: CBG
<b>Location and area size (Rai-Ngan-Wah)</b>	: Furniture, fixtures, and office equipment
<b>Possessory objective</b>	: Business operation support
<b>Type of ownership</b>	: Owner
<b>Net book value (Million Baht)</b>	: 0.5
<b>Obligation</b>	: None
<b>Ownership</b>	: CBD
<b>Location and area size (Rai-Ngan-Wah)</b>	: Furniture, fixtures, and office equipment
<b>Possessory objective</b>	: Business operation support
<b>Type of ownership</b>	: Owner
<b>Net book value (Million Baht)</b>	: 51.2
<b>Obligation</b>	: None
<b>Ownership</b>	: DCM
<b>Location and area size (Rai-Ngan-Wah)</b>	: Furniture, fixtures, and office equipment
<b>Possessory objective</b>	: Business operation support
<b>Type of ownership</b>	: Owner
<b>Net book value (Million Baht)</b>	: 11.9
<b>Obligation</b>	: None
<b>Ownership</b>	: APG
<b>Location and area size (Rai-Ngan-Wah)</b>	: Furniture, fixtures, and office equipment
<b>Possessory objective</b>	: Business operation support
<b>Type of ownership</b>	: Owner
<b>Net book value (Million Baht)</b>	: 7.8
<b>Obligation</b>	: None
<b>Ownership</b>	: ACM
<b>Location and area size (Rai-Ngan-Wah)</b>	: Furniture, fixtures, and office equipment
<b>Possessory objective</b>	: Business operation support
<b>Type of ownership</b>	: Owner
<b>Net book value (Million Baht)</b>	: 8.6
<b>Obligation</b>	: None
<b>Ownership</b>	: APM
<b>Location and area size (Rai-Ngan-Wah)</b>	: Furniture, fixtures, and office equipment
<b>Possessory objective</b>	: Business operation support
<b>Type of ownership</b>	: Owner
<b>Net book value (Million Baht)</b>	: 4.3
<b>Obligation</b>	: None

<b>Ownership</b>	:	ICUK
<b>Location and area size (Rai-Ngan-Wah)</b>	:	Furniture, fixtures, and office equipment
<b>Possessory objective</b>	:	Business operation support
<b>Type of ownership</b>	:	Owner
<b>Net book value (Million Baht)</b>	:	1.4
<b>Obligation</b>	:	None

**As at 31 December 2021, net book value of Furniture, fixtures, and office equipment totaling THB 85.7 million.**

### 1.5 Motor vehicles as of 31 December 2021`

<b>Ownership</b>	:	CBD
<b>Location and area size (Rai-Ngan-Wah)</b>	:	Motor vehicles
<b>Possessory objective</b>	:	Motor vehicles for operation team and management
<b>Type of ownership</b>	:	Owner
<b>Net book value (Million Baht)</b>	:	16.5
<b>Obligation</b>	:	None
<b>Ownership</b>	:	CBD
<b>Location and area size (Rai-Ngan-Wah)</b>	:	Vehicles in factory
<b>Possessory objective</b>	:	Factory vehicles
<b>Type of ownership</b>	:	Owner
<b>Net book value (Million Baht)</b>	:	48.8
<b>Obligation</b>	:	None
<b>Ownership</b>	:	DCM
<b>Location and area size (Rai-Ngan-Wah)</b>	:	Motor vehicles
<b>Possessory objective</b>	:	Motor vehicles for Sales representative
<b>Type of ownership</b>	:	Owner
<b>Net book value (Million Baht)</b>	:	1.5
<b>Obligation</b>	:	None
<b>Ownership</b>	:	APG
<b>Location and area size (Rai-Ngan-Wah)</b>	:	Vehicles in factory
<b>Possessory objective</b>	:	Factory vehicles
<b>Type of ownership</b>	:	Owner
<b>Net book value (Million Baht)</b>	:	1.0
<b>Obligation</b>	:	None
<b>Ownership</b>	:	ACM
<b>Location and area size (Rai-Ngan-Wah)</b>	:	Vehicles in factory
<b>Possessory objective</b>	:	Factory vehicles
<b>Type of ownership</b>	:	Owner
<b>Net book value (Million Baht)</b>	:	2.6
<b>Obligation</b>	:	None

**As at 31 December 2021, net book value of Motor vehicles totaling THB 70.4 million.**

## 1.6 Assets under construction and installation as of 31 December 2021

<b>Ownership</b>	:	CBD
<b>Location and area size (Rai-Ngan-Wah)</b>	:	Office building improvement
<b>Possessory objective</b>	:	Location of head quarter of the Group and for commercial benefits.
<b>Type of ownership</b>	:	Owner
<b>Net book value (Million Baht)</b>	:	21.0
<b>Obligation</b>	:	None
<b>Ownership</b>	:	CBD
<b>Location and area size (Rai-Ngan-Wah)</b>	:	Machinery and equipment
<b>Possessory objective</b>	:	Carabao beverage production
<b>Type of ownership</b>	:	Owner
<b>Net book value (Million Baht)</b>	:	2.3
<b>Obligation</b>	:	None
<b>Ownership</b>	:	APG
<b>Location and area size (Rai-Ngan-Wah)</b>	:	Factory building improvement
<b>Possessory objective</b>	:	Location of machinery and equipment for amber glass bottle production.
<b>Type of ownership</b>	:	Owner
<b>Net book value (Million Baht)</b>	:	58.9
<b>Obligation</b>	:	None
<b>Ownership</b>	:	APG
<b>Location and area size (Rai-Ngan-Wah)</b>	:	Machinery and equipment
<b>Possessory objective</b>	:	Amber glass bottle production
<b>Type of ownership</b>	:	Owner
<b>Net book value (Million Baht)</b>	:	8.9
<b>Obligation</b>	:	None
<b>Ownership</b>	:	ACM
<b>Location and area size (Rai-Ngan-Wah)</b>	:	Machinery and equipment
<b>Possessory objective</b>	:	Aluminum can production
<b>Type of ownership</b>	:	Owner
<b>Net book value (Million Baht)</b>	:	2.5
<b>Obligation</b>	:	None
<b>Ownership</b>	:	APM
<b>Location and area size (Rai-Ngan-Wah)</b>	:	Factory building improvement
<b>Possessory objective</b>	:	Location of factory for packaging production
<b>Type of ownership</b>	:	Owner
<b>Net book value (Million Baht)</b>	:	8.7
<b>Obligation</b>	:	None

<b>Ownership</b>	:	APM
<b>Location and area size (Rai-Ngan-Wah)</b>	:	Machinery and equipment
<b>Possessory objective</b>	:	Packaging production
<b>Type of ownership</b>	:	Owner
<b>Net book value (Million Baht)</b>	:	52.9
<b>Obligation</b>	:	None

**As at 31 December 2021, net book value of Assets under construction and installation totaling THB 155.2 million.**

**In total, fixed assets in business operation amounted to THB 12,537.4 million.**

## 2. Intangible assets

Intangible assets	Possessory objective
1. Trademarks	70 Registered trademarks for production, marketing and distribution of energy drink and other beverage as of 31 December 2021 have been registered with the Ministry of Commerce in Thailand. Moreover, the Group has a policy to register and maintain the trademarks in such oversea distribution.
2. Computer software	Computer software right is using for business operation for the Group such as software for accounting, management report, inventory, and general operation.
3. Patent	Patent, a joint venture contract between the Company and SHOWA DENKO Group, is knowledge and skill that has been used for aluminum production of Asia Can Manufacturing Co.,Ltd. ("ACM").

## 3. Investment policy in subsidiaries

As at 31 December 2021, the Company has invested in subsidiaries as following

Company's name	Percentage of shareholding both direct and indirect (Percent)	Nature of business
CBD	100	Manufacture, marketing, and distribution of energy drinks and other beverages.
DCM	100	Domestic distribution management.
APG	100	Manufacture and procuring glass bottles as packaging materials for energy drinks and other beverages.
CTHK	100	International trading business.
CHHK	100	Holding Company
ACM*	100	Manufacture and procuring aluminum cans as packaging materials for energy drinks and other beverages.
CVHLUX	84	Holding Company
ICUK	84	Marketing, sales and distribution the energy drinks under Carabao trademarks in the United Kingdom and other countries outside Asia.
AWD	85	Marketing and distribution of beverage.
APM	100	Manufacture and distribution of packaging.
ACV	100	Holding Company
CBMG	100	Principally engage in the business of creating, maintain and developing online applications and various information

Remark \*CBG's shareholding in ACM increased to 100% from 74% on 1st March 2021 by shares acquired from SHOWA DENKO Group, with reference to resolutions of the Board of Director's Meeting No.1/2021 on 19 February 2021

The Company has policy to invest in subsidiaries and joint ventures that support the business operation and create synergy by increasing sales channel and profitability. Hence, the Company will consider the investment proportion, expected profits, possible risks, and financial status of the Company before deciding to invest in various projects. The decision has to be approved and agreed by the Board of Directors of the Company or Shareholders' Meeting (as the case may be). The Company will appoint the representatives who have qualifications and experiences to join the Board of such Company to set up significant policy and supervise the operation of the subsidiaries and the joint ventures.

## Attachment 5 Corporate Governance and Code of Conduct

<https://investor.carabaogroup.com/th/corporate-governance/corporate-governance-policy-and-others>

## Attachment 6 Report of the Audit Committee

The Audit Committee of Carabao Group Public Company Limited (the Company) consists of three independent members with ability, expertise and experience in various sectors such as legal affairs, organization management, financial accounting and taxes as well as economics who are considered suitably qualified in reviewing the reliability of the financial statements and performing the duties of Audit Committee in accordance with the regulations of The Securities and Exchange Commission, Thailand (SEC), the Stock Exchange of Thailand (SET), namely, Mrs. Saowanee Kamolbutr, the Chairman of the Audit Committee, Mr. Kanit Patsaman and Mr. Nha-Kran Loahavilai, the Audit Committee members, with the Director of Internal Audit as the secretary of the Audit Committee. The three audit committee members have not in any way involved in the management nor held any positions in the Company and its subsidiaries.

During 2021, the member of the Board of Directors was changed due to the resignation of Ms. Urawee Ngowroongrueng which was effective on September 30, 2021. As a result, the Board of Directors meeting No.5/2021 dated November 12, 2021 had a resolution to appoint Mr. Nha-Kran Loahavilai as a member of the Audit Committee.

The Audit Committee had performed its tasks upon roles and responsibilities entrusted by the Board of Directors and the Company's Charter of Audit Committee with its expertise and independence to access all information as stated in the Stock Exchange of Thailand's requirements. The Audit Committee also provided advice and monitored in related matters through sound collaboration with the management, internal auditor, and the Company's auditor to ensure that the Company's operations are performed accurately in accordance with its strategies and objectives, and were carried out with transparency, honesty, and fairness to ensure the sustainability development of the company.

In 2021, the Committee held a total of 5 meetings with perfect attendance from all Audit Committees. The Audit Committee reported its performance to the Company's Board of Directors on a quarterly and annual basis.

The Committee's significant activities are summarized as follows:

### 1. Review of the financial statements

- The Audit Committee reviewed the annual and quarterly financial statements in which External Auditor gave the unqualified opinion of both the Company and its subsidiaries before proposing them to the Board of Directors for approval. In doing so, the Committee ensured that the financial statements, as well as significant information on transactions between the Company, its subsidiaries and other affiliates, or transactions with tendency to cause conflict of interests were completely, accurately prepared, and reliably disclosed.
- In this connection, the statutory auditors were invited to the meeting of the Audit Committee to discuss and clarify on significant issues relating to the financial statements prepared by the Company's Management in compliance with the Thai Accounting Standards and Thai Financial Reporting Standards including related interpretations and guidelines promulgated by the Federation of Accounting Professions. The Audit Committee could then verify whether sufficient significant information was disclosed and related transactions were accurately and properly done as required by the aforementioned standards, interpretations, guidelines, and principles.

The Audit Committee reviewed the annual and quarterly financial statements and obtained sufficient clarifications from External Auditor and the management to confirm that the financial statements and the noted disclosure in financial statements comply with the aforementioned laws, standards, interpretations, guidelines and principles. The Audit Committee then endorsed the financial statements reviewed and audited by the Company's external auditor without reservation.

- Furthermore, a joint meeting was held between the Audit Committee and the statutory auditors in compliance with the Practice Guidance issued by the Stock Exchange of Thailand, allowing both parties to discuss any issue of interests to the two sides without participation of the Management on annual audit plan and scope for the year 2022.

### 2. Appointment of the External Auditor and the Review of the audit fee

The Audit Committee reviews and makes a resolution for the Board of Directors to propose in the 2022 Annual General Meeting of shareholders in appointing EY Office Limited as the external audit firm of the Company for the year 2022. The Audit Committee carried out the evaluation of the quality of services of EY Office Limited, the statutory auditors, and the worthiness of their remuneration, taking into consideration the following factors - professionalism, efficiency, and independence.

The Audit Committee was of the view that EY Office Limited, the statutory auditors, had given satisfactory services accordingly, providing the Company with useful advice and recommendations, which were helpful for the Company's Annual Financial Statement and internal control improvements.

### **3. Related party transactions or Conflict of Interest transactions**

The Audit Committee reviewed the appropriateness of related transactions or transactions that may cause conflict of interest. In addition, the Audit Committee instructed the Internal Auditors to emphasize reviewing related transactions between the company, its subsidiaries and related parties and report those transactions to the Audit Committee meeting every quarter. The review showed that the related transactions by the Company in 2021 were done based on normal business practice, reasonable, and in the best interest of the Company's business. These related transactions were transparent, with related information disclosed fully and accurately in accordance with the related party policy, regulations of The Securities and Exchange Commission, Thailand (SEC) and the Stock Exchange of Thailand (SET).

### **4. Monitoring of the Company's operations**

The Audit Committee played its part in monitoring the Company's operations following the principles and the guidance on good corporate governance from the Stock Exchange of Thailand. The Committee has strictly and continuously followed the aforementioned guidelines through the internal audit performance to ensure that the Company's operations were consistently carried out with good corporate governance principles.

### **5. Approval of the scope of work and the annual audit plan of the Company's internal audit.**

The Audit Committee reviewed and approved the scope of work and the annual audit plan for the year 2021 which embedded the Company's business strategic direction and corporate risks. Additionally, the performances of the internal audit were regularly monitored, with the Company's risk management and internal controls being taken into consideration.

Moreover, the Audit Committee regularly reviews the Internal Audit Charter and recognizes the importance of Internal Auditor's competency development to execute the audit work efficiently.

### **6. Review of the internal control systems and risk management**

The Audit Committee regularly reviewed the adequacy and appropriateness of the Company's internal control systems through the Internal Auditor and the External Auditor reports. This is to ensure that the Company's internal controls complied with laws, regulations, three lines of defense model and COSO control framework. In this regard, reports presented by the Internal Auditor were carefully considered and followed up to ensure that rectification and/or improvements on controls and preventive measures were conducted by the management in a proper and timely manner. Additionally, the External Auditor gave opinion that the company and its subsidiaries have good internal controls and were operated in an efficient and effective manner with no significant control weakness.

Moreover, the Audit Committee reviewed the adequacy of the Company's risk management process and proceeded with audit, particularly for high risk areas. This is to ensure that the Management implemented risk mitigation plans in an efficient and effective manner.

### **7. Roles of the Audit Committee**

- The Audit Committee performed its duties independently from the Board of Executive Directors and the Management with strong emphasis on internal controls to ensure that good corporate governance and adequate internal controls were appropriately applied. Significant issues based on the issues reported by the internal audit for the year 2021 were regularly presented to the Board of Directors.
- To ensure that the Committee's roles are carried out efficiently and at the same time the Company's good corporate governance is being properly practiced, the self-assessment on the Audit Committee's performances was undertaken by the Committee taking the guidelines issued by the Stock Exchange of Thailand as the basis. The assessment results were at "Satisfactory" level.

In the view of the Audit Committee, the Company's good corporate governance is adequately, transparently, and reliably carried out. The Company's overall internal control systems are adequate. Discrepancies in the control systems or transactions that might cause conflict of interests and may significantly affect the Company's operations have not been noted. Besides, the Company constantly refined its operation for a better quality which is an important part to push the Company sustainably and stably grow.

Since 2020, the great pandemic of COVID-19 has occurred and affected social and economic dimensions worldwide without showing any signs of reducing severity. Even though Thailand is dealing with the impacts of COVID-19 fairly well, the pandemic has dictated both ways of life and ways of work to change unavoidably. During the pandemic situation, the Company has fully prepared to cope with the impacts of COVID-19.

The Audit Committee and the executives have been closely monitoring the new waves of COVID-19 and thus included new strict preventive measures as well as "New Normal" way of work and business continuity management to ensure that the Internal Audit department can operate in order to build trust from all groups of stakeholders that internal control system is efficient and adequate.

Mrs. Saowanee Kamolbutr

Chairman of the Audit Committee

## Report of the Nomination and Remuneration Committee

The Board of Directors is considering appointing a Recruitment and Remuneration Determination Committee that consists of a certain number of members who have appropriate qualifications and that consists of a certain number of independent members who will determine policies with respect to the recruitment of persons who will become directors and/or top executives and who will screen persons who have appropriate qualifications before submitting their names to the Board of Directors or the shareholders' meetings. The Recruitment and Remuneration Determination Committee also has an important role in considering criteria for the determination of remunerations of directors and top executives in order to ensure that their remuneration is appropriate and reflects directors and executives' abilities to perform their duties in accordance with the relevant targets.

The Nomination and Remuneration Committee of the company consists of 4 directors.

1. Mr. Sathien Setthasit Chairman of the Nomination and Remuneration Committee
2. Mrs. Saowanee Kamolbutr Vice chairman of the Nomination and Remuneration Committee
3. Miss Nutchamai Thanombooncharoen Member of the Nomination and Remuneration Committee
4. Mr. Kanit Patsaman Member of the Nomination and Remuneration Committee

Roles and Responsibilities of the Nomination and Remuneration Committee as stated on the charter which will be shown on company's website Year 2021, the Nomination and Remuneration Committee meeting for consideration of important agenda 4 times,

1. To review and propose names of candidates who were qualified legally and in compliance with the rules and regulations related to the directorship which its office term expired by considering the nomination, selection, and proposal for persons whose qualifications, experiences, knowledge, and abilities encouraged and suited the Company's business types. The names were then proposed to the Board of Directors' meetings and the Annual General Shareholders' Meeting. However, the Director who has conflict of interest will abstain voting.
2. To consider the remuneration of the Board of Directors and the committees by considering suitability for duties, entrusted responsibilities, performance, and the remuneration rate compared with the industry benchmark in order to be taken into consideration by the board of directors and the Annual General Shareholders' Meeting for approval.
3. To consider the remuneration of the top management (Deputy Managing Director upwards) both of the Bonus of the company performance and the salary increased for the year 2022, whereby considering the appropriateness performance of each position's assigned duties and responsibilities comparison of the key performance indicator of the company such as the growth ratio of net profit and cost saving etc.
4. To organize a performance evaluation of the Nomination and Remuneration Committee year 2021 and present the results of the performance evaluation report to the Board of Directors in order to improve the performance to be efficient together with revealing the evaluation's results in the annual report



Mr. Sathien Setthasit

Chairman of the Nomination and Remuneration Committee

# Report of the Risk Management Committee

The Risk Management Committee was established by the Board of Directors with duties to promote and support the establishment of an enterprise-wide risk management system for the Company and to embed as organizational culture. This is to provide reasonable assurance among all stakeholders that the Company operations are geared towards effective and efficient achievement of corporate goals and objectives and in accordance with risk appetite level.

In August 2021, the Board of Directors resolved to appoint Mr. Predee Daochai as Chairman of the Risk Management Committee in place of Mrs. Saowanee Kamolbutr, who resigned from the position of Chairman of the Risk Management Committee. Currently, the Risk Management Committee is comprised of 8 members, including Independent Directors, Executive Directors and senior executive officers, all of whom are knowledgeable, competent, highly experienced that are beneficial to the Company's risk management.

The Committee performs its duties as designated by the Board of Directors and within the purview of power and responsibility defined in the Risk Management Committee's Charter.

In 2021, the Committee held totally 4 times with the following significant matters:

1. Considered the significant corporate risks, including new emerging risks and reviewed the adequacy and appropriateness of risk management plans along with measures to control risk to be more appropriate with situations, especially during the pandemic of Covid-19.
2. Considered the establishment of Sustainability Development Policy and assessment of risks related to the issues of good corporate governance, social, and environment, including adequacy and appropriateness of risk management plans for sustainability risks in order to reduce material risks of the Company.
3. Followed up the progress and evaluated all risk assessment and business outlook that may have significant impact on the organization in order to manage the risks to be at risk appetite level.
4. Supported and created risk management culture within the organization so that employees at all levels are involved in risk management in which they are responsible.
5. Reported risk management results throughout the organization to the Board of Directors for acknowledgment.

According to aforementioned operations, the Risk Management Committee is confident that the Company managed risks continually and effectively. This is consistent with the principles and practice guidelines of Good Corporate Governance. The Company had a sufficient internal control system that was suitable for its business and complied with laws and regulations. This was done by taking into account all of the stakeholders in the business operations firmly continues with stable and sustainable growth.



Mr. Predee Daochai  
Chairman of the Risk Management Committee



**CARABAO GROUP**

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