

ANNUAL REPORT 2020

CARABAO GROUP PCL.



BEST COMPANY PERFORMANCE
SET AWARDS 2020



BEST CEO
SET AWARDS 2020



**THAILAND'S
TOP CORPORATE
BRANDS 2020**

**THE
YEAR
OF AWARDS**



VISION

WORLD CLASS PRODUCT, WORLD CLASS BRAND

OUR MISSION

- 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

OUR GOAL (ENERGY DRINK)

- Ranked no.1 in Thailand within 1 year (2021)**
- Ranked no.1 in ASEAN within 3 years (2022)**
- Ranked no.1 in ASIA within 5 years (2024)**





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Message from the Chairman



In 2020, the coronavirus outbreak has serious impacts on life and well-being of everyone in this world. Public health measures are used by all countries to solve or stop the pandemic, such as social distancing or lockdown, and no social gatherings. This has caused a decline in people's activities, having tremendous impacts on every economy and society, whether it is tourism or travel, trade, expenditure, daily life, education, public health, and even the smallest unit, the family, is also inevitably affected by the pandemic. In addition, the coronavirus outbreak also aggravates various existing problems, whether it is a policy of exacerbating trade protectionism between the US and China or to accelerate the transformation of technology (Disruption Technology) that results in structural changes at a faster acceleration. As a result, the economy of almost every country in the world has been negative throughout 2020. The economic growth in Thailand dropped at 6.1 percent compared to the 2.3 percent economic expansion in 2019, with a decrease in the value of merchandise exports at 6.6 percent and private consumption decreased by 1.0 percent. However, according to the Company's group operating results for the fiscal year ended on 31 December 2020, there was a sales revenue of 17,231 million baht, an increase of 2,298 million baht or 15.4 percent from 2019, which is considered a new record for the highest sales revenue. Revenue from foreign and domestic businesses increased 14.7 percent and 17.9 percent, respectively from 2019, as a result of a strategy focusing on expanding overseas markets, expanding the customer base to be more diverse including the issuance of new products such as Woody C + Lock, resulting in the Company's net profit attributable to the Company's shareholders of 3,525 million baht, an increase of 1,019 million baht or 40.6 percent from the year 2019, which is the highest net profit again.

In 2021, problems from the coronavirus outbreak will continue. Despite the fact that the vaccine has been invented, but the amount of vaccine may not be sufficient to meet the requirements. Vaccination may take time to operate. As well, the COVID-19 mutation is still a problem that affects the economy and society in volatility. For Thailand, it can be considered that the measures and prevention of the epidemic has been at a good level. But during the previous period, the economy of the country and the world has been severely affected. It may take some time to recover from the beginning. However, the Company has taken an important strategy to

build the "Carabao" brand to be well known and accepted both within and outside the country under the vision of "World-Class Product, World-Class Brand" over the past 2 years, it has obviously resulted in the growth of the Company reinforcing the strategy that comes in the right direction and appropriate for the Company. Additionally, the Company will continue to strive and carry out the mentioned strategy continuously.

Apart from the business aspect, the Company has continuously maintained its commitment to sustainability development with a focus on organizational development in various fields, not only the development of personnel, system development, modernization of the organizational structure and respond to the rapidly changing business situation, but also to the determination to conduct a policy of conducting business with responsibility and honesty in being a beverage producer to deliver quality drinks that are beneficial and safe to consumers. The company is committed to protect the interests of its shareholders, social responsibility, especially in the use of natural resources in water, which is an economical main resource, to be prudent and preserve the environment for sustainable living for the benefits of lineages to be sustainable.

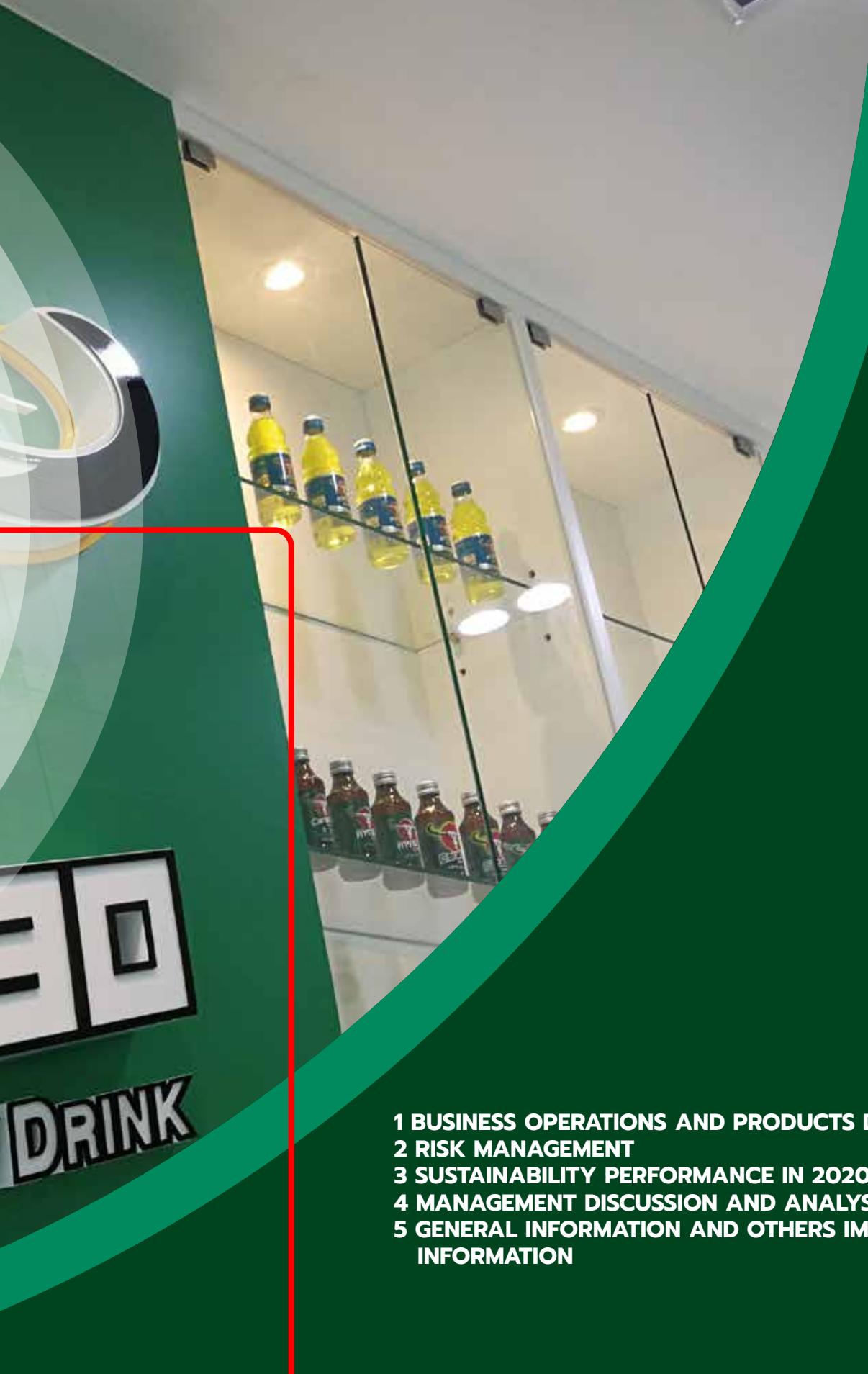
On behalf of the Board of Directors, we would like to inform that all executives and employees are committed to performing their duties and managing the best under the principles of ethics and good corporate governance guidelines to lead the Company to sustainable growth. We wish everyone and your family happiness and the success as desired. We would like to thank you to the shareholders who have always trusted and supported the Company's business operations.

Mr. SATHIEN SETTHASIT
Chairman of the Board of Director
CARABAO GROUP PCL.

Part 1

BUSINESS AND PERFORMANCE





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BOARD OF DIRECTORS



MR. SATHIEN SETTHASIT

Chairman of the Board of Director



**MISS NUTCHAMAI
THANOMBOONCHAROEN**

Vice Chairman of the Board of Director



MR. YUENYONG OPAKUL

Director of the company

**MR. KAMOLDIST SMUTHKOCHEORN**

Director of the company

**MR. ROMTHAM SETTHASIT**

Director of the company

**MRS. SAOWANEE KAMOLBUTR**

Director of the company

**MISS URAWEE NGOWROONGRUENG**

Director of the company

**MR. KANIT PATSAMAN**

Director of the company

**GENERAL SIRIPONGS VONGSKUNTI**

Director of the company

**MR. NHA-KRAN LOAHAVILAI**

Director of the company

**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 SMUTHKOCHEORN

Member of Executive Committee



MR. PONGSARN KLONGWATHANAKITH

Member of Executive Committee



MISS TIENTHAM SETTHASIT

Member of Executive Committee



MRS. SANTANA CHUNNEAM

Member of Executive Committee

Audit Committee



MRS. SAOWANEE KAMOLBUTR

Chairman of the Audit Committee



MISS URAWEE NGOWROONGRUENG

Member of the Audit Committee



MR. KANIT PATSAMAN

Member of the Audit Committee

Risk Management Committee

1. MRS. SAOWANEE KAMOLBUTR

Chairman of the Risk Management Committee

2. MISS NUTCHAMAI THANOMBOONCHAROEN

Vice Chairman of the Risk Management Committee

3. MR. KANIT PATSAMAN

Member of the Risk Management Committee

4. MR. KAMOLDIST SMUTHKOCHORN

Member of the Risk Management Committee

5. MISS TIENTHAM SETTHASIT

Member of the Risk Management Committee

6. MR. PONGSARN KLONGWATHANAKITH

Member of the Risk Management Committee

7. MR. ANUPONG PONGSUWANNA

Member of the Risk Management Committee

8. MRS. SANTANA CHUNNEAM

Member of the Risk Management Committee

9. MISS NUTCHANOK VONGSWAT

Member of the Risk Management 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

Chief Financial Officer



Net profits to
Shareholders
▲40.6%



Market Share
21.4%

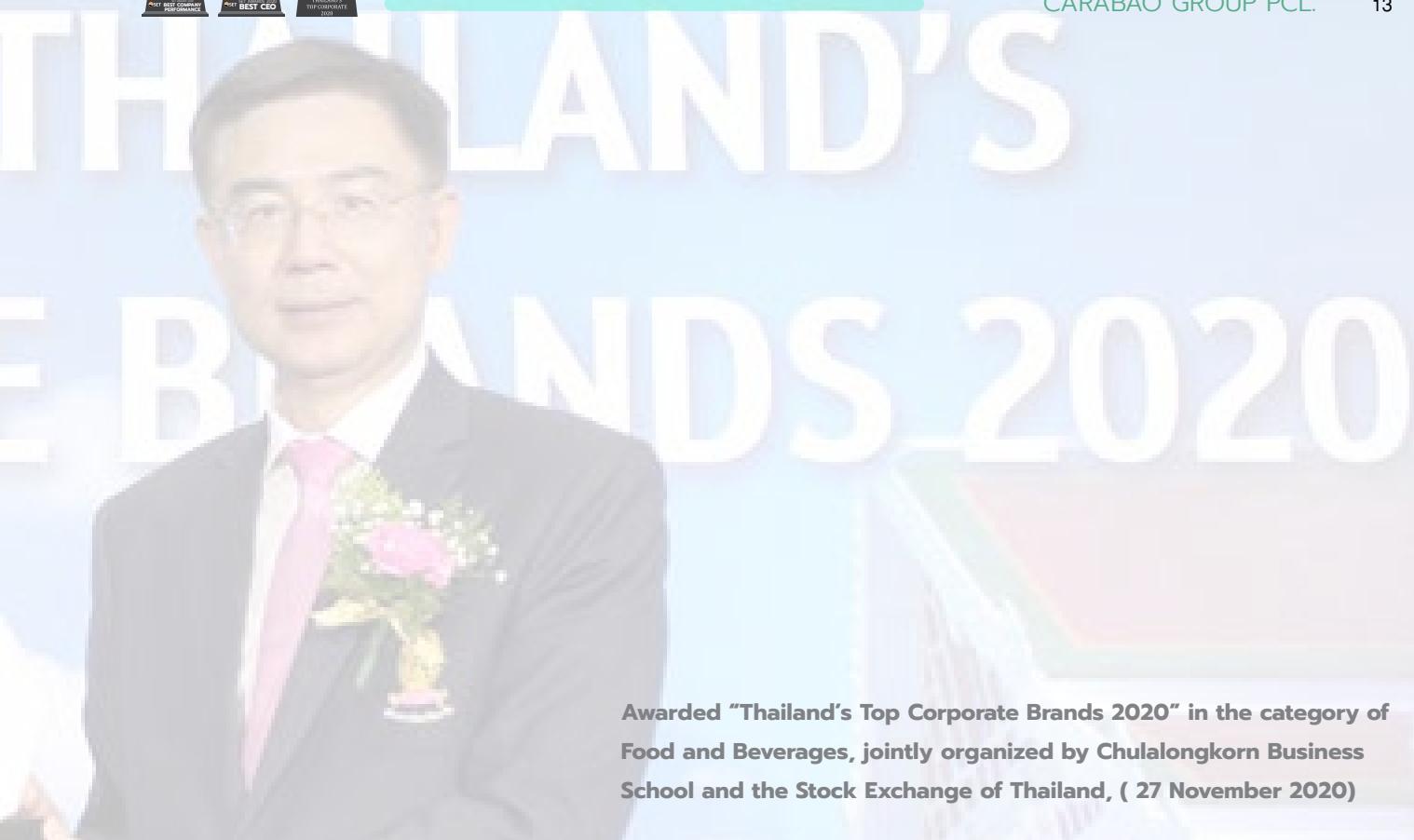


Thai energy drink
market growth rate
▼-6.8%



Sales Revenue
▲15.4%

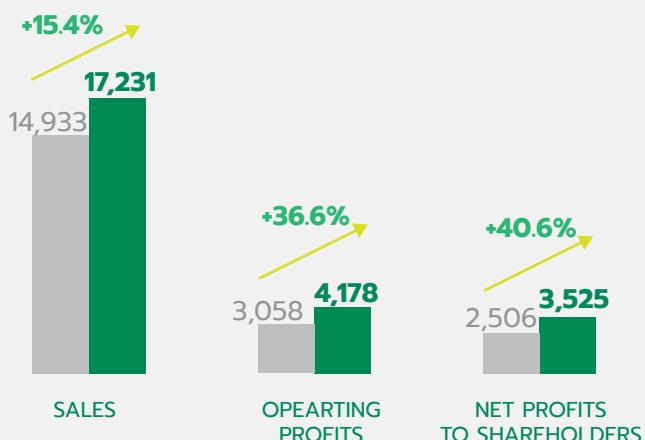




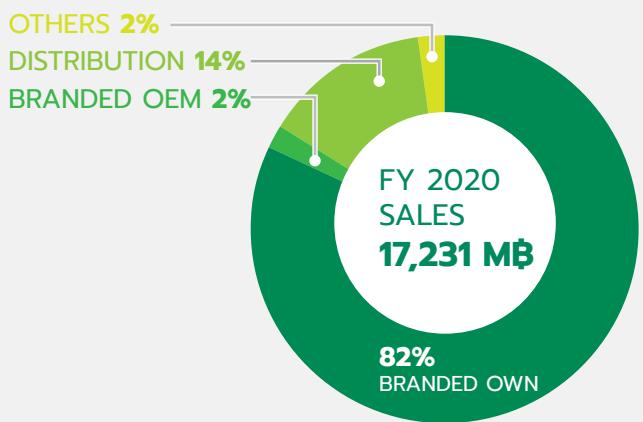
Awarded "Thailand's Top Corporate Brands 2020" in the category of Food and Beverages, jointly organized by Chulalongkorn Business School and the Stock Exchange of Thailand, (27 November 2020)

Amidst the global coronavirus infection (COVID-19) epidemic situation in 2020, the Company is still able to report sales revenue and net profit to shareholders' equity of the company at a new highest record. The company had sales revenue of 17,231 million baht, growth of 15.4 percent and net profit in shareholders' equity of 3,525 million baht, growing 40.6 percent from the same period of the previous year. The main drivers of income growth were from both domestic and international businesses and the ability to manage costs and expenses better.

FY 2020 Business Overview



FY 2020 Sales Breakdown by Product



Summary of Financial Highlights 2020

Amidst the global coronavirus infection (COVID-19) epidemic situation in 2020, the Company is still able to report sales revenue and net profit to shareholders' equity of the company at a new highest record. The company had sales revenue of 17,231 million baht, growth of 15.4 percent and net profit in shareholders' equity of 3,525 million baht, growing 40.6 percent from the same period of the previous year. The main drivers of income growth were from both domestic and international businesses and the ability to manage costs and expenses better.

The domestic business was supported by the launch of a new product, the Woody C + Lock brand of vitamin C beverage, and the growth in sales revenue from a wider variety of products. Meanwhile, the international market was mainly driven by the growth in the Company's energy drink exports, especially the CLMV market, which grew 16.5 percent under the proactive marketing cooperation strategy with the importers from Cambodia and Myanmar, which helped to expand the awareness of the Carabao brand and increased the selling point of the Carabao beverage in partner countries.

In 2020, the energy drink market in the country was affected by the economic downturn. The sales volume of the energy drink market in the country showed a negative growth rate of -6.8 percent compared to the 3.3 percent average of the energy drink market during 2017 to 2019 according to the market survey of the Nielsen (Thailand), which is in line with Thailand's economic conditions affected by the COVID-19 situation, resulting in a negative -6.1 percent of Thailand's economic growth in 2020 when compared to the average economic growth rate of Thailand in 2017-2019 at 3.2 percent, according to the Office of the National Economic and Social Development Council (NESDC). However, the Company's drink Carabao Dang can still dominate the market in the second place with a volume market share of 21.4 percent. The Company remains committed to being a leader in the energy drink market in the country with an extensive distribution strategy covering important trading areas throughout the country and the development of a system for tracking the information of sales throughout the chain from large traditional trades to consumers. This is to be used in the analysis, management and development on sales promotion activities for both distribution networks and consumers to be consistently efficient.

The Company also places great emphasis on building good fundamentals that is necessary to generate long-term business growth. One of which is to expand the consumer base to reach more young people by joining hands with Vuttithorn Milintachinda, the MC and show host, who has a strong presence in social media public relations to invest in A Woody Drink Company Limited in the proportion of 85.0 percent and 15.0 percent, respectively. This aims to develop functional beverage products in the category of functional drinks by focusing on co-development of quality drinks to meet the needs of a new generation who care more on their health and wellness. The Company began to distribute a new product, the Woody C+ Lock brand, a vitamin C drink for the first time in March 2020. Later, in December 2020, the Woody C+ Lock was tested by the Consumer Foundation, which resulted that the drink has the highest amount of vitamin C in the bottle from the testing of 47 samples available in the market. This has underscored the Company's commitment in developing the products with a world-class quality. In addition, in December 2020, Woody C+ Lock became the second player with a volume market share of 10 percent in the Vitamin-C healthy shot product line according to the survey from Nielsen Market (Thailand).

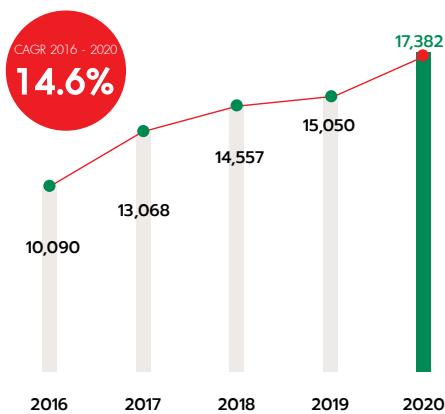
The Company is also committed to manage the production chain to achieve world-class quality products according to the corporate vision and to continually increase the ability to manage production costs for maximum efficiency, such as the establishment of an aluminum can factory, which the production started since November 2018. This resulted in cost of the Carabao canned energy drink products for the international market fell significantly in 2019 and continued into 2020, with the development of the procurement process to be more strategic. As well, the establishment of a factory produce other packaging materials, namely labels, corrugated boxes and shrink films is in the process of installing the machinery and is expected to commence its commercial production within 2Q2021 in order to improve the image of the Company's beverage packaging to be more modern.

The Company has also taken part in helping society through the donation of the Company's products to various organizations fighting against COVID-19 and the contribution of 50 million baht towards the Chaipattana Foundation against COVID 19 (and other diseases) funding to assist hospitals and medical personnel in purchasing supplies that are necessary to help COVID-19 patients as well as initiating other projects that aims at sustainable business practices under the concept of environmental, social and good governance (ESG), such as investing in a solar power system on the factory roof with an installed capacity of 5 megawatts, which is expected to begin generating electricity by 2021.

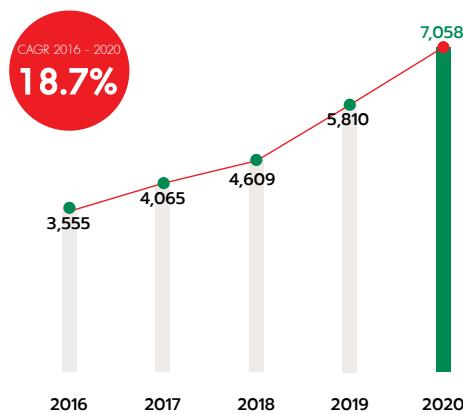
Various fundamental strengthening strategies have resulted in the profitability as well as the operating cash flow of the Company in 2020 to continues to increase as well as having a strong financial position to support future growth. As a result, the return on equity ratio in 2020 has increased by 700 basis points to 37.7 percent.

Financial Highlights

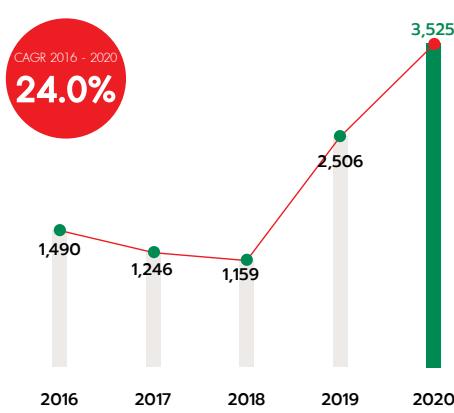
Total revenues (THBmn)



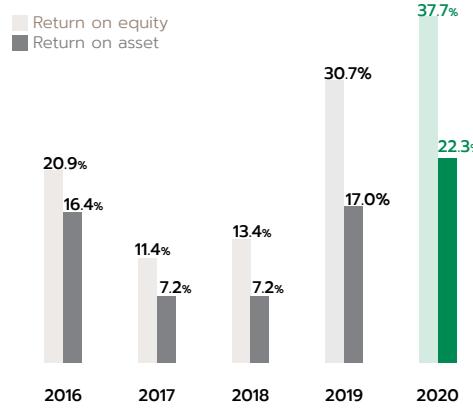
Gross profits (THBmn)



Net profit to shareholders (THBmn)



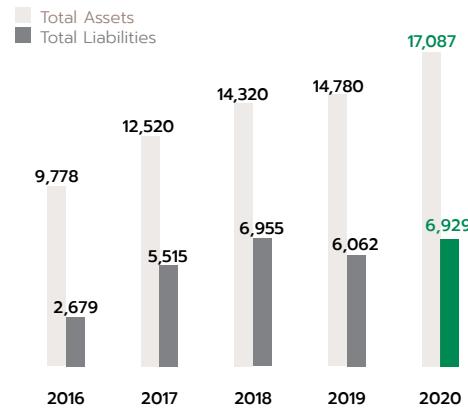
Return on equity (%) and Return on asset (%)



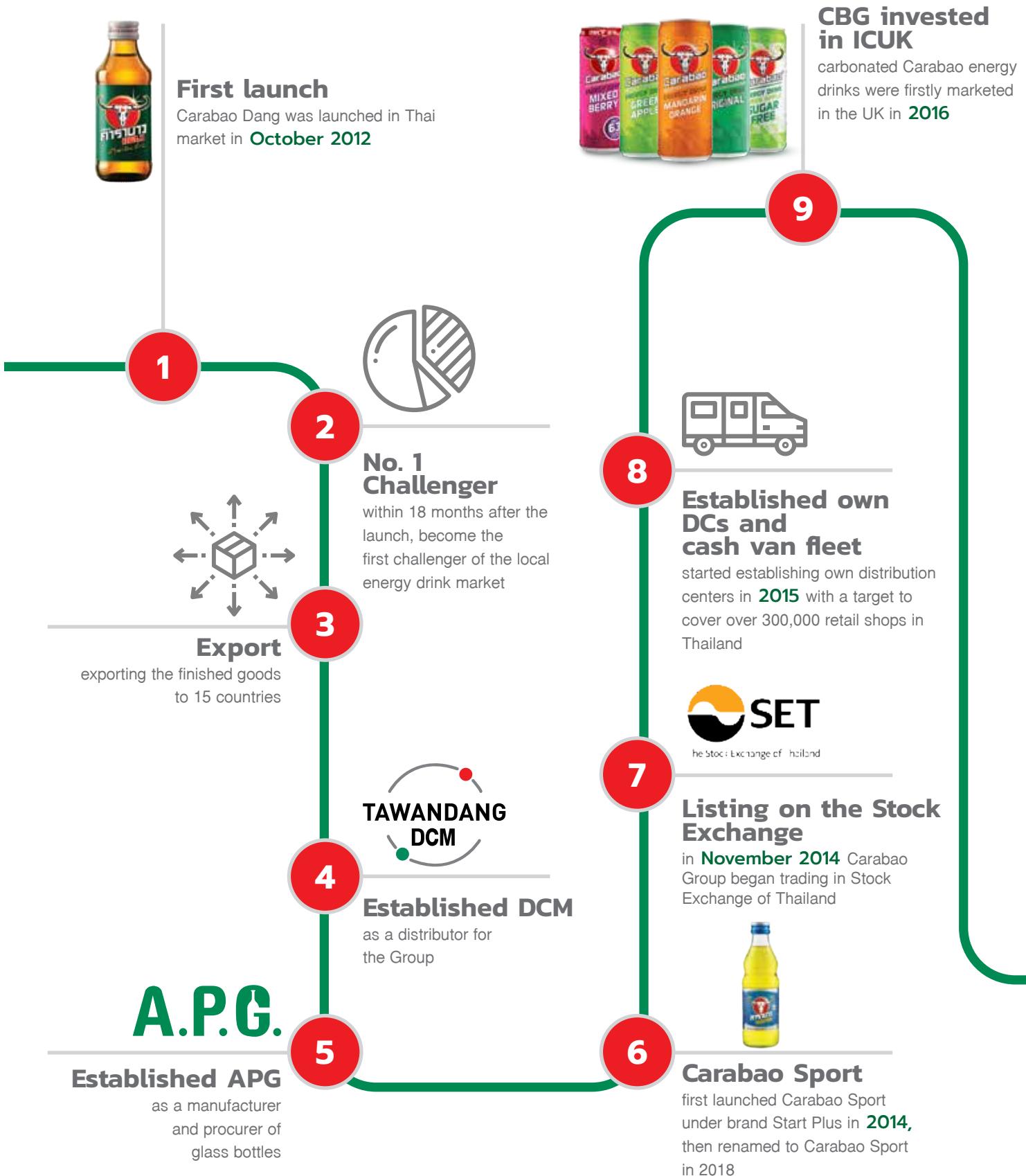
Sales contribution (%)



Total Assets and Total Liabilities (THBmn)



KEY TIMELINE





Corporate History and Development



CBD

Manufacturing, marketing and selling of energy drinks and other beverages

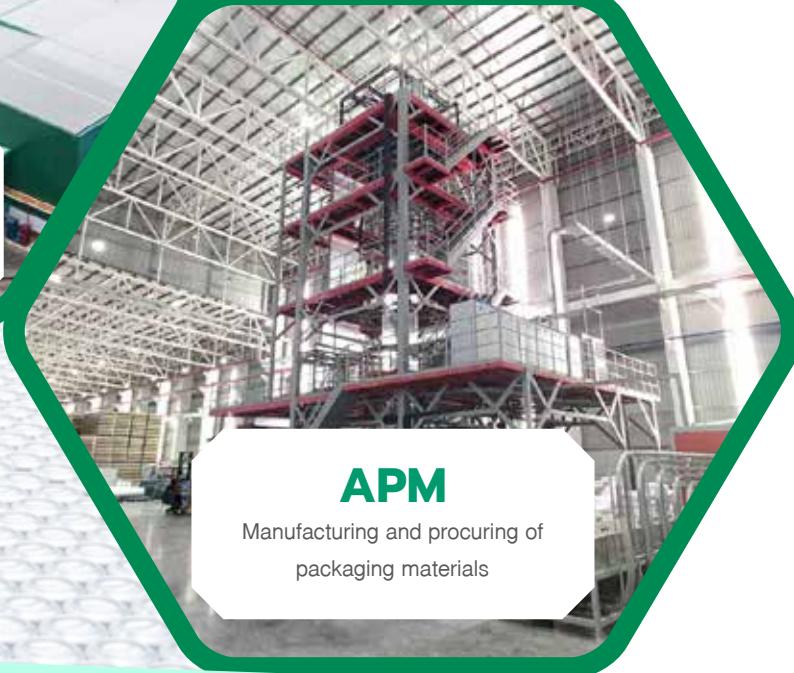


ACM

Manufacturing and procuring of aluminum cans

APG

Manufacturing and procuring of glass bottles



APM

Manufacturing and procuring of packaging materials

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 a 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 Thailand'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

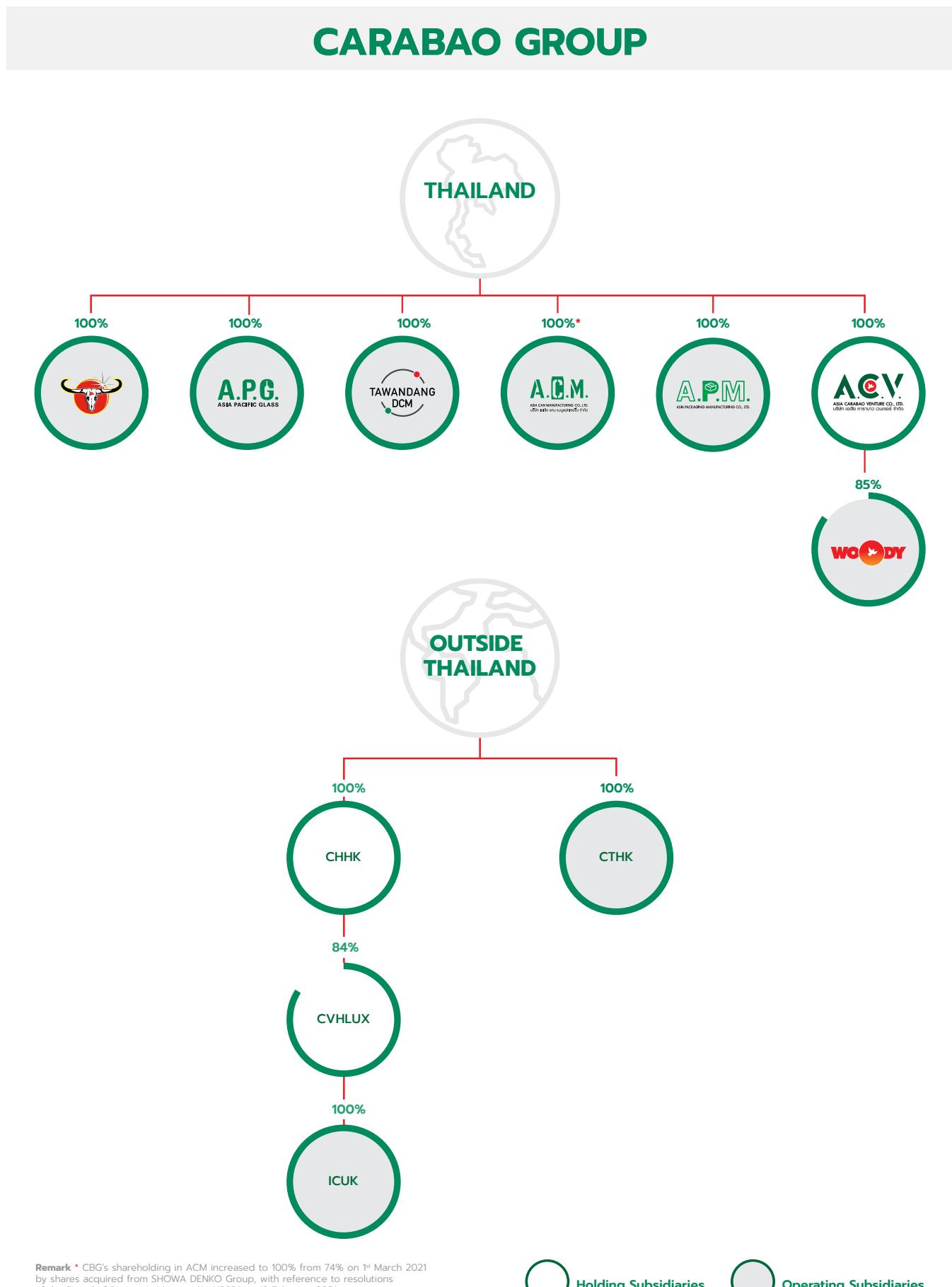
- Installing solar roof of a 5-megawatt capacity on the factory's roof with aim to use economy-friendly energy and reduce the emission released into the environment.
- Established Asia Packaging Manufacturing Company Limited ("APM") engaging in production and procurement of packaging materials for the 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.



Nature of Business Operations and Product Descriptions



The company engages as a holding company of which a number of subsidiaries is owned directly and indirectly under the following shareholding structure:



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

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 is in process of installing solar roof system at the site with installed capacity of 5 megawatts to enable the company to generate electricity from renewable energy sources which is expected 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 is in process of installing the necessary machines with the annual production capacity of 100.0 million pieces of carton box, 28.6 million squaremeters of OPP label, and 4,400 tonnes of shrink film, which are expected to start commercial operation in the second quarter of 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 1,560 million cans and 1,800 million bottles per year, excluding the new capacity expansion installed in December 2020. 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 and travelling restriction policy imposed in March 2020. Sales via online channels contributed approximately 15.0 percent of the volume sold in 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 Chelsea Football Club Limited (CFC) and 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.



Sales Breakdown

The company offers 3 types of products as follows; Branded Products under Own Brand, The 3rd 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 3rd parties ("Branded Products by 3rd Party Manufacture"). The revenue structure could be summarized as follows;

Sales Breakdown	2018 (Restated)		2019		2020	
	THB million	%Sales	THB million	%Sales	THB million	%Sales
The Company's Branded Products						
Branded Products by Own Manufacture	12,538	86.9	12,881	86.3	14,082	81.7
Branded Products by 3rd Party Manufacture	806	5.6	532	3.6	443	2.6
Total Branded Products	13,344	92.5	13,412	89.8	14,525	84.3
3rd Party Products for Distribution						
General consumers' products	420	2.9	248	1.7	260	1.5
Alcohol beverages	599	4.1	1,161	7.8	2,153	12.5
Total 3rd Party Products for Distribution	1,020	7.1	1,409	9.4	2,413	14.0
Others						
Total Other Sales	59	0.4	111	0.7	292	1.7
Total Sales Revenue	14,422	100.0	14,933	100.0	17,231	100.0

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 250ml 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 bottles sized 600 ml and 1,500 ml
under the brand 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 180 ml
under the brand of Carabao

9



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

10



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

Business innovation development

Carabao Group has launched a vitamin C beverage product "Woody C+ Lock". It produced with "C+ Lock" innovation that helps retain the quality and maintain the benefit of vitamin C inside the package until it reaches the consumer. "Woody C+ Lock" is rich in vitamin C at 200% of daily recommendation (Thai RDI), has low sugar and contains natural source of vitamin C from rosehip (wild rose fruit) which benefits in skin brightening from the inside out.

The components of "C+ Lock" innovation are as follows:

- 1) Green glass bottle package prevents the sun and the heat from damaging the quality of vitamin C
- 2) Filling up with nitrogen gas to prevent the loss of vitamin C from external air (Oxidation), a major cause of quality deterioration.
- 3) Use a special locking cap to secure nitrogen gas within the pressurised bottle and maintain the quality of the vitamin C until it is opened.

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"> ● 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. ● For overseas markets, target consumers are vary according to the consumers' preferences in each country.
Zinc-contained Drink	<ul style="list-style-type: none"> ● 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. ● At present, markets for Carabao Sport are domestic customers
Drinking Water	<ul style="list-style-type: none"> ● Domestic consumers of drinking water are un-segmented mass consumer who have preference towards branded drinking water under qualified and standard production. ● At present, market of Carabao drinking water is domestic customer.
Coffee	<ul style="list-style-type: none"> ● The company set forth the same target groups as domestic energy drink among the basic-to-middle incomes. ● At present, the coffee products are market and distributed within Thailand
Vitamin C Drinks	<ul style="list-style-type: none"> ● 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. ● At present, markets for Vitamin C drinks are domestic and oversea customers

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 PRODUCT | WORLD CLASS 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 instrumental strategy of the company, in charge through out Thailand. The Bao Dang Girls have been trained not only to hold games activities, give reward and inform the product specification but also to familiarize, understand, and bond relationship with end consumers. Currently, there are over 450 Bao Dang Girls in 61 teams working in the assigned strategic areas under the given strategy of which the knowledge has been accumulated over the past 18 years. Recently, the company also applied the use of technology to improve the working process, for instance, Operation App ("OA") on the tablet is used to record the visits by scanning QR code, indicate the strategic location to hold marketing activities, measure the efficiency of the marketing activations, as well as to monitor the work flows under precised 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 5 seasons from 2017/2018 to 2021/2022, and has rights to extend the contract for another two years at the same rate of sponsorship fee. The league is one of the largest competitions in the 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

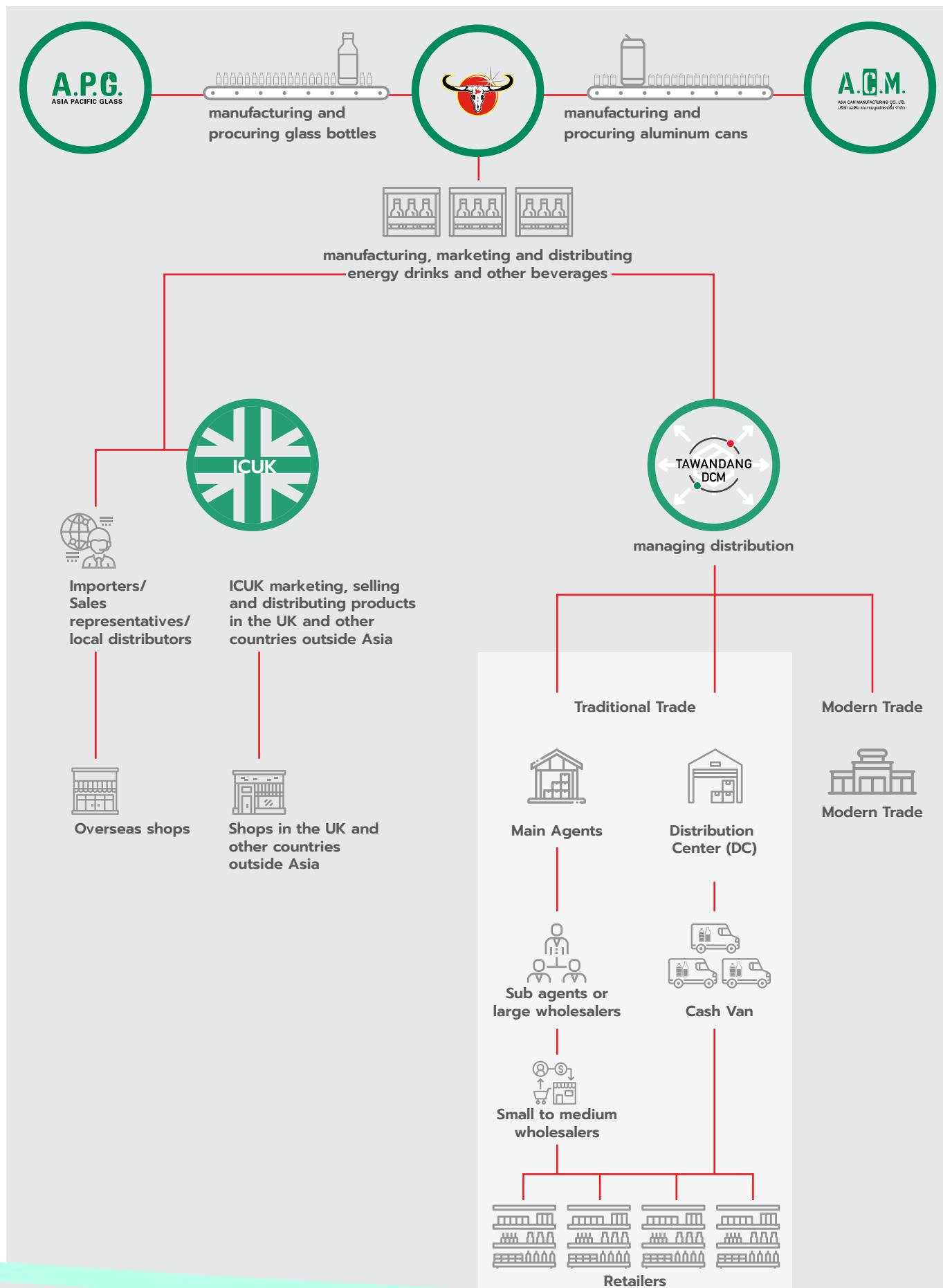


EFL - CARABAO CUP
2017/2018 to 2021/2022



3. Distribution Channels

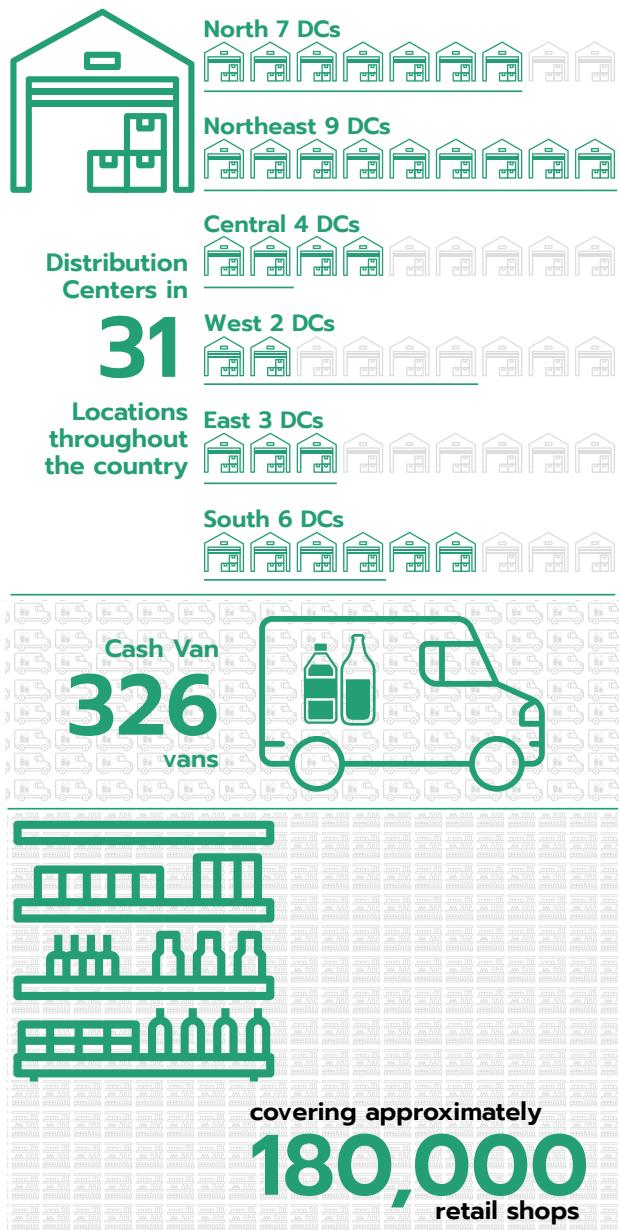
The company's distribution channels for domestic and international business are as follows:



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 sales volume in 2020 contracted by 6.8 percent, compared to the average annual growth rate of 3.3 percent in 2017-2019. The energy drinks in Thailand are distributed via 2 main channels; the largest portion via traditional trades contributed to 71 percent of the market volume in 2020, and the remaining 29 percent from modern trades. In 2020, market sales volume in tradition trades reduced by 4.3 percent softer than in modern trades which shrank by 13.0 percent. However, the company remained the second largest player possessing 21.4 percent volume share in the Thai market.

The characteristic 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 behaviours which prefer energy drinks in glass bottle 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 energy drink market in Thailand are dominated by Thai companies who have deeper understandings in 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 who 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 that 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 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.

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. Additionally, many companies place an importance in product varieties in taste or flavours, 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 in order 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 9,124 million with a healthy growth rate of 9.0 percent in value and 16.3 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 77 percent and the remaining 23 percent via traditional trades. Woody C+ Lock could gradually raise market share and became the second largest player among vitamin C products in Dec'20 with approximately 7.9 percent volume share in Healthy Shot segment.

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2017 - 2019
+3.3%

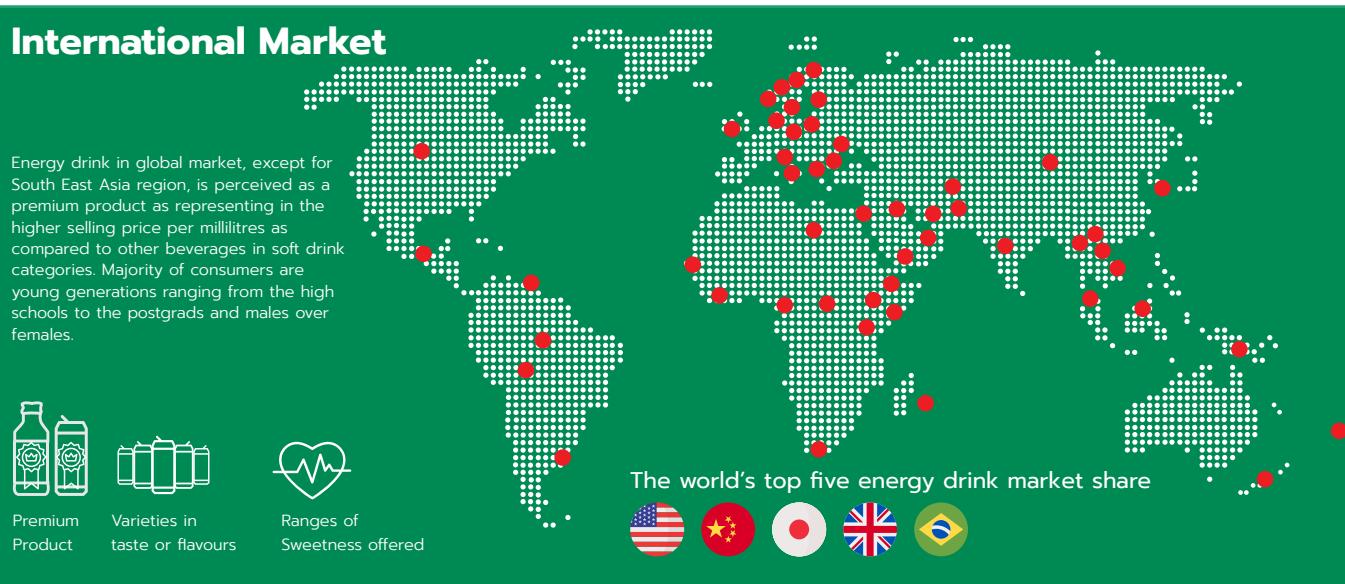
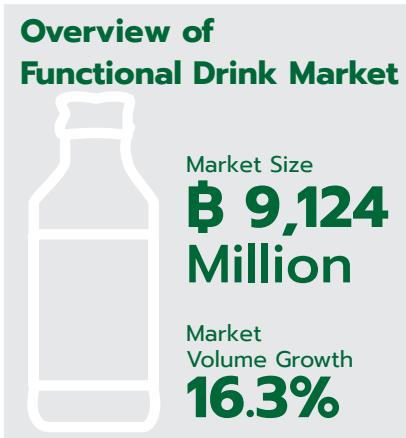
2020
-6.8%



brand received
a warm welcome
from the market
rapidly and
overwhelmingly



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



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EUROPE	ASIA	NORTH AMERICA	AFRICA
United Kingdom	Malta	USA	Nigeria
Netherlands	Azerbaijan	Mexico	Africa
Germany	Czech Republic	Costa Rica	South Africa
Greece	Denmark		Senegal
Bulgaria	Estonia		Ghana
Poland	Norway		Mauritius
Italy	Sweden		Djibouti
Iceland	Belgium		Somalia
	Laos		Libya
			Pakistan
			Kenya
OCENIA		SOUTH AMERICA	
Australia		Brazil	
Tonga		Trinidad	
Papua New Guinea		Uruguay	
		Bolivia	
		Peru	
		Venezuela	

Procurement of Product or Service

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 2018 to 2020 as follows;

	For the fiscal year ended 31 December		
	2018	2019	2020
Bottling factory			
Weighted average installed capacities (million bottles)	1,800	1,800	1,800
Actual production volume (million bottles)	864	870	868
Utilisation rate (percentage)	48	48	48
Canning factory			
Weighted average installed capacities (million cans)	1,560	1,560	1,560
Actual production volume (million cans)	844	943	1,140
Utilisation rate (percentage)	54	60	73

Remarks

- In December 2020, new capacities from the expansion project of bottling and canning lines were successfully installed, led to the increases in filling production capacity at Bangpakong district, Chachoengsao province to approximately 4.2 million bottles per day and 5.7 million cans per day, respectively.
- Bottling factory excludes 2 production lines for Carabao Sport, in total 100 million bottles per year

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, dexpanthenol, 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 CO₂ and SO₂ 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.

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 addressed 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

Environmental Impact

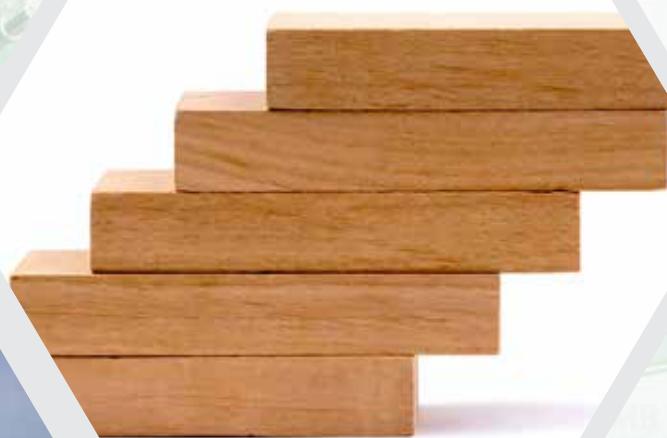
Drink production of CBD, bottle manufacturing of APG, and aluminum can production of ACM are under enforcement of the law, regulations and environmental requirement applied to national, provincial and local level. Environmental laws, regulations and requirement applied to producer of beverage and manufacturers 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 —

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

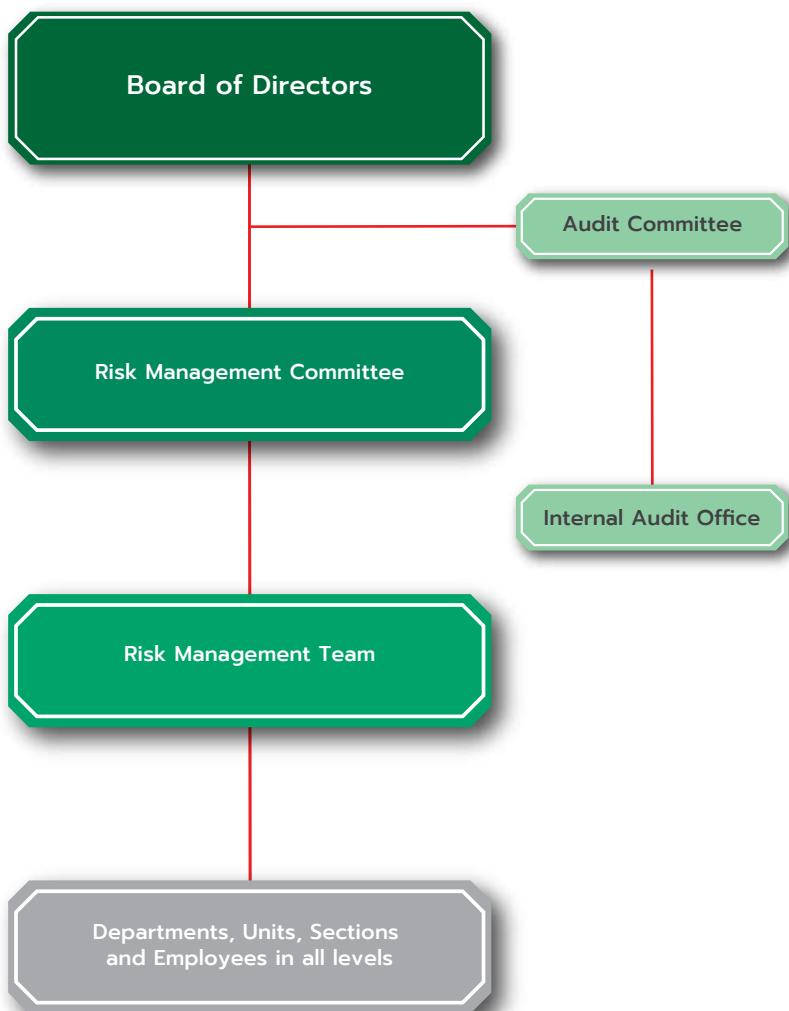
The subsidiaries of the Company have a policy to pay dividend to shareholders at the rate of not less than 40.0 percent of net profit after income tax under the separate financial statements of the subsidiaries and the allotment of a legal reserve. The rate of dividend payment is subject to their operating 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 effectiveness.

1. Enterprise Risk Management-Integrated Framework: ERM

To provide effective and efficient 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 Office

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 directors and senior executives 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 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** Risks 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 trends to identify the major risk factors of the Company with details as follows:

1) Business Risks

Risk	Risk Description	Company Risk Management
Strategic Risk		
Risk from brand awareness being inconsistent with global brand image	The Company may be at risk that the consumer group who may still 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.	Throughout the years, 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 Carabao Cup, 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 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, marketing, including advertisements, and promoting for the product to create awareness and to get positive responses from consumers in order to generate satisfying sale income for the product. 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 design and production as well as has determined marketing and promotional activities. In addition, 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>In the current situation, 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 production plants and warehouses, business operations, reputation and confidence in the organization.</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"> 1. Building / Main Workplace 2. Machine or Important Equipment / Machinery Procurement or Important Equipment 3. Areas of Information Technology and Important Information 4. Key Personnel Areas 5. Important Network Partners <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.</p> <p>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 of value that may occur to the Company in the future.</p>

Operational Risk

The risk from CBD relying on importers, distributors, and/or local vendors to distribute its products outside Thailand	<p>In conducting the export business, CBD requires importers, distributors, and/or local vendors in each country wherein CBD conducts business. For this instance, CBD holds no policy to sign long-term contracts with said importers,. For that reason, 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. CBD may also face country-specific risks from the uncertainty and unexpected circumstances of the trading partner countries, such as the risk factors of natural and environmental threats changing and political instability, etc., which may create limitations in doing international business as well as affect the business operation, reputation and confidence in the organization.</p>	<p>The Company has established a foreign business office to coordinate, make a plan to work with the importers, dealer and/or local distributors closely to provide support as well as monitor various situations regardless of the market conditions, competition, as well as changes in regulations and regulations in partner countries. In addition, it has also sent a team of expertise down 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.</p>
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Risk	Risk Description	Company Risk Management
The risk of fluctuation in raw material prices and shortage of raw materials	<p>Sugar Sugar is a commodity product whose price fluctuates according to the market's demand and supply and government's policy. The company cannot guarantee if it can pass the burden of higher costs through its customers which might negatively affect the business, performance, and the company financial position significantly. Sugar price for domestic consumption is set by Office of the Cane and Sugar Board, whereby, sugar price to exported products will vary depending on the global prices and related factors ranging from favorable weather of the crop cultivation in key production countries, import and export policy especially of developed countries, and movement of the Brazilian real (BRL) currency for Brazil is the world's biggest exporter of sugar, and the price of fossil fuel as sugar cane and molasses could be used to produce Ethanol as an alternative energy to fuel cars.</p> <p>Glass cullet 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 increases the usage of quartz and soda ash, for example. All of which might negatively affect the business, performance, and the company financial position significantly.</p> <p>Aluminum Coil 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 which might negatively affect the business, performance, and the company financial position significantly.</p> <p>LDPE 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, which may have a negative impact on the business performance. Accordingly, the Company plans to purchase raw materials from domestic sources mainly at the market price (Spot price) and closely monitor the inventory management to meet the demand of the Company.</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"> ● 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 ● Focus on ways to reduce costs including adding value throughout the supply chain to increase competitiveness ● Build long-term relationships to manage supply risks <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>Kraft Paper</p> <p>Kraft paper is the main raw material for producing corrugated paper sheets (Sheetboard), 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 waste paper in the market. The Company plans to purchase from 1-2 kraft paper traders as spot contracts and short-term contracts in order to prevent being too dependent on a particular partner.</p>	
	<p>BOPP Film</p> <p>BOPP (biaxially-oriented polypropylene) film is the main raw material for producing OPP labels for APM. It is transparent and has a flexible texture.</p> <p>The Company may be at risk from the shortage of raw materials due to the presence of few domestic producers and may have to rely mainly on foreign sources, which may have a negative impact on the business performance.</p> <p>The Company plans to procure and test the quality of raw materials from 2-3 foreign sources in order to prevent the risk of being overly dependent on one trading partner.</p>	
	<p>Natural gas</p> <p>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, and the amount of natural gas used per day and, consequently, affected the production cost of the company's beverages. Furthermore, in the case that natural gas is not enough for demands in production plan could result in a material reverse effect on the company's business operation, performance, and financial position.</p>	

Risk	Risk Description	Company Risk Management
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) faulty products (3) contaminated products or (4) mistakes or shortcomings in labelling the products. Even when CBD controls the warnings on the labels to be correct and complete according to the announcement of the Ministry of Public Health. E.g. for Carabao Dang, CBD stated "Do not consume more than 2 bottles per day. Over consuming will cause rapid heart palpitation and insomnia. Pregnant women and children should not consume. Patients or the congenital disorders should consult their doctors prior to consumption," on the labels. But CBD remains exposed to the risk of CBD's products causing harms to the consumers' well-being if the 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. Furthermore, if there were to be accusations about CBD's products being harmful, even if untrue, might affect the demand for the products under the brand of Carabao to decrease.	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. 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.
Financial Risk		
The risk of fluctuation in currency exchange rates and interest rate	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 which is not the currency of their country of origin and the rapid growth of overseas business in the past period. For the accounting period ending on 31st December 2020 the Company's overseas sales was 8,098 million Baht. In this amount were transactions involving Thai Baht and other currencies at the ratio of 69:31, of which US dollars is majority of the others. Furthermore, As appears in the most recent total financial statement ended on 31st December 2020, the company had an interest-bearing debt of 4,794 million Baht representing a ratio of interest-bearing debt to shareholders' equity at 0.5 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.	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) as a case-by-case basis for each period. It is not for profit but focuses on the stability of foreign currency transactions in a manageable basis. For the fluctuation of interest rates, the Company is aware of the potential impact of such risk by preparing a credit line for the issuance and offering of debentures. When calculating with all debentures of the Company that have not yet been redeemed at a particular moment, the total value will not exceed 5,000 million baht, as approved by the resolution of the 2020 Annual General Meeting of Shareholders in order to adjust the capital structure by considering the liquidity management, balance of sources and uses of funding As well as financial costs and related expenses including the overall rate of return on equity of the Company.

Risk	Risk Description	Company Risk Management
Compliance Risk		
<p>The risk of changing policies, rules, and regulations involving the Company's business conducts</p>	<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 such as the limitations on advertising of these drinks' properties, promotional activities, requirements for manufacturers to state on the label suggested dosage per day. 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. This includes the Excise Tax Act A.D. 2017, which may cause the Company to have more burden to pay taxes in respect of the tax burden according to the sweetness value per liter. The law requires a step-up every 2 years until 2023.</p> <p>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 in advance 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>
<p>Risk of Infringement of Personal Information (Data Privacy)</p>	<p>In the digital world, information has become 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 every information in order to be further developed and benefit the business in the future. Until sometimes it violates the privacy of consumers, 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 realizes the importance in protecting personal information with a focus on giving respect and importance of rights, personal information and personal data protection. These are fundamental rights to privacy that must be protected under the Personal Data Protection Act 2019. For this reason, the Company has set a policy to be the key 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 of personal information, the use or disclosure of personal information, the quality of personal information, 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 since the end of 2019 including Thailand from January 2020 and has directly and indirectly affected health, economic and social conditions, many countries have taken measures to restrict economic activity and travel, which have widespread impact on supply chains in many countries. This may significantly have a negative impact on the business performance and financial status of the Company in a wide range of health, economy and society. However, the situation took a turn for the better after the COVID-19 vaccine began to be distributed to people in many countries.</p> <p>For the fiscal year ended 31 December 2020, the Company has been affected by the COVID-19 epidemic situation in the country and its partners' countries for a limited time due to government measures such as travel restrictions and closure of certain places, the measures to suspend the sale of alcoholic beverages in the country during April 2020, the closure of international land shipping terminals to put in place measures to prevent COVID-19 infection. When the measures were unlocked, sales have resulted in a better direction, while the manufacturing plant in Bang Pakong District, Chachoengsao Province Can still proceed the production as usual since it is not temporarily closed. In the midst of stringent cleanliness and distance-keeping measures, in 2020, the Company can continue to report sales and profit growth. This is a result of the Company's income spread geographically, which the proportion of sales of energy drink products and other beverages that the Company has operate in-house-to-international production in 2020 is at 42:58, with corporate strategy focused on sustainable growth.</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 on each area of the business including preparing an appropriate response plan and covering all important aspects such as supply chain and operations, impact on business operations, financial and external factors, etc.</p>

Risk	Risk Description	Company Risk Management
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>	<ul style="list-style-type: none"> • The Company realizes the importance of global warming that affects business operations and creates the Company's sustainability. Therefore, the Company focuses on the management of business practices to reduce the impact on global warming such as <ul style="list-style-type: none"> • 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 to reduce greenhouse gas emissions into the atmosphere • The systematic collection of water consumption and the specification for indicating goal to reduce water consumption • 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 such as the use of glass fragments including the reuse of broken glass to reduce the amount of natural sand used in the bottle manufacturing process • Build a culture of caring for the environment and society in the organization by focusing on saving energy and caring for the environment, such as campaign against the use of plastic food containers, reducing the print volume and paper usage and changing the form of contact or coordinate businesses through online channels in order to reduce the burning of gas from travel, etc.
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>	<ul style="list-style-type: none"> • 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 such changes as <ul style="list-style-type: none"> • Development of sales channels through Online Platform • Development of Customer Data Management System (CDP) to effectively respond to customer needs. • Use of RPA (Robotic Process Automation) and new manufacturing technologies to increase work efficiency.



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>While the Company has a policy to pay dividends at the rate of not less than 40% of the net profit of the consolidated financial statements after income tax, the dividend payment of the Company to its shareholders will be paid from the net profit as shown in the separate financial statements of the Company, which depends on the ability to pay dividends of the subsidiary companies. 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, below than expected return from investment, approval of licenses, being regulated to general country risks.</p>	<p>In order to achieve the performance of the subsidiaries to meet the goals set by the Company, the Company has set operational goals and operating standards (SOPs) to guide 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 after income tax of their separate financial statements and after the legal reserve allocation but will not exceed the retained earnings appearing in the subsidiaries' financial statements and in accordance with the relevant laws and regulations so that the Company has sufficient retained earnings to support its dividend payment policy as stated. 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 but will not exceed the retained earnings appearing in the Company's financial statements according to related laws, including the Public Companies Act. The company's board of directors will occasionally revise and amend the paying policy to match the company's business growth plan in the future, the need for investment and circulation funds, and others factors as deemed appropriate.</p>
The risk of major shareholders controlling the votes in shareholders' general meetings	<p>As of 24th August 2020, the party of Mr. Sathien Setthasit, the party of Ms. Nutchamai Thanombooncharoen, and the party of Mr. Yuenyong Opakul hold 32.1 percent, 22.2 percent, and 14.2 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 major 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.

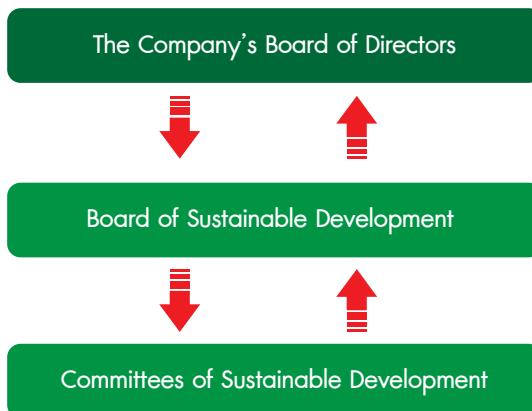
Carabao Group conducts business with the aim of delivering value back to society as well as implementing social projects to convey and build the foundation of good life value to the sustainable public development.

Sustainability Policy

The Company is committed to operating under its vision, missions, commitments, strategies and policies for its growth, prosperity, and sustainability, considering the impact on all stakeholders and social and environmental responsibility.

Sustainable Management Structure

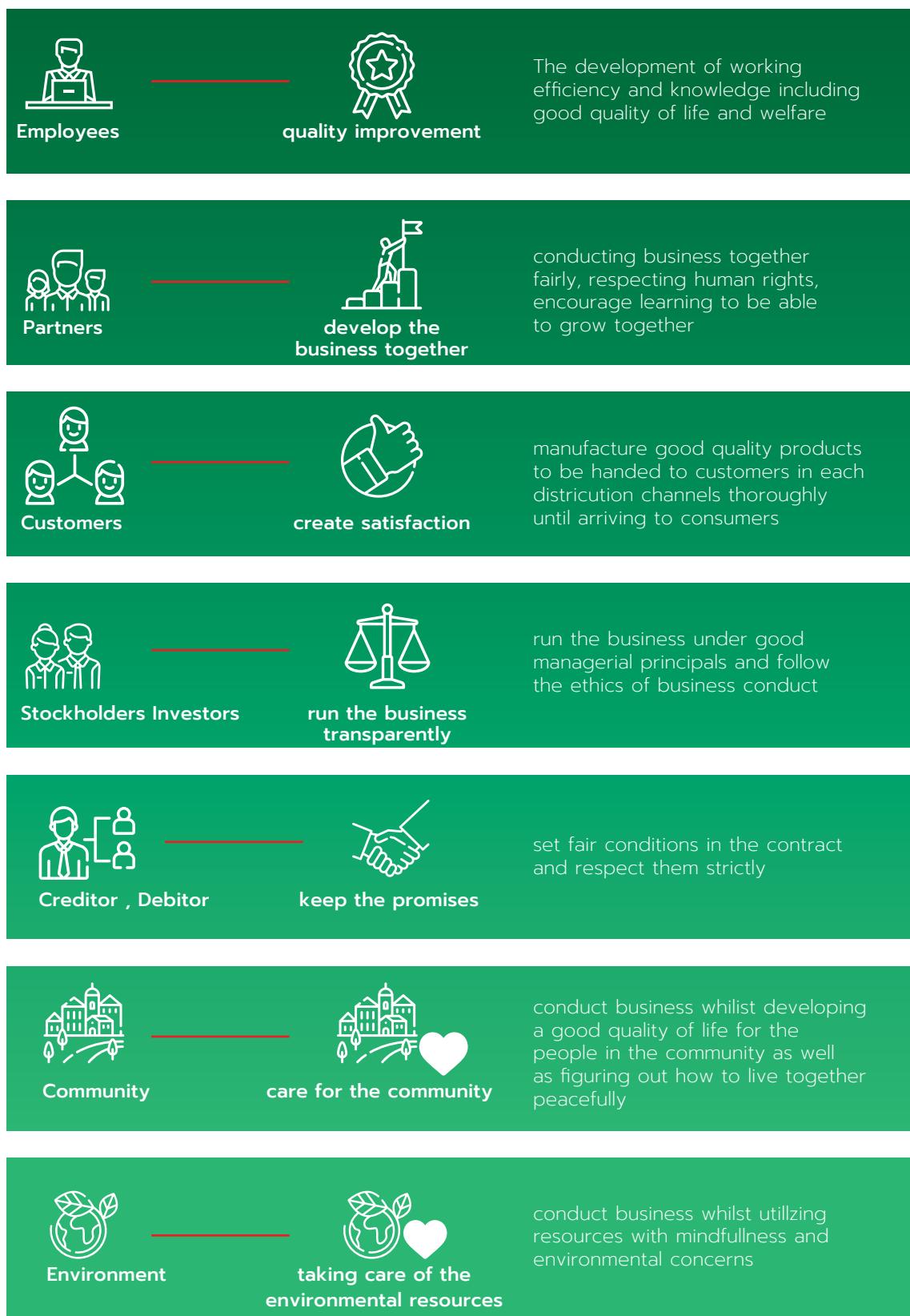
The Company's Board of Directors appointed the Board of Sustainable Development as representatives from several business field to play roles in shaping sustainable development strategies and policies, evaluating the outcome and setting up the scope and report on sustainable development by appointed the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



Stakeholders of the Company

Stakeholders	Issues that interested or anticipated
1. Employees	Career opportunity and welfare
2. Supplier	Fair business
3. Customers	Great quality products at affordable prices
4. Shareholders/ Investors	Business performance, growth and transparency
5. Creditors Debtors	Reliable
6. Community	Community development to grow with the business
7. Environment	Solving problems that may arise from the operation of the Company

Responding to Stakeholders



Human Resource Organization Transformation Office Performance

To strengthen the competitiveness of the Company, flexibility to changes is essential under current's dynamic business environment and to align with the vision of "World Class Product, World Class Brand." The Company places emphasizes to the development of personnel at all levels to fully embrace the corporate value as it says "Enlightened, Real Actions, Accurately, Precisely, Adaptable, Insightful, Resilient and Flexible." We also recruit talented people with a wide range of skills to put the organization under the professional as well as sustainable-conscious leaderships.

The driving wheel of occupational health, safety, and environmental policy to achieve organizational objectives



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 promotes participation and recognizes that occupational health, safety, and environmental management is the duty of employees at all levels to be accountable and comply. Moreover, the company has provided consultation for the implementation of their responsibility.

Furthermore, Carabao Group Public Company Limited is the first entrepreneur of energy drink industries that has been certified ISO 45001: 2018.

Environmental Management

1. **Water resources management:** We have operated to reduce the risk of water shortage used in the production process. The implementations to increase the efficiency of water used in the departments cause more cost-effective water resource utilization. Consequently, the costs of water used in the production process were reduced.
2. **Wastewater management:** Our operations increase the efficiency of wastewater management in the organization. These decrease the impacts of the discharge of sewage from the organization to the ecosystem and community.
3. **Energy efficiency:** We identified opportunities for maximum energy efficiency that contribute to decreasing the use of energy and natural resources. Therefore, the costs for the departments were reduced.
4. **Climate change:** We have reduced greenhouse gas emissions, which contribute to decrease the impact on climate change. These measures include changing or increasing the efficiency of products to reduce the use of raw materials; the utilization of low-carbon fuels; decreasing the use of chemicals containing some ingredients that affect global warmings, such as the cancellation of the refrigerants which contain CFCs or HCFCs; the selection of renewable energy; etc.
5. **Waste management:** We ensure that the wastes we produce have been properly separated, stored, managed, treated, and disposed of to minimize the impact of waste on the environment. Moreover, we have reduced the generation of waste and increase the opportunity to convert waste into usable by-products. Moreover, we have reduced the generation of waste and increase the opportunity to convert waste into usable by-products. This manner could reduce the cost of raw materials, operations, and disposal.
6. **Hazardous Substance Management:** We have established guidelines for operations involving hazardous materials. The guidelines were written to provide effective solutions for the hazardous chemical emergency response. These aim to reduce the impact on humans, the environment, and communities that may be affected as much as possible.

Energy consumption and climate change

It is a fact that natural changes affect life and livelihood. Thailand and other countries are affected by the changes, such as rain that do not fall according to the season caused farmers to face drought; the flooding in many areas caused the damage, unable to cultivate and trade, starvation, and lack of income, etc.

The Carabao Group realizes the importance of this issue and therefore has defined an environmental policy as one of the main strategies to create sustainability for the organization. The policy has been assigned to subsidiary companies within the group, and the companies have adopted and driven it to be tangible results.

Our Success in 2020 Efficient use of energy

Asia Pacific Glass Co., Ltd., which produces glass and glass products, has been certified Green Industry Level 2 (Green Activities) from the projects of reducing electricity consumption. Moreover, Carabao Group Public Company Limited, which produces energy drink products, has been certified both Green Industry Level 3 (Green System) and ISO 14001: 2015 (Environmental Management System). Furthermore, the Solar Rooftop, more than 60,000 square meters of solar panels have been installed on the roof of the plant, generates 7,008,000 kWh of renewable electricity per year. In addition, our company has never received any complaints about air pollution due to its production process uses clean energy. For this reason, the working environment in our company and the environment in the community are more livable and safe.



Likewise, the company has established the energy management guidelines based on the 3Rs principle (Reuse — Reduce — Recycle) for Carabao's beverages and packages manufacturing.

Table 1 Outcomes of measures to reduce the electricity consumption

No	Project/Measures	Reduced electricity consumption (kWh per year)
1	Discontinuation of the 250-kW air compressor	724,536
2	Discontinuation of the automatic scraper machine	14,440
3	Using the automatically turn off electricity and lighting in the staff toilet when it is not used	6,402
4	Improving the electrical system and installing the Inverter Tank Cooling VSD	396,039
Total reduced electricity consumption		1,141,417

Occupational health, safety, and environmental management:

The occupational health, safety, and environmental policy is defined to demonstrate the commitment of our administrators that will conduct business with sustainable responsibility. The policy has been announced as a framework for operational guidelines and also clearly defined the responsible persons. All managements and workforces shall be accountable and comply with this policy.

The occupational health, safety, and environmental management are following:

1. Safety Program : The company has established a safety plan and an effective risk mitigation program that corresponded to service activities in each business of the organization. This program aims to reduce injuries and illness of the employee.

2. Occupational Health : The company has conducted projects for the reduction of work-related illnesses. Also, the projects are clearly defined, measurable, and corresponded to the activities of the employees.

3. Vehicle Safety : The company has taken actions to reduce the loss caused by vehicles, it is the main risk factor for shipping and distributing products to consumers. In addition, we conducted the project "Bao Daeng, Safe Driving, and Caring for Everyone" to encourage employees to be aware of safety and dangers that may occur while driving vehicles.

4. Emergency Plan The company has conducted an emergency management plan that consists of campaigning activities; measures for preparing and responding to both before and during an accident is occurring. The plan has clearly defined the structure of roles, duties, and responsibilities.

Performance for the year 2020

Tawandang DCM Company Limited (DCM)

1. The company has set up a safety management structure in 31 distribution centers. Safety Officers at these distribution centers are the following:

1.1 Thirty-one Safety Officers in management level.

1.2 Sixty-two Safety Officers in supervising level.

1.3 Thirty-one Safety Officers in technical level.

2. The company provided a "Forklift safe driving and forklift preventive maintenance training course" for our 67 staffs. Assistant Manager of the center and the Warehouse Staff are the job positions that have been defined to be trained in this course.

3. The company has implemented a safety system for 31 centers as follows:

3.1 Providing emergency response equipment and installing it in the risky area. The equipment has been regularly checked the readiness for use.

3.2 Providing safety inspections, which have been periodically conducted by Safety Officers in technical level, to preventing unpleasant incidents that may cause loss to employees and the company.

3.3 Establish a fire response structure within the distribution center

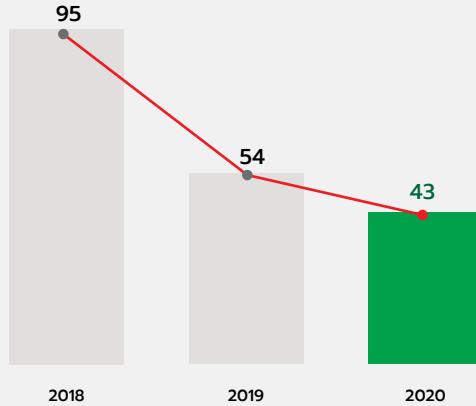
3.4 Establish an employee's accident and illness reporting system.

3.5 Providing occupational health, safety, and environmental training to be attended by General Employee, New Employee, Employees with New Job Change. These training courses aim that all relevant employees be aware of the dangers and risks that may arise in the workplace; and, they will able to cope with that risk.

4. The company has provided "Basic Fire Fighting Training and Evacuation Fire Drill" for preparing and responding to fires together with local authorities. These aim to minimize the severity and the impact of fire as much as possible.

As a result of the above actions, it caused clear success in reducing work-related accidents. Thus, no cases of disability or death from accidents at work were found in 2020.

Comparison of accident statistics in the year 2018, 2019 and 2020

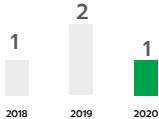


Carabao Tawandang Co., Ltd. (CBD)
Asia Can Manufacturing Co., Ltd. (ACM)
Asia Pacific Glass Co., Ltd. (AGM)

The Company has established the Safety, Occupational Health and Environment (SHE) Department at all 3 production plants. These aim to improve the quality of life, enhance safety, and reduce accidents at work. As a result, it is a clear success in reducing work-related accidents. In addition, in 2020, there are no cases of disability or death from accidents at work, and the number of Lost Time Accidents was decreased.

Number of Lost Time Accident (cases)

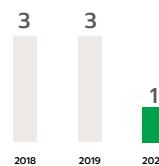
APG



ACM



CBD



Organization Transformation Project

The top management had set the first priority in communicating the company vision and values through the operating team called "Triangle Organization Transformation Office" responsible for educating all departments the OKRs (Objective and Key Results) concepts which enable everyone to work in the same direction in order to accelerate the company reform. The benefits of adopting OKRs in Carabao are;

1. Developing new management innovations by improving the existing work practice.
2. Generating better ideas by modernizing the best practice to keep up with the change from inside or outside of the company.
3. Designing creative processes of solving the repeatable problems.
4. Giving more opportunities for employees to present their work performances.

Results of Developing OKRs Management Leader

Carabao is focusing on creating new leaders to the next position, the team has arranged a work plan according to the assigned OKRs project to develop management personnel by arranging a workshop with the support of the top management as a main speaker to share his experience in improving necessary communication skills to the management level.

Organized a workshop with deputy director level and above to acknowledge the organizational goals in order to set the Objectives and Key Results of each department and turn the policy into practice.

Results of Cascading Goal, Turning KPI into Practice, and Connecting Individual Assessment System

- In 2017, 100 percent of all departments had been trained to be able to operate the assigned project. Meanwhile, 80 percent were meet the deadline and came up with the learning results from the projects and able to develop a strategic plan for 2018 as well as review the Vision, Mission, and Core Values compatibly with the 2017 Employee Core Competency
 - In 2018 all departments had completed presenting their OKRs that linked with the company's vision and mission one month before the end of each quarter, 100 percent of quarterly results from all departments were presented in the monthly executive board meeting.
 - In 2019 pass forwards the Company's OKR and Division's OKR to Individual OKR

“Understand Thoroughly, Do Earnestly, Be Accurate, Be Precise” (Roo Jaeng, Tum Jing, Took Tong, Man Yum) Project

All employees are encouraged to share their experiences how they understand the company values by giving a platform to express their understandings or incidents of “Understand Thoroughly, Do Earnestly, Be Accurate, Be Precise” There are total of 68 work pieces submitted from 66 employees.



Carabao Seed Incubation Project

- In term of personnel development, Carabao is focusing on increasing employee's work efficiency and capability in order to incubate all employees to be able to grow with the company's vision "World Class Product, World Class Brand"
 - Focusing on developing good attitude, ready to learn, creative, responsible staffs and embodying company's core values " Understand thoroughly, do earnestly, be accurate, be precise "
 - Following up and providing an assessment of personnel development for all positions. Launch New Hire Buddy Program

Summary Results of Personnel Training in 2020

Company	No. of Training Course			Details of Attendance			Budget (baht)			
	Plan	Actual	Percentage	No. of Attendant	Actual training hour	Average training hour per person	Plan	Actual	Balance	Percentage
CBG	3	1	33%	6	39	4	30,000	16,050	13,950	54%
CBG (HO.)	30	35	117%	447	4,368	5	500,000	817,322	317,322	163%
DCM	30	32	107%	270	8,937	8	1,010,000	591,667	418,333	59%
CBD (Factory)	156	100	64%	1,967	12,429	19	2,706,480	647,686	2,058,794	24%
APG (Factory)	78	57	73%	256	8,952	35	554,521	231,385	323,136	42%
ACM (Factory)	71	43	61%	161	3,396	21	644,700	384,596	260,104	60%
APM (Factory)	0	1	-	1	30	1	-	3,556	3,556	-
Grand total	368	269	73%	3,108	38,150	15	5,445,701	2,692,261	2,756,995	49%

Baodang Safe Driving Project, Safety for Everyone.

According to the support of Stock Exchange of Thailand that provided the Sustainable Development Guideline to the listed company in stock exchange market since 2013. Carabao has realized that it is important to develop all dimensions of company's stakeholders starting from all employees which are our main key force to drive the sustainable business. As the board of directors of the Company is concerned about the safety of employees, we have launched "Staffs Safe Driving" program to ensure that the accidents caused from staffs will be decreased. Meanwhile, we realized that, Tawandang DCM Co., Ltd., the affiliated company who provide the distribution services, are using various types of vehicles in transportation. Hence, we do aware of a safe and responsible driving of our staffs as they all are in charge of a road transport safety. This program then designed to prevent any loss caused from accidents that could happen to all employees, fellow-traveler, the outsider who use the road, and nearby communities.



"Baodang Safe Driving" project are launched on April 4, 2016 by Ms. Natchmai Thanombooncharoen, Managing Director of Carabao Group PCL, representing the board of directors to announce the program at the factories, headquarter, and all distribution centers throughout the country. The activity is also include of arranging a contest to attract more interest from members such as giving rewards to the winner of slogan competition submitted by employees. The winning slogan was "Don't ruin your life, drive carefully, concern everyone's safely, your family is waiting,

Steps of project operating are as follow,

1. Arrange Defensive Driving Course to raise awareness of safe driving to all employees and arrange training continuously for both existing and new staffs.
2. Test employees who drive the company vehicle to ensure that they have sufficient driving skills in order to prevent any accident.
3. Set the criteria of vehicle care manual and maintenance measure so that all vehicles are maintained in good condition and safe to use.
4. Provide an appropriate system to monitor vehicle use of employees. Carabao has invested more than 2 million baht in NOSTRA System which will detect the car speed and alarm to the head office once the driver exceed the speed limit. The system also allow us to map the shops address all over the country, this also help us to collect all store data for the future business development.

In addition, the accident protection device such as parking censor, rear view cameras, and front view digital video recorders are added in the vehicles to ensure that the driver have enough equipment for safe driving. We have also followed up the result from the safe driving training course, meanwhile, all speed limit data are tracked and reported regularly.



Social Sustainability

Since the company was founded in 2002, the company has always realized the importance of creating social and community benefits. One of the project, "Tumbon Khong Nhoo" (the sub-district belongs to us) has been held to promote and support Thai village children to bind to the conservation of natural environment and natural resources in their urban areas by submitting their writing in Essay Competition for Elementary School.

Also "Bao Young Blood" project is held inspiring from the concept of "Music Creates the Value of Life". This project aims to give opportunity for young student to present their musical talent through Carabao song in their own way so that they could spend their free time usefully from developing their musical skills.

In the year 2020, there was another social contribution where Carabao granted scholarship award programs to schools that are located around the Carabao factory in Bang Pakong District, Chachoengsao Province. The scholarship was given to support education for a total of 700,000 baht, covering 14 schools, with 50,000 baht per school. From now on, there will be more activities and support provided to students including, education, music, and sports.

"Tumbon Khong Nhoo" (the sub-district belongs to us) Project.

This project has founded since 2004 until now with the objective of raising awareness and engaging all Thai children to learn how to conserve nature and environment around their area by giving an opportunity to students in elementary school to write an essay to Uncle Aed Carabao. In the late year 2016, the project name has changed to "Good Products in Your Sub-District" to promote product awareness to public by telling the story of famous goods or local products that create more values in their sub-district. This project also promotes using correct Thai language through writing an essay as well as create life value and strengthen unity within the sub-district. And the most important thing is that this project will help to spark idea and inspiration to Thai children in conserving natural environment and natural resources around their own sub-district.

The Committee will choose the best essay of the month so that the essay's owner would receive a 5,000 baht scholarship with a certificate, also 10,000 baht will be given to the sub-district to support nature and environmental conservation activities. The winning essay will be published through various channel such as online, radio, and television media with the 2- minute-long spot broadcasting on television program every week in order to promote the essay to the public.

In the year 2020, the company has given scholarships up to 450,000 baht consisting of 150,000 baht for student scholarships and 300,000 for sub-district development.



"Music Creates the Value of Life" Project

Carabao Foundation and Carabao Group Company Limited (Public) founded the project "Music creates the value of life" to operate activities that create positive impact to society. The project has also cooperated with Work Point TV station in 2014 to set up the music band contest via TV program name "Bao Young Blood, Music Creates the Value of Life".

This program has been operated till season 4 in 2017 and 2018, the winning band received a scholarship in amount of 1 million baht and a trophy from Carabao Foundation as well as being invited to perform in a charity concert name "Music Creates the Value of Life with Carabao Brand". All revenues from the concerts went to senior artists who need support.



"Sports" Social Responsibility

As Carabao concern for the sustainable social development , after we has signed a sponsorship agreement with the Football Association of England as a sponsor of "EFL Cup", subsequently rename to "Carabao Cup", and signed a partnership contract with Chelsea Football Club in order to achieve maximum efficiency. The company has attempted to raise the standard of Thailand football to be able to compete in international league. The Sustainable Development Committee are formed to specify strategies and policies and communicate within the working group to educate employees for better understanding and align everyone in the same direction.

1 Carabao - Chelsea Coach the Coaches Project

In 2018, the company has continuously worked with Chelsea Football Clubs for 2 years to teach the sport teacher working in schools and institutions across the country to improve football techniques including of nutrition care and athletic health care system to become a quality coach with fundamental principles of training.

"Carabao Coach the Coaches" was developed in collaboration with Chelsea Football Team led by Lawrence Griffin from International Development Center Bangkok by bringing experienced coaches from Chelsea football Club in England who have training experience for youth football player over 21 years in 31 countries or 6 continents around the world. The training program are including of sharing their expertise in training, skill improvement, and techniques to Thai teachers. In the same time, nurture Thai coaches in an environment conclusive to the philosophy of the Chelsea football club. There are total of 6 batches or 360 participants from the leading institutions nationwide completed the course both in theoretical learning and practical training which are eligible to develop the youth athletes in their association.

The theory class and practical session of this course are designed for Thai coaches to understand their role and responsibility as a good coach and perform their task efficiently as well as create insights for coaching guidelines including of coaching methodology, adaptive training for each individual's learning, preparation before a game, recovery training session after a match, The course content also contained of communication and analytical skill , recognizing and managing emotions, team management, nutrition for athletes and training techniques. And most importantly, there is also an extra course, the total amount of 20 Thai coaches selected (120 attendants/ 2 class) to join in a workshop held by "Coach Joon, Anurak, Srikerd", former head coach of Thailand national under-19 football team. This extra training aims to develop the curriculum or bible of football teaching skill and techniques that enable coaches to extend their knowledge and giving practical advice to their students.

Participant in this year are divided into three categories:

1. Coach for students aged 7-10 years
2. Coach for student aged 11-14 years
3. Coach for student aged 15-18 years

2. Carabao Grassroots Football Project

After the success of Carabao Coach the Coaches program, in 2018 Carabao Group held the “Carabao Grassroots Football” project aiming to promote social impact on football and make the dream of Thailand youth football player come true by giving support to local youth football activities that lack of training equipment.

In this program the company has also collaborated with Chelsea football coaches to operate a football clinic to share their experiences and inspire the children to become professional football player, at the same time provide the needed training equipment to local area. In special case, for example, students and teachers from Wat Phimphava School and Wat Theparachawittayakan in Chachoengsao were given an opportunity to attend a youth special event with Lawrence Griffin from Chelsea.

Factory Tour Project

In the year 2020, the company welcomed those who are interested in visiting the beverages factory (CBD), the glass bottle factory (APG) and the aluminum factory (ACM), including the representatives of the federation of Thai industries, investors and analysts including executives and new employees.



Furthermore, Carabao also organized an event in 2020 where various institutes, such as our suppliers and customers who experienced certain impacts from the pandemic of Covid-19 can join. The activities include:

1. A collaboration with the Thailand National Defence College (Batch 58) to give 5,000 bottles of Carabao Dang energy drink, and 3,000 bottles of Carabao Dang coffee under the “Too Pun Nam Jai” project at Surat Thani.



2. The company gave Carabao Dang energy drinks, coffee, and water to the tourist police in Phuket to support their willingness to work during the pandemic of Covid-19.



3. The company provided sanitizers to 'Puen Bao Dang' shops around the country since we would like to be part of the help prevent the pandemic of Covid-19.



Management Discussion and Analysis

: MD&A





Financial Position and Financial Performance

1. Financial Statement

Summary of the auditor's report

The independent auditor's report for consolidated financial statement of year ended 2020 audited by Kamontip Lertwitworatep, CPA No. 4377, from EY Office Limited, expressed an unqualified audit opinion that the financial statements for the year ended 2020, 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.

2. The auditor's fee

Audit Fee

- The Company and subsidiaries paid audit fee THB 5,130,000 in 2020

Non-Audit Fee

- Other fees are THB 380,000.

3. Financial highlight

Consolidated statement of financial position

Unit: Thousand Baht	For the year ended 31 December		
	2020	2019	2018
Assets			
Current assets			
Cash and cash equivalents	946,548	961,954	137,599
Current investments	-	-	-
Trade and other receivables	1,420,363	1,140,321	906,595
Inventories	1,489,401	991,625	887,132
Other current assets	135,940	103,510	545,859
Total current assets	3,992,252	3,197,411	2,477,185
Non-current assets			
Investment properties	106,894	103,220	99,968
Property, plant and equipment	12,031,909	10,872,367	11,090,295
Right-of-use assets	303,826	-	-
Goodwill	494,732	481,115	499,923
Intangible assets	100,277	81,156	77,322
Deferred tax assets	45,208	33,492	63,183
Other non-current assets	11,579	11,275	12,045
Total non-current assets	13,094,425	11,582,625	11,842,736
Total assets	17,086,677	14,780,036	14,319,921

Unit: Thousand Baht	For the year ended 31 December		
	2020	2019	2018
Liabilities and shareholders' equity			
Current liabilities			
Short-term loans from financial institutions	2,335,000	6,762	275,000
Trade and other payables	1,572,982	1,446,721	1,809,904
Current portion of long-term loans from financial institutions	169,200	291,000	401,250
Current portion of lease liabilities	84,885	-	-
Current portion of debentures	1,089,631	1,699,428	-
Short-term loans from non-controlling interests of the subsidiary	-	-	-
Income tax payable	395,726	320,547	265,836
Other current liabilities	7,780	12,822	12,452
Total current liabilities	5,655,204	3,777,281	2,764,441
Non-current liabilities			
Long-term loans from financial institutions, net of current portion	893,850	1,042,750	1,278,700
Lease liabilities, net of current portion	221,786	-	-
Debentures	-	1,088,692	2,785,920
Provision for long-term employee benefits	152,606	135,780	109,049
Deferred tax liabilities	-	1,411	1,466
Deposits received for rental	5,945	15,758	15,636
Total non-current liabilities	1,274,187	2,284,391	4,190,771
Total liabilities	6,929,391	6,061,672	6,955,212
Shareholders' equity			
Share capital			
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)	(368,686)
Retained earnings			
Appropriated - statutory reserve	100,000	100,000	100,000
Unappropriated	4,950,865	3,536,648	2,140,042
Other components of shareholders' equity	(121,319)	(97,307)	(89,678)
Equity attributable to owners of the company	9,956,015	8,565,810	7,176,832
Non-controlling interests of the subsidiary	201,271	152,554	187,877
Total shareholders' equity	10,157,286	8,718,364	7,364,709
Total liabilities and shareholders' equity	17,086,677	14,780,036	14,319,921



Consolidated Income Statement

Unit: Thousand Baht	For the year ended 31 December		
	2020	2019	2018
Profit or loss			
Revenues			
Revenues from contracts with customers	17,230,640	14,933,012	14,422,062
Other income	151,427	117,218	133,750
Total revenues	17,382,067	15,050,230	14,555,812
Expenses			
Cost of sales	10,172,906	9,122,570	9,813,215
Selling and distribution expenses	1,914,884	1,967,643	2,520,035
Administrative expenses	965,097	784,915	772,181
Other expenses	-	11,693	16,083
Total expenses	13,052,887	11,886,821	13,121,514
Profit before finance cost and income tax expenses	4,329,180	3,163,409	1,434,298
Finance income	4,226	1,585	1,144
Finance cost	(106,796)	(132,724)	(106,851)
Profit before income tax expenses	4,226,610	3,032,271	1,328,591
Income tax expenses	(667,449)	(564,008)	(368,276)
Profit for the year	3,559,161	2,468,263	960,315
Profit attribution to			
Equity holders of the company	3,525,028	2,506,461	1,158,572
Non-controlling interest of the subsidiaries	34,133	(38,199)	(198,257)
Profit for the year	3,559,161	2,468,262	960,315
Basic earnings per share			
Profit attributable to equity holders of the company	3.53	2.51	1.16
Weighted average number of ordinary shares (share)	1,000,000	1,000,000	1,000,000

Consolidated statement of cash flows

Unit: Thousand Baht	For the year ended 31 December		
	2020	2019	2018
Net cash flows from operating activities	3,636,426	3,081,498	1,290,209
Net cash flows used in investing activities	(1,670,170)	(432,442)	(2,044,619)
Net cash flows from (used in) financing activities	(1,933,002)	(1,839,098)	776,996
Net decrease in cash and cash equivalents	(19,330)	823,957	(8,674)

Key Financial Ratios

	For the year ended 31 December			
	2020	2019	2018	
Liquidity Ratio				
Current ratio	Time	0.7	0.8	0.9
Quick ratio	Time	0.4	0.6	0.4
Cash flow liquidity ratio	Time	0.8	0.9	0.4
Account receivables turnover ratio	Time	14.8	16.3	18.7
Days sales outstanding	Days	24.7	22.4	19.5
Inventory turnover ratio	Time	21.1	22.6	26.7
Days sales of inventory	Days	17.3	16.1	13.7
Finish goods turnover ratio	Time	8.2	9.7	12.7
Days sales of Finish goods	Days	44.5	37.6	28.7
Account payables turnover ratio	Time	16.6	11.5	10.0
Days payables outstanding	Days	22.0	31.7	36.4
Cash cycle	Days	47.2	28.3	11.8
Profitability Ratio				
Gross profits	%	41.0	38.9	32.0
Operating profits	%	24.2	20.5	9.1
Other profits	%	0.9	0.7	0.8
Cash to earning	%	87.0	100.8	98.0
Net profits	%	20.5	16.4	6.6
Return on equities	%	37.7	30.7	13.4
Efficiency Ratio				
Return on equities, Equity holders of the Company	%	38.1	31.8	16.2
Return on assets	%	22.3	17.0	7.2
Return on fixed assets	%	36.3	27.2	13.7
Assets turnover	Time	1.1	1.0	1.1
Financial Policy Ratio				
Debts to equity	Time	0.7	0.7	0.9
Interest bearing debt to equity	Time	0.5	0.5	0.6
Interest coverage ratio	Time	46.8	27.9	17.8
Debt service coverage ratio	Time	1.4	1.9	2.8
Net debt to earnings before interest, taxes, depreciations and amortizations (EBITDA)	Time	1.2	1.4	3.6
B/E, P/N size to interest bearing debt ratio	Time	0.4	0.0	0.1
Interest bearing debt matured in 1 year to total interest bearing debt ratio	Time	0.8	0.5	0.1
Loans from financial institutions to total debt	Time	0.5	0.2	0.3
Net interest bearing debt to equity	Time	0.4	0.4	0.6
Interest bearing debt to EBITDA ratio	Time	1.0	1.1	2.5
Debt service coverage ratio (Cash basis)	Time	1.0	1.4	1.0
Dividend payout ratio	%	68.1	67.8	69.1



5. Management Discussion and Analysis for the fiscal year ended 31 December 2020

Consolidated financial performance of the Group for the fiscal year ended 31 December 2020 in comparison with the corresponding period last year ended 31 December 2019

Revenue from sales

In 2020, total revenue from sales hit the record high at THB 17,231 million, an increase of THB 2,298 million or 15.4% driven by higher sales of branded products by own manufacture and sales of 3rd party products for distribution, particularly due to greater demands of the energy drinks for export markets and sales of Woody C+ Lock, the new vitamin C drink first launched in March 2020.

Revenue from sales by product group Unit : THB million	For the year ended 31 Dec				Change	
	2019	%	2020	%	Amount	Percent
Branded products by our own manufacture 1/	12,881	86%	14,082	82%	1,202	9.3
Branded products by 3 rd party's manufacture 2/	532	4%	443	3%	(89)	(16.7)
3 rd party's products for distribution	1,409	9%	2,413	14%	1,004	71.3
Other	111	1%	292	1%	181	162.2
Total	14,933	100%	17,231	100%	2,298	15.4

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

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

1) Sales of branded products by own manufacture were THB 14,082 million, up by THB 1,202 million or 9.3%. The amount consisted of domestic and overseas sales were at the proportion of approximately 42:58, of which the growth rates were 2.8% and 14.7%, respectively.

(1.1) The domestic sales were THB 5,985 million, an increase of THB 162 million or 2.8% driven by sales of Woody C+ Lock which contributed approximately 4.2% of the amount. Sales of the new product helped diversify the business from product concentration risk and offset a slight drop in Carabao Dang energy drink sales of 1.0% although the energy drink market contracted by 6.8% in volume. Carabao Dang energy drink remained the 2nd largest brand, commanding 21% volume share.

On the contrary, the market volume of Thai's vitamin C shot drink spiked by 28.0% and volume share of Woody C+ Lock climbed to 10% and became the second ranked among the vitamin C shot players in December 2020, according to the Nielsen's final sales data to consumers. Such improvement represents the positive feedback from target consumers as well as growth opportunity for the Company's local business. In December 2020, Woody C+ Lock both lemon and orange flavours were ranked the top two beverages with high vitamin C contained when drink, respectively, out of the 47 product SKUs available in the market tested by Foundation for Consumers. This recognizes emphasized the Company's strategy focusing on product quality by filling the Woody C+ Lock drink in emerald green bottles, filled with Nitrogen gas, and securely locked with special caps. The Company plans to hold regular promotional activities and communication to further drive growth of the vitamin C drink Woody C+ Lock Lemon and Orange flavoured.

(1.2) Overseas sales of energy drinks were THB 8,098 million, an increase of THB 1,040 Million or 14.7%, of which 85% was from CLMV market, 5% from China, and the rest 10% from other countries of which the majority were orders from Yemen and Afghanistan, where orders from Yemen also hit a record high in 2020.

Export sales to CLMV countries, an existing and large international business base for the Company yet growth potential lying in each individual country, increased by THB 974 million or 16.5% largely driven by higher demand from Myanmar.

Sales in the UK market via Intercarabao Company Limited ("ICUK"), a Company's overseas subsidiary, showed a positive development from the strategy to increase rates of sales in selective grocery chains and expand into online channels during the COVID-19 outbreak, as seen from a continuous increase in the average sales volume from 240,000 cans per month in 1Q/2020, to 550,000 cans per month in 4Q/2020 representing an improving carabao brand awareness in the country.

If only 4Q/2020 considered, sales of branded products by own manufacture were THB 3,338 million, up by THB 23 million or 0.7%. The amount consisted of domestic sales at THB 1,664 million, an increase of THB 225 million or 15.6% picked up due to effective

implementation of consumer marketing campaign and communication to Carabao Dang energy drink consumers amidst the market contraction of 7.7% in the corresponding period last year and covered the drop in overseas sales amounting to THB 1,674 million, a decrease of THB 202 million or 10.8%.

In 4Q/2020, the export sales to CLMV fell by 15.2% from the corresponding period last year and soften by 12.5% from 3Q/2020 mainly due to lower demands from Cambodia during the flood from the heavy rainfall nationwide in October 2020. Meanwhile, Myanmar sales order still made a record high in the quarter.

2) Sales of 3rd party products for distribution were THB 2,413 million, increased by THB 1,004 million or 71.3%, consecutively grew quarter-on-quarter for over two years driven by the variety and quality of the products distributed as well as cash van distribution system covering direct access to over 180,000 retail stores nationwide.

3) Sales of branded product by 3rd party's manufacture were THB 443 million, a decrease of THB 89 million or 16.7% mainly due to a reduction in sales of Carabao RTD and 3-in-1 coffees by THB 93 million or 20.0% in corresponding to the domestic consumption and economic slowdown hit by the spread out of COVID-19.

4) Other sales were THB 292 million, an increase of THB 181 million or 162.2%, most of which are sales of bottles to 3rd party under the operation of Asia Pacific Glass Company Limited ("APG"), which not only generate incremental revenue to the Company but also reduce the production costs of bottles for the Company's energy drinks and the vitamin C drink owing to economies of scales.

Gross profits and gross profits margin

Gross profits were THB 7,058 million, increased by THB 1,247 million or 21.5%, representing gross profit margin of 41.0%, an increase from 38.9% gross profit margin in the corresponding period last year, mainly due to the higher sales and improving margins of the branded products by the Company's production, which is the core business contributing 82% of total sales.

Branded products by the Company's manufacture, particularly energy drinks in both bottle and can formats, delivered an improving gross margin from the corresponding period last year as a result of lower costs of key raw material and packaging items, as well as improving efficiency from modern production technology ranging from glass bottle, aluminum can to bottling and canning plants which enabled the economies of scales. In additions, Asia Can Manufacturing Co., Ltd. ("ACM"), the aluminum can production facilities as a part of supply chain management plan, which had reached 100% utilization rate since 4Q/2019 after its first commercial run in November 2018, were an instructive factor to cost savings of the Company's non-carbonated canned energy drink.

For 4Q/2020, gross profits were THB 1,671 million, an increase of THB 54 million or 3.3% representing gross profit margin of 39.3%, a decrease from 40.9% margin in the corresponding period last year, and from 41.6% margin in the prior quarter mainly due to variation in sales mix i.e. sales contribution of higher-margin product category were at 78% in 4Q/2020, down from 84% in the corresponding period last year and from 82% of the prior quarter as mentioned in the previous section.

In order to retain efficiency throughout the supply chain and to sustain the Company's cost competitive position, several projects are in pipeline for further efficiency improvement including the manufacture of some packaging materials under a newly established subsidiary Asia Packaging Manufacturing company limited ("APM") which is currently in test-run process and is expected to start commercial operation in 2Q/2021 which will slightly improve gross profit margins of the branded products by own manufacture.

Selling, general and administrative (SG&A) expenses

Total selling and administrative expenses were THB 2,880 million, an increase of THB 127 million or 4.6%, representing 16.7% of total sales, a decrease from the ratio of 18.4% in the corresponding period last year, largely due to a rise in administrative expenses.

Selling expenses were THB 1,915 million, a decrease of THB 53 million or 2.7%, representing 11.1% of total sales, down from 13.2%. The key expenses were (1) sponsorship fees to Chelsea Football Club Limited (CFC) and English Football League (EFL) totaling THB 337 million, a decrease of THB 134 million due to the reduction in sponsorship fee to CFC as the partnership status downgrading from Principal to Global partner in July 2019 and a special discount of GBP 1.5 million granted by EFL for the 2020/21 season sponsorship fee which was first recognized in 4Q/2020 and shall continue to the end of seasons in 2Q/2021 in view of that the Coronavirus pandemic caused football matches to run socially distanced and no attendance at matches allowed for the health safety, and (2) selling expenses in exclusion of the sponsorship fees to international footballs — most of which or approximately 60% were fixed expenses regarding the on-ground event teams and the distributional fleets to support domestic business, and the rest were variable expenses varied to the marketing and promotional plans in both Thailand and the UK operated by ICUK - were THB 488 million, an increase of THB 55 million or 12.6%. The lower selling expenses as a percentage to sales was mainly due to that overseas sales incurred very low selling and marketing expenses to the Company's, thus, the higher sales growth from exports, the lower the ratio of selling expenses to total sales should be.

In relation to this, sponsorship fees for international footballs were recognized as expenses regarding on the payment terms, economic benefits, and beneficial period in which the company shall receive as stated in the contractual terms and conditions. Under the current terms, sponsorship contracts with CFC and EFL are ended in June 2021 and May 2022, respectively. Yet, the Company has rights to extend contracts with EFL for another 2 years at the current rates of fee.

Administrative expenses were THB 965 million, increased by THB 180 million or 23.0%, representing 5.6% of total sales up from the ratio of 5.3% in the corresponding period last year mainly due to the increasing staff as per the human resources development plan and a one-off item which is a THB 50 million donation made to Chaipattana Foundation to aid fight against COVID-19 in 2Q/2020.

Financial expenses

Financial expenses were THB 107 million, a decrease of THB 26 million or 19.5% largely due to the retirement of THB 1,700 million par value of bond in June 2020 and the loan repayment schedule of ACM.

Corporate income tax expenses

Corporate income tax expenses amounted to THB 667 million, increased by THB 103 million or 18.3%, representing the effective corporate income tax rate of 15.8% down from the ratio of 18.6% mainly due to the higher income tax expenses from better operational performance whereas less loss from the overseas subsidiaries.

The amount included benefits from tax exemption from investment in assets necessary for the future business needs to support growth of the Company in correspondence to the Decree No. 695 B.E. 2020 of the Revenue Code department, resulting in a savings in tax expenses of THB 48 million for 5 years from 2020 to 2024. Therefore, excluding this tax benefits the Company's effective corporate income tax rate was at 16.9% in 2020

Net profits and net profits margin

Net profits were hit a record high at THB 3,559 million, an increase of THB 1,091 million or 44.2%, representing a ratio to sales of 20.7%, an increase from the ratio of 16.5%, mainly due to the increase in sales and improving overall gross profit margin particularly in relation to the branded product by the Company's own manufacture, the effective management over selling and admin expenses, and FX gain of THB 55 million, which compensated higher corporate income tax expenses.

Net profits attributed to the Company's shareholders were THB 3,525 million, an increase of THB 1,019 million or 40.6%, representing a proportion to sales at 20.5%, an increase from the ratio of 16.8% in the corresponding period last year and represent the earnings per share of THB 3.53 increased from THB 2.51 in the corresponding period last year, largely driven by the improving sales and gross profit margin of the branded products by the Company's own manufacture, a reduction in sponsorship fee to CFC, and a significantly decreases in losses from the ICUK operation i.e. from £12.6 million losses in 2019 to £3.7 million in 2020 as ICUK's spending were in effective control by focusing on selective activities in which the Company believe to justify higher rates of sales in the longer term.

Material event after December 31, 2020

The meeting of the Company's Board of Directors passed a resolution to approve an acquisition of the 26% stake in the issued and paid-up share capital of Asia Can Manufacturing Company Limited ("ACM") from Showa Denko Group. The payment and shares transfer are expected to be completed within 1Q/2021. Consequently, in the post transaction, the Company's shareholding in ACM shall increase to 100% and the management team estimates that profit attributable to equity holders of the Company will be increased by THB 60-70 million, compared to 2020.

Consolidated financial position of the Company as of 31 December 2020 in comparison with that as of 31 December 2019

Assets

Total assets as of December 31, 2020 and 2019 were THB 17,087 million and THB 14,780 million, respectively, an increase of THB 2,307 million or 15.6%. The main reasons are as follows:

Cash and cash equivalents

Cash and cash equivalents and current investments as of December 31, 2020 and 2019 were THB 947 million and THB 962 million, respectively, a decrease of THB 15 million or 1.6%. For the year, the Company had cash received from operating activities of THB 3,636 million and cash outflow in financing activities and investing activities of THB 1,670 million and THB 1,933 million, respectively, making a total cash inflow of THB 33 million.

Trade and other receivables

Trade and other receivables as of December 31, 2020 and 2019 were THB 1,420 million and THB 1,140 million, an increase of THB 280 million or 24.6% driven by both domestic and overseas businesses.

Inventories

Inventories as of December 31, 2020 and 2019 were THB 1,489 million and THB 992 million, respectively, increased by THB 498 million or 50.2% mainly due to higher orders.

Property, plant and equipment

Property, plant and equipment as of December 31, 2020 and 2019 were THB 12,032 million and THB 10,872 million, respectively, an increase of THB 1,160 million or 10.7%, mainly due to the investment project to establish APM factory and the expansion of new bottling and canning production capacities.

Goodwill

Goodwill arises from the difference between the fair value of net assets acquired and the cost of acquiring ICUK by CVHLUX, a subsidiary, in 2017. As of December 31, 2020 and 2019 goodwill amounted to THB 495 million and THB 481 million, respectively, an increase of THB 14 million or 2.8% was wholly due to the difference of the exchange rates on the reporting date.

Liabilities

Total liabilities as of December 31, 2020 and 2019, were THB 6,929 and THB 6,062 million, respectively, an increase of THB 868 million or 14.3%, consisting of current liabilities of THB 5,655 million, an increase of THB 1,878 million or 49.7%, and non-current liabilities of THB 1,274 million, a decrease of THB 1,010 million or 44.2%.

Short-term loans from financial institutions

Short-term loans from institutions as of December 31, 2020 and 2019 were THB 2,335 million and THB 7 million, respectively, an increase of THB 2,328 million, mainly due to capital structure management with consideration of bond market situation, financing cost, and other related expense.

Trade and other payables

Trade and other payables as of December 31, 2020 and 2019 were THB 1,573 million and THB 1,447 million, respectively, an increase of THB 126 million or 8.7%, mainly due to increase in other payables regarding to the construction of APM factory.

Long-term loans from financial institutions

Long-term loans from financial institutions as of December 31, 2020 and 2019 were THB 1,063 million and THB 1,334 million, respectively, a decrease of THB 271 million or 20.3%, comprising of the portion due within 1 year of THB 169 million, a decrease of THB 122 million or 41.9% and the remaining amount of THB 894 million, a decrease of THB 149 million or 14.3%. The reduction was mainly due to the repayment of loans regarding to the new aluminum can facilities.

Debentures

Net value of debentures as of December 31, 2020 and 2019 were THB 1,090 million and 2,788 million, a decrease of THB 1,698 million or 60.9%, due to repayment of bond which reaches maturity in June 2020. The remaining portion due within one year of THB 1,090 million will reach maturity in June 2021. In addition, credit ratings on CBG's senior unsecured debentures were upgraded to "A" from "A-" in October 2020.

Shareholders' equity

Total shareholders' equity as of December 31, 2020 and 2019 were THB 10,157 million and THB 8,718 million, respectively, an increase of THB 1,439 million or 16.5%, reflecting the total comprehensive income for the year of THB 3,509 million and dividend payment of THB 2,100 million.

Key financial ratios

Liquidity ratio

Liquidity ratios as of December 31, 2020 and 2019 were 0.7 times and 0.8 times, respectively, led by higher increases in current liabilities than in current assets which was mainly due to an increase of THB 2,328 million in short-term loan with the same reason mentioned above.

Cash cycle

The cash cycle for the year ended December 31, 2020 and 2019 was 47.2 days and 28.3 days, respectively, driven by longer average inventory period from 37.6 days to 44.5 days, and shorter average payment period from 31.7 days to 22.0 days due to the cheaper prices of several key materials particularly a dramatic decrease in purchase value of aluminum can as the production was internalized by affiliated firm, ACM, while the average collection period was longer from 22.4 days to 24.7 days.

Return on shareholders' equity

Return on shareholders' equity for the year ended December 31, 2020 and 2019 were 37.7% and 30.7%, respectively, mainly due to the improved overall profitability as mentioned above.

Return on assets

Return on assets as of December 31, 2020 and 2019 were 22.3% and 11.0%, respectively, mainly due to the improved overall performance as mentioned above

Debt to equity ratio

Debt to equity ratio as of December 31, 2020 and 2019 were 0.7 times.

Interest bearing debt to equity ratio

Interest bearing debt to equity ratio as of December 31, 2020 and 2019 were stable at 0.5 times. In 2020 the company recognized the lease liabilities on the financial position statement of THB 307 million after the adoption of new accounting treatment on Leases (TFRS 16) became effective on 1 January 2020.

Excluding the effect of TFRS 16, interest bearing debt to equity ratio as of December 31, 2020 and 2019 were 0.4 times and 0.5 times, respectively, mainly due to the increase in shareholders' equity was higher than the increase in interest bearing debt. Shareholders' equity increased by THB 1,439 million or 16.5% while interest bearing debt up by THB 359 million or 8.7%.

6. Key drivers which could affect future operations and financial status

As a company with passion to bring Carabao trademarks to be one of the leading beverage players in global stage, the Company has distribute products in domestic also export to international markets of which our sales of branded products by own manufacture in 2020 were at the proportion of approximately 42:58; therefore, the company may has risks related to economic, social, and political factors associated in each country which could have an influence on consumer confidence, logistics, and related legal and regulations. For instance, political instability may lead to a protest and closure of some important places such as borders banks, etc., causing a limitation on international trades for a certain period. Another, COVID-19 situation, started at the end of 2019, led many countries to implement measures to limit economic activities and travelling which has affected the global supply chain and economics. However, the situation has a positive sign thanks to the production and distribution of the COVID-19 vaccine in several countries.

For more information of risk factors please see in the annual registration statement.

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, zinc-contained 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 th – 10 th floor, Silom Road, Silom, Bangrak, Bangkok 10500 Thailand
Company registration number	0107557000268
Website	www.carabaogroup.com
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 2020

The Company's subsidiaries as of December 31, 2020

1. Carabao Tawandang Co., Ltd ("CBD")

Type of business	Principally engage in manufacturing, marketing, and selling energy drinks under Carabao Dang and Carabao trademarks, zinc-contained 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 th – 10 th 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 2020
Number of shares (Shares)	3,000,000
CBG's shareholding (Shares)	2,999,990
Shareholding percentage	99.99%

2. Carabao Tawandang Co., Ltd ("CBD")

Type of business	Principally engage in managing domestic distribution of the Company's products, including branded products by our own manufacture, branded products by 3 rd party manufacture, and 3 rd -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 th – 10 th 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 2020
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 th — 10 th 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 2020
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 beverages which is a joint-venture between CBG and SHOWA DENKO Group, an unrelated Japanese business partner
Principle place of business	393, 393 Silom Building, 7 th — 10 th 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 2020
Number of shares (Shares)	7,000,000
CBG's shareholding (Shares)	6,999,998
Shareholding percentage	99.99%*
Other information	Renamed from Asia Pacific Can Co., Ltd in December 2017 * CBG's shareholding in ACM increased to 100% from 74% on 1 st 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

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 80,600,000 as of 31 December 2020
Shareholding percentage	100% held by CVHLUX
Other information	Registered capital increased to GBP 80,600,000 shares in February 2020 with reference to resolutions of the Company's Director Meeting No.5/2019 on 19 December 2019

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 93,558,843 as of 31 December 2020
Shareholding percentage	100% held by the Company
Other information	Registered capital increased to USD 93,558,843 in June 2020 with reference to resolutions of the Company's Director Meeting No.5/2019 on 19 December 2019

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 2020
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 2020
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
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, 7th — 10th floor, Silom Road, Silom, Bangrak, Bangkok 10500 Thailand
Company registration number	0105563039110
Securities Class	Ordinary Share
Registered capital	Baht 700,000,000
Shareholding percentage	100% held by the Company

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

Type of business	Principally engage as a holding company
Principle place of business	393, 393 Silom Building, 7th — 10th floor, Silom Road, Silom, Bangrak, Bangkok 10500 Thailand
Company registration number	0105563044091
Securities Class	Ordinary Share
Registered capital	Baht 20,000,000
Shareholding percentage	100% held by the Company

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, 7th — 10th floor, Silom Road, Silom, Bangrak, Bangkok 10500 Thailand
Company registration number	0105563036200
Securities Class	Ordinary Share
Registered capital	Baht 200,000,000
Shareholding percentage	85% held by ACV



Securities Registration

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

Auditor

EY OFFICE COMPANY LIMITED
33rd 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 and Bond Holders' Representative

Bangkok Bank Public Company Limited
333 Silom Road, Silom, Bangrak, Bangkok 10500 Thailand
Phone: +66 2230 1478 (Bond Registrar)
Phone: +66 2230 1894 (Bond Holders' Representative)

Investor Relations

Ms. Sirinthon Phruphiphat
393, 393 Silom Building, 7th — 10th floor, Silom Road, Silom, Bangrak, Bangkok 10500 Thailand
Phone: +66 2636 6111 ext. 882
E-mail: IR@carabaogroup.com

Information on the Securities and Shareholders



Capital

As of 31 December 2020, the registered capital and paid-up capital of the company is Baht 1,000 million, consisting of 1,000 million shares at Baht 1 par value. Total of shares are traded in Stock Exchange of Thailand.

Shareholders

The shareholding and percentage of Top 10 of shareholders as of August 24, 2020 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	Thai NVDR	50,407,209	5.04%
5	UBS AG SINGAPORE BRANCH	45,161,400	4.52%
6	Mrs. Jarunee Chinwongvorakul	30,329,800	3.03%
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	Ms. Niesha Opakul	15,000,000	1.50%
10	Ms. Natcha Opakul	15,000,000	1.50%
10	Mr. Warraman Opakul	15,000,000	1.50%

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.

Summary of Directors and Managements' Shareholding Year 2020

Director / Management	Relation	Number of Shares (Beginning)	Increase / (Decrease) During Year	Number of Shares (Ending)
1. Sathien's Group				
1.1 Mr. Sathien Setthasit		48,474,100	(22,500,000)	25,974,100
1.2 Sathientham Holding Co., Ltd.		250,064,500	-	250,064,500
1.3 UBS AG SINGAPORE BRANCH		45,161,400	-	45,161,400 ¹
2. Nutchamai's Group				
2.1 Ms. Nutchamai Thanombooncharoen		210,000,000	-	210,000,000
2.3 Mrs. Wongdao Thanombooncharoen	Ms. Nutchamai's Sister	18,152,700	-	18,152,700
3. Yuenyong's Group				
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 ¹ 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 Company'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
Total	3,000,000	100.0

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
Total	1,000,000	100.0

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
Total	13,000,000	100.0

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

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

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

Name of Major Shareholder	Number of Shares	Shareholding Percentage
1. The Company	93,558,843	100.0
Total	93,558,843	100

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
Total	62,308,565	100.0

7. INTERCARABAO LIMITED ("ICUK")

Name of Major Shareholder	Number of Shares	Shareholding Percentage
1. CVHLUX	80,600,000	100.0
Total	80,600,000	100.0



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
Total	7,000,000	100.0

Noted : 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 19th February 2021

9. 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
Total	200,000	100.0

10. A Woody Drink Company Limited ("AWD")

Name of Major Shareholder	Number of Shares	Shareholding Percentage
1. ACV	1,699,999	85.0
2. Mr. Vuthithorn Milintachinda	300,000	15.0
3. Mr. Sathien Setthasit	1	0.0
Total	2,000,000	100.0

11. 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
Total	7,000,000	100.0

Shareholders Agreement

- None. -

Outstanding Values of Debentures

As of 31 December 2020, the Company has THB 1,090 million of outstanding detailed as follows.

Issue	Amount (THB mn)	Interest rate (% p.a.)	Tenure (Year)	Maturity date
CBG216A	720.0	2.42%	3.00	15 June 2021
CBG216B	370.0	2.42%	2.95	15 June 2021
Total		1,090.0		



Part 2

CORPORATE GOVERNANCE

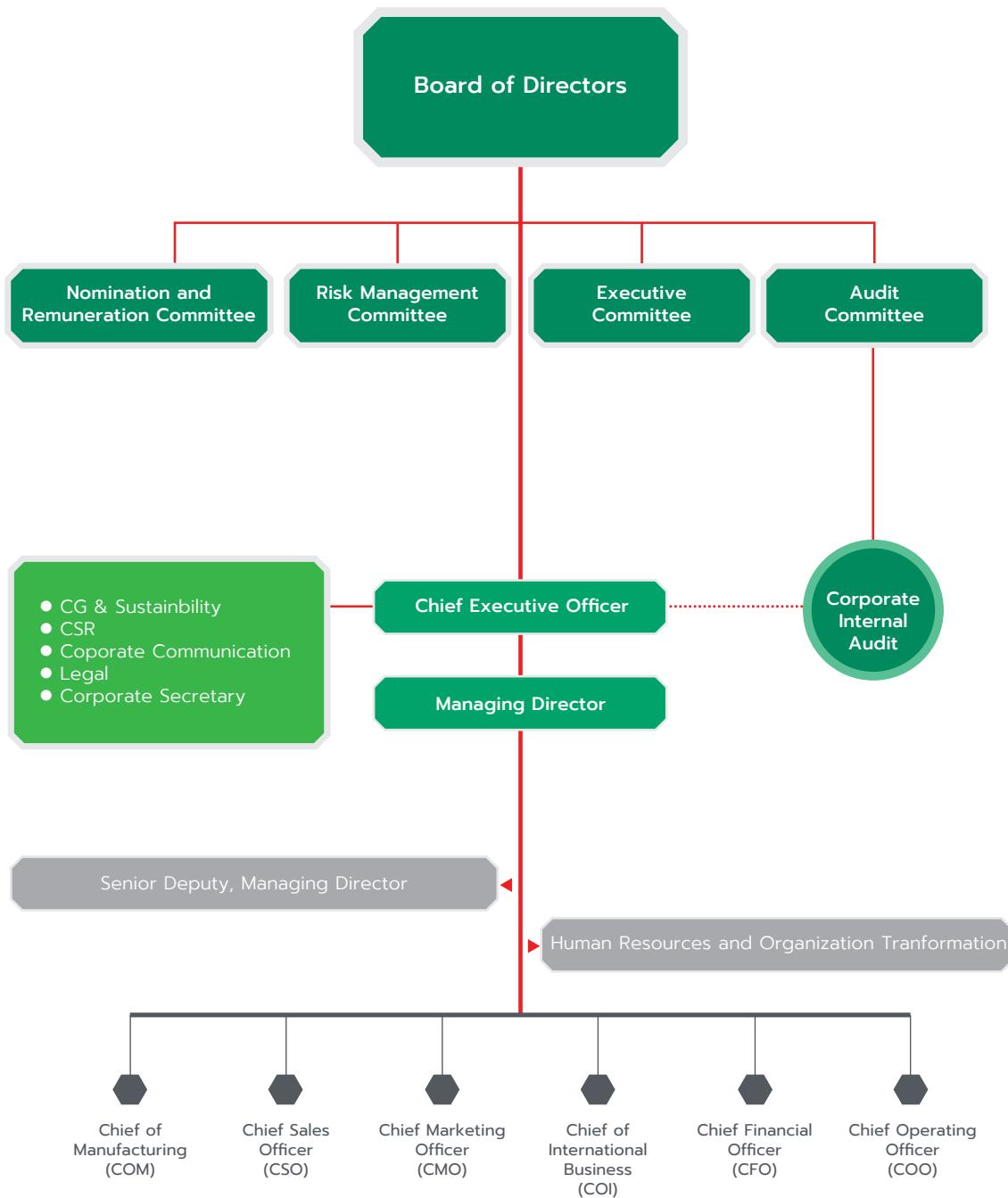


- 6 CORPORATE GOVERNANCE POLICY**
**7 SHAREHOLDING STRUCTURES OF MAJOR SUBSIDIARIES OF
THE CORE BUSINESSES**
8 SUSTAINABILITY PERFORMANCE IN 2020
9 INTERNAL CONTROL AND RELATED PARTY TRANSACTIONS

SHAREHOLDING STRUCTURES OF MAJOR SUBSIDIARIES OF THE CORE BUSINESSES



Organization Structure



Board of Directors

The Board of Directors of the Company comprises of 11 directors as follows:

Name of Director	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. Mr. Kamoldist Smuthkochorn	Director / Member of Executive Committee / Member of Risk Management Committee
5. Mr. Romtham Setthasit	Director / Member of Executive Committee / Member of Risk Management Committee
6. Mrs. Saowanee Kamolbutr	Director / Chairman of Audit Committee / Chairman of Risk Management Committee / Vice Chairman of Nomination and Remuneration Committee / Independent Director
7. Mr. Kanit Patsaman	Director / Member of Audit Committee / Member of Nomination and Remuneration Committee / Member of Risk Management Committee / Independent Director
8. Miss Urawee Ngowroongrueng	Director / Member of Audit Committee / Independent Director
9. GEN. Siripong Wongkhunti	Director / Independent Director
10. Mr. Nha-Kran Loahavilai	Director / Independent Director
Appointed June 22, 2020	
11. Miss Nutchanok Vongswat	Director / Member of Risk Management Committee
Appointed June 22, 2020	

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 5: 6 is 45.45% and the proportion of non-executive directors to all directors 6: 5 is 54.54%.

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. Mr. Kamoldist Smuthkochorn	✓			✓
5. Mr. Romtham Setthasit	✓			
6. Mrs. Saowanee Kamolbutr	✓	✓	✓	✓
7. Mr. Kanit Patsaman	✓	✓	✓	✓
8. Miss Urawee Ngowrungrueng	✓	✓		
9. GEN. Siripong Wongkhunti	✓			
10. Mr. Nha-Kran Loahavilai	✓			
11. Miss Nutchanok Vongswat	✓			✓
12. Mr. Pongsarn Klongwattanakith (CFO)				✓



Name of Director	Board of Director	Audit Committee	Numeration and Remuneration Committee	Risk Management Committee
13. Mr. Anupong Pongsuwan				✓
14. Mrs. Santana Chunneam				✓
15. Miss Tientham Setthasit				✓

(3) Board of Directors meetings

Name of Director	Directors Meetings 2019 / 2020									
	Board of Director (5 times /7 times)		Audit Committee (6 times/5 times)		Numeration and Remuneration Committee (3 times/2 times)		Risk Management Committee (4 times/4 times)		Annual General Shareholders' Meeting (1 times/1 times)	
	2562	2563	2562	2563	2562	2563	2562	2563	2562	2563
1. Mr. Sathien Setthasit	4/5	7/7	-	-	2/3	2/2	-	-	1/1	1/1
2. Miss Nutchamai Thanombooncharoen	5/5	7/7	-	-	3/3	2/2	4/4	4/4	1/1	1/1
3. Mr. Yuenyong Opakul	4/5	2/7	-	-	-	-	-	-	0/1	1/1
4. Mr. Kamoldist Smuthkochorn	4/5	7/7	-	-	-	-	4/4	4/4	1/1	1/1
5. Mr. Romtham Setthasit	4/5	7/7	-	-	-	-	-	-	1/1	1/1
6. Mrs. Saowanee Kamolbutr	5/5	7/7	6/6	5/5	3/3	2/2	4/4	4/4	1/1	1/1
7. Mr. Kanit Patsaman	5/5	7/7	6/6	5/5	3/3	2/2	4/4	4/4	1/1	1/1
8. Miss Urawee Ngowrungruang	2/2	7/7	2/2	5/5	-	-	-	-	-	1/1
9. GEN. Sirpong Wongskhanti	5/5	6/7	-	-	-	-	-	-	1/1	1/1
10. Mr. Nha-Kran Loahavilai	-	3/3	-	-	-	-	-	-	-	-
11. Miss Nutchanok Vongswat	-	3/3	-	-	-	-	-	-	-	-
12. Mr. Pongsarn Klongwattanakith (CFO)	-	-	-	-	-	-	4/4	4/4	1/1	1/1
13. Mr. Anupong Pongsuwan	-	-	-	-	-	-	3/4	4/4	1/1	1/1
14. Mrs. Santana Chunneam	-	-	-	-	-	-	4/4	4/4	-	-
15. Miss Tientham Setthasit	-	-	-	-	-	-	3/4	3/4	-	-

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. Miss Urawee Ngowrungruang	Member of the Audit Committee
3. Mr. Kanit Patsaman	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 9 Directors

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

*Miss Nutchanok Vongswat were appointed to be member of Executive Committee and member of the Risk Management Committee by resolution of the Board of Directors No. 5/2020 on August 7,2020

Executive Committee compose of 7 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. Pongsarn Klongwathanakith	Member of Executive Committee
6. Miss. Tientham Setthasit	Member of Executive Committee
7. Mrs. Santana Chunneam*	Member of Executive Committee

*Mrs. Santana Chunneam were appointed to be member of Executive Committee and member of the Risk Management Committee by resolution of the Board of Directors No. 5/2019 on December 19,2019

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

- Establish vision, objectives, policies, strategy and business plan and budget together with the company's Board of Director
- 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
- 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
- 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
- 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
- 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:
 - (n) directors register;
 - (u) 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
 - (a) 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 2019, held on April 23, 2019 was approved monetary remuneration for non-executive directors not more than THB 5.0 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 20,000 / person / time
Director	THB 30,000 / person / month	THB 20,000 / 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 2019, 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. Mr. Kamoldist Smuthkochorn	Director / Deputy Managing Director		
5. Mr. Romtham Setthasit	Director / Assistant Managing Director		
6. Mrs. Saowanee Kamolbutr	Director / Chairman of Audit Committee / Chairman of Risk Management Committee / Vice Chairman of Nomination and Remuneration Committee / Independent Director Committee / independent director	920,000	350,000
7. Mr. Kanit Patsaman	Director / Member of Audit Committee / Member of Nomination and Remuneration Committee / Member of Risk Management Committee Independent Director	740,000	200,000
8. LT.GEN Siripong Wongkhunti	Director / Independent Director	500,000	150,000
9. Miss Urawee Ngowrungruang	Director / Member of Audit Committee / Independent Director	230,000	-
10. Mr. Nha-Kran Loahavilai	Director / Independent Director	240,000	-
11. Miss Nutchanok Vongswat	Director / Member of Audit Committee	260,000	-
		3,280,000	760,000

(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		For the fiscal year ended 31 December	
	2019	2020	No. of Executives	Value (Baht)
Salary and bonus	6	7	172,028,000	224,574,000
Provident fund and social security contributions	6	7	3,537,792	4,478,424
Total			175,565,792	229,052,424

(b) Non-monetary remuneration

- None -

Management Structures of the Subsidiaries

Organization Structure of the Subsidiaries

(1) Board of Directors of the Subsidiaries

As of 31 December 2020, the Boards of Directors of the 7 subsidiaries viz. CBD APG DCM ACM APM ACV and AWD consist of directors as follows

รายชื่อ	CBD	APG	DCM	ACM*	APM	ACV	AWD
1. Mr. Sathien Setthasit	✓	✓	✓	-	-	-	✓
2. Miss Nutchamai Thanombooncharoen	✓	✓	✓	✓	✓	✓	-
3. Mr. Yuenyong Opakul	✓	✓	✓	-	-	-	--
4. Mrs. Wongdao Thanombooncharoen	✓	✓	✓	✓	✓	✓	-
5. Mr. Kamoldist Smuthkochorn	✓	✓	✓	✓	✓	✓	-
6. MR. ROMTHAM SETTHASIT	✓	✓	✓	-	-	-	-
7. Mr. Pongsarn Klongwathanakith	✓	✓	✓	✓	✓	✓	-
8. MR. Kritpong Nillawong	-	-	-	-	-	-	✓
9. MR. Songpon Kittiveja	-	-	-	-	-	-	✓
10. MR. Wutthitorn Milintachinda	-	-	-	-	-	-	✓
11. MRS. Kanyaluck Milintachinda	-	-	-	-	-	-	✓

* Noted : 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 19th February 2021

(2) Authorized director of the subsidiaries

The authorized directors of the six subsidiaries, i.e. CBD APG DCM ACM APM 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

Management of the subsidiaries

As of 31 December 2020, the management of the six subsidiaries, i.e. CBD APG DCM ACM APM และ ACV consists of 7 executives as follows:

Name	Position	Company					
		CBD	APG	DCM	ACM	APM	ACV
1. Mr. Sathien Setthasit	Chief Executive Director	✓	✓	✓	-	✓	✓
2. Miss Nutcharai 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	✓	✓	✓	✓	✓	✓
7. Mr. Pongsarn Klongwathanakith	Chief Financial Officer	✓	✓	✓	✓	✓	✓

Personnel of the Group

Number of personnel and remuneration

For the fiscal year ended 31 December 2018 to 2020 the Group had a total number of employees (excluding management) of 2,743 persons, 2,896 persons and 2,993 persons, respectively.

Company	Number of Employer year 2018	Number of Employer year 2019	Number of Employer year 2020
CBG	9	9	5
CBD	1,251	1,410	1,439
DCM	1,067	1,057	1,073
APG	278	260	275
ACM	138	160	158
APM	-	-	43
Total	2,743	2,896	2,993

Summary of employees' remuneration.

Type of Remuneration	For the fiscal year ended 31 December 2018		For the fiscal year ended 31 December 2019		For the fiscal year ended 31 December 2020	
	No. of Employee	Value (Baht)	No. of Employee	Value (Baht)	No. of Employee	Value (Baht)
Salary and bonus	2,743	1,070,102,891	2,896	891,530,773	2,993	1,020,702,991
Provident fund and social security contributions	2,743	17,037,410	2,896	37,177,589	2,993	33,840,992
Total		1,087,140,301		928,708,362		1,054,543,983

Dispute on laboring issues

During the past 3 years ended 31 December 2020, 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 provides 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.

The detail of employees' training in year 2020

Company	Training Crouse (No. of Crouse)			No. of attendant and Training Hours			Training Cost (THB)			
	Plan	Actual	Percentage	Attendant	Hours	Average per person	Budget	Actual	Remaining	%
CBG	3	1	33%	6	39	4	30,000	16,050	13,950	54%
CBD (HO.)	30	35	117%	447	4,368	5	500,000	817,322	317,322	163%
DCM	30	32	107%	270	8,937	8	1,010,000	591,667	418,333	59%
CBD (Factory)	156	100	64%	1,967	12,429	19	2,706,480	647,686	2,058,794	24%
APG (Factory)	78	57	73%	256	8,952	35	554,521	231,385	323,136	42%
ACM (Factory)	71	43	61%	161	3,396	21	644,700	384,596	260,104	60%
APM (Factory)	0	1	-	1	30	1	-	3,556	3,556	-
Grand total	368	269	73%	3,108	38,150	15	5,445,701	2,692,261	2,756,995	49%

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 2020, 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 2020, the Board of Directors determine individual self-assessment between the 11 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 98 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 2020, there are 2 new directors, the company secretary Orientation for new directors to understand the nature of business operation Including visits to all manufacturing plants of the group companies



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 2020 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. Mr. Kamodist Smuthkochorn	-	-
5. Mr. Romtham Setthasit	Director Accreditation Program (DAP), 174/2020	-
6. Mrs. Saowanee Kamolbutr	IT Governance and Cyber Resilience Program 15/2020, Thai Institute of Directors (IOD)	-
7. Mr. Kanit Patsaman		
8. Miss Urawee Ngowrungrueng		
9. Gen Siripong Wongkhunti	-	-
10. MR. Nha-Kran Loahavilai	Director Accreditation Program (DAP), 174/2020	
11. Miss Nutchanok Vongswat	Director Accreditation Program (DAP), 174/2020	

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 7th - 10th floor,
Silom Road Silom, Bangrak, Bangkok 10500 Thailand

3. QR Code (for employee)

To Audit Committee and Company Secretary

In the year 2020, the company has followed up on the reports of whistleblowing or complaints through the aforementioned channels, in the year 2020 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 No. 2/2016 held on 13 May 2016. 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 possesses 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 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 No. 2/2014, held on 10 March 2014.

(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 No. 3/2014, held on 22 April 2014, 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 No. 3/2014, held on 22 April 2014, 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 No. 3/2014, held on 22 April 2014, 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 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 so as 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 so as 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 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 and appropriateness 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 & 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 there were no material weaknesses in the Company's internal control system. The Company has in place an adequate internal control system suited to its business. 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.

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

2 Tawandang Brew House Co., Ltd.

Nature of Business	<ul style="list-style-type: none"> Engaging in the business of (1) producing and selling beer; and (2) selling food and beverages
Nature of Relationship with the Company	<ul style="list-style-type: none"> One joint director, Miss Nutchamai Thanombooncharoen 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.

3 Tawandang German Brewery Co., Ltd.

Nature of Business	<ul style="list-style-type: none"> Engaging in the business of (1) producing and selling beer; and (2) selling food and beverages
Nature of Relationship with the Company	<ul style="list-style-type: none"> One joint director, Miss Nutchamai Thanombooncharoen 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.

4 Tawandang German Brewery 1999 Co., Ltd.

Nature of Business	<ul style="list-style-type: none"> Engaging in the business of (1) producing and selling beer; and (2) selling food and beverages
Nature of Relationship with the Company	<ul style="list-style-type: none"> One joint director, Miss Nutchamai Thanombooncharoen 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.

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

Nature of Business	<ul style="list-style-type: none"> Engaging in the business of wholesale stores and convenience stores
Nature of Relationship with the Company	<ul style="list-style-type: none"> One joint director, Mr. Sathien Setthasit Four joint shareholders, i.e. Mr. Sathien Setthasit, Miss Nutchamai Thanombooncharoen, Mr. Yuenyong Opakul and Mrs. Wongdao Thanombooncharoen who hold 35%, 20%, 12% and 12% of shares, respectively, in C.J. Express Group Co., Ltd.

**6 Sahamit Product Co., Ltd.****Nature of Business**

- Trading

Nature of Relationship with the Company

- Two directors of the company related to the company such as Miss Nutchamok Vongswat (Miss Nutchamai Thanombooncharoen's Daughter) and Miss Phoogkwan Smuthkochorn (Mr. Kamoldist Smuthkochorn's Daughter) who hold 50% and 50% of shares, respectively, in Sahamit Product Co., Ltd.

7 Sahamit Sugar Co., Ltd.**Nature of Business**

- Engaging in the business of wholesale alcoholic beverage business and import alcoholic beverages.

Nature of Relationship with the Company

- One joint director, Miss Nutchamai Thanombooncharoen
- One joint shareholder, Miss Nutchamai Thanombooncharoen who hold 10%, in Sahamit Sugar Co., Ltd.

8 Tawandang 1999 Co., Ltd.**Nature of Business**

- Engaging in the business of producing and selling alcoholic beverages.

Nature of Relationship with the Company

- One joint director, Mr. Romtham Setthasit
- One joint shareholder, Mr. Sathien Setthasit who hold 82.66% in Tawandang 1999 Co., Ltd.

9 Tawandang F&B Co., Ltd.**Nature of Business**

- Engaging in the business of (1) producing and selling beer; and (2) selling food and beverages

Nature of Relationship with the Company

- One joint director, Miss Nutchamai Thanombooncharoen
- Two joint shareholders, i.e. Mr. Sathien Setthasit and Miss Nutchamai Thanombooncharoen who hold 45% and 10% of shares, respectively, in Tawandang F&B Company Limited.

10 Baan Tawandang Co., Ltd.**Nature of Business**

- Restaurant and the stage show restaurant

Nature of Relationship with the Company

- No joint director
- One joint shareholder, Mr. Sathien Setthasit who hold 90% of shares in Baan Tawandang Limited.

11 Tawandang Logistics Co., Ltd.**Nature of Business**

- Transportation

Nature of Relationship with the Company

- One joint director, Mr. Sathien Setthasit
- One joint shareholder, Mr. Sathien Setthasit who hold 0% (a share) of shares in Tawandang Logistics limited.

12 Hunan Double Energy Beverage Co., Ltd.**Nature of Business**

- Engaging in the business of retail and wholesale

Nature of Relationship with the Company

- One joint director, Mr. Sathien Setthasit
- Champion China Holding Limited hold 49% of shares in Hunan Double Energy Beverage Co., Ltd which hold 100% of shares by Raththam Holding Limited. Four 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.

13 TD Tawandang Co., Ltd.**Nature of Business**

- Engaging in the business of retail and wholesale

Nature of Relationship with the Company

- One joint director, Mr. Sathien Setthasit
- Three joint shareholders, i.e. Mr. Sathien Setthasit, Mr. Romtham Setthasit, and Miss Nutchamai Thanombooncharoen, who hold 34%, 6%, and 1%, respectively, in TD Tawandang Company Limited

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 2019 and 2020.

1 Mongol Co., Ltd.

Nature of Transaction	Transaction Value (Baht)	
	For the year ended 31 December 2019	For the year ended 31 December 2020
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 2019	For the year ended 31 December 2020
Income from sale of products DCM supplied products to Tawandang Brewery Co., Ltd. for sale in its restaurant.	380,538	216,734
Trade receivable	43,566	34,853
Sales promotion expenses CBD paid sales promotion expenses to Tawandang Brewery Co., Ltd.	381,879	-
Other expenses CBD and DCM paid for food and beverages, gift cards and entertaining its business partners, to Tawandang Brewery Co., Ltd.	1,126,642	966,148
Other payable	351,537	366,181

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 organized sales promotion events and organized activities for employees of the Group at Tawandang Brewhouse, with a discount of 20% for food and beverages, with prices and commercial terms as normally offered to other special customers.
- 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. A 20% discount was normally offered to other special customers of Tawandang Brewery Co., Ltd.

3 Tawandang German Brewery Co., Ltd.

Nature of Transaction	Transaction Value (Baht)	
	For the year ended 31 December 2019	For the year ended 31 December 2020
Income from sale of products DCM supplied products to Tawandang German Brewery Co., Ltd. for sale in its restaurant.	464,914	259,204
Trade receivable	57,239	52,279
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.	2,052,119	3,743,345
Other payable	86,626	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 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 German Brewery Co., Ltd.

4 Tawandang German Brewery 1999 Co., Ltd.

Nature of Transaction	Transaction Value (Baht)	
	For the year ended 31 December 2019	For the year ended 31 December 2020
Income from sale of products DCM supplied products to Tawandang German Brewery 1999 Co., Ltd. for sale in its restaurant.	384,923	193,558
Trade receivable	60,322	34,853
Other expenses CBD and DCM paid for a meal to Tawandang German Brewery 1999 Co. Ltd. in entertaining its business partners	256,882	732,955
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 and DCM 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 2019	For the year ended 31 December 2020
Income from sale of products DCM supplied products to C.J. Express Group Co., Ltd. for sale in its convenience stores.	106,149,844	183,560,826
Trade receivable C.J. Express Group Co., Ltd. was DCM's trade receivable on account of DCM's income from sales of products.	32,501,416	40,739,015
Sales promotion expenses DCM paid sales promotion expenses to C.J. Express Group Co., Ltd.	5,068,382	20,316,236
Other payable C.J. Express Group Co., Ltd. was DCM's other payable on account of DCM's sales promotion expense.	1,295,021	3,464,327
Office rent and service income CBD leased office space on the 4th to 6th floor of the 393 Silom Building and 2nd to 4th floor of 4th floor Building including services and facilities fee for space rental to C.J. Express Group Co., Ltd.	16,339,704	16,831,130
Other receivable C.J. Express Group Co., Ltd. was DCM's other receivable on account of the sale of giveaways for sales promotion.	258,992	307,063
Other payable C.J. Express Group Co., Ltd. was CBD's other payable on account of CBD's office rental deposit.	3,045,873	3,530,091
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.	188,148	184,918

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.
- C.J. Express Group Co., Ltd. leased office space on 4th to 6th floor of the 393 Silom Building and 2nd to 4th floor of the 4th Building with a total space of 2,418.6 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 350-495 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.
- 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 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. 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 2019	For the year ended 31 December 2020
Purchase of products DCM is a distributor of Sahamit Product Co., Ltd.	176,629,448	224,318,812
Trade payable Sahamit Product Co., Ltd. is a trade payable of DCM regarding the purchasing of goods.	16,610,727	18,211,890



Nature of Transaction	Transaction Value (Baht)	
	For the year ended 31 December 2019	For the year ended 31 December 2020
Other receivable Sahamit Product Co., Ltd. is an other receivable of DCM regarding the amount due from sales promotion expenses.	335,253	257,484
Office rent and service income CBD leased office space on the 2nd floor of the Siri Building including services and facilities fee for space rental to Sahamit Product Co., Ltd.	650,482	654,994
Other receivable Sahamit Product Co., Ltd. was CBD's other receivable on account of CBD's office rental and service.	9,757	9,860
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 2nd 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 2019	For the year ended 31 December 2020
Purchase of products DCM is a distributor of Sahamit Sugar Co., Ltd.	1,111,296,899	2,151,489,191
Trade payable Sahamit Sugar Co., Ltd. is a trade payable of DCM regarding the purchasing of goods.	-	718,214
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.	2,465,535	29,006,638
Other expenses CBD paid the cost of its employees' New Year party to Sahamit Sugar Co., Ltd.	81,047	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 2019	For the year ended 31 December 2020
Income from sale of products APG supplied bottles for packaging materials to Tawandang 1999 Co., Ltd.	74,662,692	181,087,288
Trade receivable Tawandang 1999 Co., Ltd. was APG's trade receivable on account of APG's income from sales of products.	9,941,210	31,228,553
Office rent and service income CBD leased office space on the 1st floor of the Siri Building including services and facilities fee for space rental to Tawandang 1999 Co., Ltd.	554,400	504,134
Other income CBD sold recycled bottle and premium Carabao branded product for organizing event to Tawandang 1999 Co., Ltd.	103,992	225,000
Other receivable Tawandang 1999 Co., Ltd. was CBD's other receivable on account of CBD's office rental and service.	10,255	9,075
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 1st 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.
- CBD sold recycled bottle and premium Carabao branded product for organizing event to Tawandang 1999 Co., Ltd., based on the market price and commercial term.
- APG supplied bottles for 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.

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 2019	For the year ended 31 December 2020
Income from sale of products DCM supplied products to Tawandang F&B Company Limited for sale in its restaurant.	109,626	45,140
Trade receivable	10,056	-
Other expenses CBD and DCM paid for a meal to Tawandang F&B Company Limited in entertaining its business partners.	23,861	5,332

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 2019	For the year ended 31 December 2020
Income from sale of products DCM supplied products to Ban Tawandang Company Limited for sale in its restaurant.	272,484	114,944
Trade receivable	20,107	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 2019	For the year ended 31 December 2020
Gain on sold of fixed assets DCM sold vehicles to Tawandang Logistics Limited.	428,204	-
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.	33,590,673	52,875,883
Other receivable Tawandang Logistics limited was ACM's other receivable of compensation for damage arising from transportation in accordance with the conditions of the contract.	112,637	-
Other payable Tawandang Logistics Limited was CBD's other payable, DCM's other payable and ACM's other payable on account of its office rental and service expense.	4,571,906	5,999,531

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.
- DCM sold vehicles which have been fully depreciated and not in use to Tawandang Logistics limited, based on the market price and commercial term.

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 2019	For the year ended 31 December 2020
Income from sale of products CBD supplied products to Hunan Double Energy Beverage Co., Ltd for sale through multiple channels in China.	493,838,899	385,349,171
Trade receivable	135,910,746	211,306,802

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 2019	For the year ended 31 December 2020
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
Other receivable TD Tawandang Company Limited was CBD's other receivable on account of CBD's office rental and service.	-	94,064
Other payable TD Tawandang Company Limited was CBD's other payable on account of CBD's office rental deposit.	-	1,830,560

Necessity and Reasonableness

- TD Tawandang Company Limited leased office space on 1st-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

The leased office space which owned by CBD was done on an arm's-length basis with fair market price.

3. Guarantees and Mortgages

As at 31 December 2020, CBG has guaranteed for credit facilities, in form of letter of credit and forward contract, of CBD and APG amounting to Baht 1,100 million (2019: Baht 1,100 million).



4. Necessity and Reasonableness of the Related Party Transactions

Audit Committee Meeting No. 1/2020, held on 19 February 2020 and No. 1/2021, held on 19 February 2021 considered the Company's related party transactions for the fiscal year ended 31 December 2019 and 2020 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 2019 and 2020 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.

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 interest, either for the time being or in the future, the Audit Committee will provide an 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 2020**

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 2020, 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 2020, 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 5.1 to the financial statements regarding the accounting policies on revenue recognition from sales of goods, sales of goods are significant accounting line items 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 12 and 15 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 495 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: 19 February 2021



Carabao Group Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements		
		2020	2019	2020	2019	
Assets						
Current assets						
Cash and cash equivalents	8	946,548,320	961,954,431	21,253,315	576,954,884	
Trade and other receivables	7, 9	1,420,362,869	1,140,321,484	1,535,530	2,651,696	
Short-term loans to related parties	7	-	-	3,895,000,000	2,486,368,225	
Dividend receivable from related parties	7, 32	-	-	1,669,994,900	2,949,991,100	
Inventories	10	1,489,401,033	991,624,535	-	-	
Other current assets	11	135,939,635	103,510,397	28,525	74,272	
Total current assets		<u>3,992,251,857</u>	<u>3,197,410,847</u>	<u>5,587,812,270</u>	<u>6,016,040,177</u>	
Non-current assets						
Investments in subsidiaries	12	-	-	4,512,116,288	3,670,616,618	
Investment properties	13	106,893,426	103,220,209	-	-	
Property, plant and equipment	14	12,031,908,454	10,872,366,825	-	-	
Right-of-use assets	20	303,826,010	-	57,611,838	-	
Goodwill	15	494,732,353	481,114,531	-	-	
Intangible assets	16	100,276,982	81,155,777	9,127,186	4,375,799	
Deferred tax assets	27	45,208,103	33,492,190	309,078,991	307,742,011	
Other long-term receivable - related party	7	-	-	26,172,146	26,172,146	
Other non-current assets		<u>11,579,350</u>	<u>11,275,388</u>	-	-	
Total non-current assets		<u>13,094,424,678</u>	<u>11,582,624,920</u>	<u>4,914,106,449</u>	<u>4,008,906,574</u>	
Total assets		<u>17,086,676,535</u>	<u>14,780,035,767</u>	<u>10,501,918,719</u>	<u>10,024,946,751</u>	

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 2020**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements		
		2020	2019	2020	2019	
Liabilities and shareholders' equity						
Current liabilities						
Short-term loans from financial institutions	17	2,335,000,000	6,761,733	2,190,000,000	-	
Trade and other payables	7, 18	1,572,982,301	1,446,721,396	97,693,096	75,660,895	
Current portion of long-term loan from financial institution	19	169,200,000	291,000,000	-	-	
Current portion of lease liabilities	7, 20	84,885,183	-	1,758,429	-	
Current portion of debentures	21	1,089,631,354	1,699,427,833	1,089,631,354	1,699,427,833	
Income tax payable		395,725,588	320,547,432	3,273,101	1,606,313	
Other current liabilities		7,779,510	12,822,437	-	-	
Total current liabilities		5,655,203,936	3,777,280,831	3,382,355,980	1,776,695,041	
Non-current liabilities						
Long-term loan from financial institution, net of current portion	19	893,850,000	1,042,750,000	-	-	
Lease liabilities, net of current portion	7, 20	221,786,161	-	56,625,206	-	
Debentures, net of current portion	21	-	1,088,692,369	-	1,088,692,369	
Provision for long-term employee benefits	22	152,605,926	135,780,213	73,179,748	68,005,996	
Deferred tax liabilities	27	-	1,410,865	-	-	
Deposits received for rental	7	5,944,750	15,757,730	-	-	
Total non-current liabilities		1,274,186,837	2,284,391,177	129,804,954	1,156,698,365	
Total liabilities		6,929,390,773	6,061,672,008	3,512,160,934	2,933,393,406	

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 2020

(Unit: Baht)

	Note	Consolidated financial statements 2020	2019	Separate financial statements 2020	2019
Liabilities and shareholders' equity (continued)					
Shareholders' equity					
Share capital					
Registered					
1,000,000,000 ordinary shares of Baht 1 each		<u>1,000,000,000</u>	<u>1,000,000,000</u>	<u>1,000,000,000</u>	<u>1,000,000,000</u>
Issued and fully paid up					
1,000,000,000 ordinary shares of Baht 1 each		1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Share premium					
Surplus on business combination under common control					
Surplus on changes in percentage of shareholding					
in local subsidiary		108,959,056	108,959,056	108,959,056	108,959,056
Deficit on changes in percentage of shareholding					
in overseas subsidiary		(368,686,372)	(368,686,372)	-	-
Retained earnings					
Appropriated - statutory reserve	23	100,000,000	100,000,000	100,000,000	100,000,000
Unappropriated		4,950,864,694	3,536,647,989	1,817,818,237	1,919,613,797
Other components of shareholders' equity		<u>(121,319,360)</u>	<u>(97,306,747)</u>	-	-
Equity attributable to owners of the Company		9,956,014,298	8,565,810,206	6,989,757,785	7,091,553,345
Non-controlling interests of the subsidiaries		201,271,464	152,553,553	-	-
Total shareholders' equity		10,157,285,762	8,718,363,759	6,989,757,785	7,091,553,345
Total liabilities and shareholders' equity		17,086,676,535	14,780,035,767	10,501,918,719	10,024,946,751

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

Directors

Carabao Group Public Company Limited and its subsidiaries**Income statement****For the year ended 31 December 2020**

(Unit: Baht)

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenues					
Revenues from contracts with customers	24	17,230,640,394	14,933,011,656	-	-
Dividend income from subsidiary	7, 12	-	-	1,969,993,900	3,319,990,100
Other income	25.1	151,426,492	117,218,416	283,972,129	280,658,835
Total revenues		<u>17,382,066,886</u>	<u>15,050,230,072</u>	<u>2,253,966,029</u>	<u>3,600,648,935</u>
Expenses					
Cost of sales		10,172,906,235	9,122,570,060	-	-
Selling and distribution expenses		1,914,884,214	1,967,643,146	-	-
Administrative expenses		965,096,991	784,914,969	271,255,500	223,264,741
Other expenses	25.2	-	11,692,704	-	1,500,505,703
Total expenses		<u>13,052,887,440</u>	<u>11,886,820,879</u>	<u>271,255,500</u>	<u>1,723,770,444</u>
Operating profit					
Finance income		4,329,179,446	3,163,409,193	1,982,710,529	1,876,878,491
Finance cost		4,225,774	1,585,219	89,856,373	93,081,193
(106,795,603)		(132,724,042)	(57,262,466)	(68,811,209)	
Profit before income tax		<u>4,226,609,617</u>	<u>3,032,270,370</u>	<u>2,015,304,436</u>	<u>1,901,148,475</u>
Income tax	27	(667,448,564)	(564,007,977)	(9,933,580)	283,739,822
Profit for the year		<u>3,559,161,053</u>	<u>2,468,262,393</u>	<u>2,005,370,856</u>	<u>2,184,888,297</u>
Profit attribution to					
Equity holders of the Company		3,525,027,862	2,506,461,413	<u>2,005,370,856</u>	<u>2,184,888,297</u>
Non-controlling interests of the subsidiaries		34,133,191	(38,199,020)		
		<u>3,559,161,053</u>	<u>2,468,262,393</u>		
Earnings per share					
Basic earnings per share	29				
Profit attributable to equity holders of the Company		<u>3.53</u>	<u>2.51</u>	<u>2.01</u>	<u>2.18</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 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Profit for the year		<u>3,559,161,053</u>	<u>2,468,262,393</u>	<u>2,005,370,856</u>	<u>2,184,888,297</u>
Other comprehensive income					
<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>(39,427,893)</u>	<u>(4,575,127)</u>	<u>-</u>	<u>-</u>
Other comprehensive income to be reclassified					
to profit or loss in subsequent periods		<u>(39,427,893)</u>	<u>(4,575,127)</u>	<u>-</u>	<u>-</u>
<i>Other comprehensive income not to be reclassified</i>					
<i>to profit or loss in subsequent periods</i>					
Actuarial loss	22	<u>(13,513,946)</u>	<u>(12,540,497)</u>	<u>(8,958,020)</u>	<u>(1,983,733)</u>
Less: Income tax effect	27	<u>2,702,789</u>	<u>2,508,099</u>	<u>1,791,604</u>	<u>396,747</u>
Other comprehensive income not to be reclassified					
to profit or loss in subsequent periods - net of income tax		<u>(10,811,157)</u>	<u>(10,032,398)</u>	<u>(7,166,416)</u>	<u>(1,586,986)</u>
Other comprehensive income for the year		<u>(50,239,050)</u>	<u>(14,607,525)</u>	<u>(7,166,416)</u>	<u>(1,586,986)</u>
Total comprehensive income for the year		<u><u>3,508,922,003</u></u>	<u><u>2,453,654,868</u></u>	<u><u>1,998,204,440</u></u>	<u><u>2,183,301,311</u></u>
Total comprehensive income attribution to					
Equity holders of the Company		<u>3,490,204,092</u>	<u>2,488,977,816</u>	<u>1,998,204,440</u>	<u>2,183,301,311</u>
Non-controlling interests of the subsidiaries		<u>18,717,911</u>	<u>(35,322,948)</u>		
Total comprehensive income for the year		<u><u>3,508,922,003</u></u>	<u><u>2,453,654,868</u></u>		

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

Carabao Group Public Company Limited and its subsidiaries**Statement of cash flows****For the year ended 31 December 2020**

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Cash flows from operating activities				
Profit before tax	4,226,609,617	3,032,270,370	2,015,304,436	1,901,148,475
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities				
Dividend income from subsidiaries	-	-	(1,969,993,900)	(3,319,990,100)
Depreciation and amortisation	668,374,798	533,733,932	2,998,925	519,574
Gain on sales of short-term investments				
in trading securities	(371,386)	-	(371,386)	-
Loss from impairment of investment in subsidiary	-	-	-	1,498,756,000
Allowance for expected credit losses	4,798,098	-	-	-
Allowance for doubtful accounts	-	7,761,654	-	-
Reduction of cost of inventory to net realisable value	4,460,598	4,130,483	-	-
Gain on disposals of equipment	(5,535,332)	(3,347,807)	-	-
Provision for long-term employee benefits	16,289,176	22,843,134	2,814,780	4,479,289
Amortisation of transaction cost for debentures issuance	1,511,152	2,200,323	1,511,152	2,200,323
Realised and unrealised loss (gain) on exchange	(3,450,330)	3,541,204	(2,718,296)	1,713,344
Finance income	(4,225,774)	(1,585,219)	(89,856,373)	(93,081,193)
Finance cost	99,212,343	124,458,564	57,110,714	66,464,153
Profit from operating activities before changes in operating assets and liabilities				
Operating assets (increase) decrease	5,007,672,960	3,726,006,638	16,800,052	62,209,865
Trade and other receivables	(287,091,341)	(241,090,079)	829,321	150,664
Inventories	(502,355,370)	(108,463,084)	-	-
Other current assets	(32,425,108)	442,348,133	45,747	(54,475)
Other non-current assets	(303,962)	769,758	-	-
Operating liabilities increase (decrease)				
Trade and other payables	77,011,364	(254,112,231)	23,278,042	35,306,727
Other current liabilities	(5,042,927)	370,621	-	-
Deposits received for rental	(9,812,980)	121,700	-	-
Cash paid for long-term employee benefits	(12,977,409)	(8,652,602)	(6,599,048)	-
Cash from operating activities				
Interest received	4,470,944	1,296,342	2,584,505	162,344
Income tax paid	(602,720,628)	(477,097,884)	(7,812,168)	(23,203,150)
Net cash from operating activities	3,636,425,543	3,081,497,312	29,126,451	74,571,975

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 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Cash flows from investing activities				
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	-	-	(3,138,000,000)	(1,937,000,000)
Cash received from repayment of short-term loans to related parties	-	-	1,732,087,800	3,444,840,000
Increase in investments in subsidiaries	-	-	(841,499,670)	(804,520,000)
Proceeds from disposals of equipment	7,345,760	7,319,482	-	-
Cash paid for acquisitions of property, plant and equipment	(1,655,275,526)	(428,188,477)	-	-
Cash paid for acquisitions of intangible assets	(22,278,325)	(11,572,558)	(4,915,718)	-
Cash paid for acquisitions of investment properties	(332,800)	-	-	-
Interest received	-	-	87,557,434	96,870,808
Dividend income from subsidiaries	-	-	3,249,990,100	849,997,400
Net cash from (used in) investing activities	<u>(1,670,169,505)</u>	<u>(432,441,553)</u>	<u>1,085,591,332</u>	<u>1,650,188,208</u>
Cash flows from financing activities				
Increase in short-term loans from financial institutions	4,574,664,031	5,789,908,908	2,983,000,000	2,267,000,000
Cash paid for repayment of short-term loans from financial institutions	(2,246,399,550)	(6,058,147,175)	(793,000,000)	(2,267,000,000)
Increase in long-term loan from financial institution	-	55,050,000	-	-
Cash paid for repayment of long-term loan from financial institution	(270,700,000)	(401,250,000)	-	-
Cash paid for principal portion of lease liabilities	(118,927,919)	-	(1,706,131)	-
Cash paid for redemption of debentures	(1,700,000,000)	-	(1,700,000,000)	-
Cash received from non-controlling interests of the subsidiary from issuance of ordinary shares of subsidiary	30,000,000	-	-	-
Interest paid	(101,638,691)	(124,660,318)	(58,713,221)	(66,464,153)
Dividend paid	<u>(2,100,000,000)</u>	<u>(1,100,000,000)</u>	<u>(2,100,000,000)</u>	<u>(1,100,000,000)</u>
Net cash used in financing activities	<u>(1,933,002,129)</u>	<u>(1,839,098,585)</u>	<u>(1,670,419,352)</u>	<u>(1,166,464,153)</u>
Increase (decrease) in translation adjustments	<u>(52,583,929)</u>	<u>13,999,575</u>	-	-
Net increase (decrease) in cash and cash equivalents	<u>(19,330,020)</u>	<u>823,956,749</u>	<u>(555,701,569)</u>	<u>558,296,030</u>
Cash and cash equivalents at beginning of year	961,954,431	137,599,216	576,954,884	18,658,854
Effect of change in foreign exchange rate on cash at banks	3,923,909	398,466	-	-
Cash and cash equivalents at end of year (Note 8)	<u>946,548,320</u>	<u>961,954,431</u>	<u>21,253,315</u>	<u>576,954,884</u>

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 2020**

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Supplemental disclosures of cash flows information				
Non-cash related transactions				
Increase (decrease) in payable for purchasing of plant and equipment	35,102,519	(107,094,344)	-	-
Increase (decrease) in payable for purchasing of intangible assets	4,206,666	(1,398,100)	356,666	-
Increase (decrease) in retention payable	13,430,813	(4,127,043)	-	-
Transfer property, plant and equipment to investment properties	7,820,861	7,423,928	-	-
Right-of-use assets increase from lease agreements	91,062,459	-	-	-

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 2020

(Unit: Baht)

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 2020

(Unit: Baht)

	Note	Separate financial statements					Total	
		Issued and paid-up share capital	Share premium	Surplus on changes in percentage of shareholding in local subsidiary	Retained earnings			
					Appropriated - statutory reserve	Unappropriated		
Balance as at 1 January 2019		1,000,000,000	3,962,980,492	108,959,056	100,000,000	836,312,486	6,008,252,034	
Profit for the year		-	-	-	2,184,888,297	(1,586,986)	2,184,888,297	
Other comprehensive income for the year		-	-	-	-	(1,586,986)	(1,586,986)	
Total comprehensive income for the year		-	-	-	2,183,301,311	2,183,301,311		
Dividend paid	32	-	-	-	(1,100,000,000)	(1,100,000,000)		
Balance as at 31 December 2019		1,000,000,000	3,962,980,492	108,959,056	100,000,000	1,919,613,797	7,091,553,345	
Balance as at 1 January 2020		1,000,000,000	3,962,980,492	108,959,056	100,000,000	1,919,613,797	7,091,553,345	
Profit for the year		-	-	-	-	2,005,370,856	2,005,370,856	
Other comprehensive income for the year		-	-	-	-	(7,166,416)	(7,166,416)	
Total comprehensive income for the year		-	-	-	-	-		
Dividend paid	32	-	-	-	-	1,998,204,440	1,998,204,440	
Balance as at 31 December 2020		1,000,000,000	3,962,980,492	108,959,056	100,000,000	1,817,818,237	6,989,757,785	

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 2020

1. General information

1.1 General information of the Company

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

The Coronavirus disease 2019 pandemic 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	
			2020	2019
<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	74	74
Asia Packaging Manufacturing Co., Ltd.	Manufacture and distribution of packaging	Thailand	100	-
Asia Carabao Venture Co., Ltd.	Investment	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	-
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 (repurchase shares from minority 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

a) Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements. However, the new standards involve changes to key principles, which are summarised below.

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial Reporting Standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting Standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinquishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments.

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

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases.

The Group recognised the cumulative effect of the adoption of this financial reporting standard as an adjustment to retained earnings as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 4.

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

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

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

During the period from the first quarter to the third quarter of 2020, the Group elected to apply the temporary relief measures on accounting alternatives relating to impairment of assets and cash flow forecasts used in testing impairment of goodwill.

In the fourth quarter of 2020, the Group has assessed the financial impacts of the uncertainties of the COVID-19 Pandemic on the valuation of assets. As a result, in preparing the financial statements for the year ended 31 December 2020, the Group has decided to discontinue application of all temporary relief measures on accounting alternatives with no significant impact on the Group's financial statements.

b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2021

The Federation of Accounting Professions issued a number of 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 management of the Group has evaluated that these standards do not have any significant impact on the Group's financial statements in the year when they are adopted.

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

As described in Note 3 to the financial statements, during the current year, the Group has adopted the set of financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards was recognised as an adjustment to retained earnings as at 1 January 2020. Therefore, the comparative information was not restated.

The impacts of changes in accounting policies on the statements of financial position at the beginning of 2020 due to the adoption of these standards are presented as follows:

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

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

4.1 Financial instruments

As at 1 January 2020, financial assets are measured at amortised cost and the Group has not designated any financial liabilities at fair value through profit and loss.

4.2 Leases

On adoption of TFRS 16, the Group recognised lease liabilities in relation to leases that previously classified as operating leases measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate as of 1 January 2020. For leases previously classified as finance leases, the Group recognised the carrying amount of the lease assets and lease liabilities before transition as right-of-use assets and lease liabilities, respectively, at the date of initial application.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Operating lease commitments as at 31 December 2019	162,654	2,735
Add: Operating lease commitments with related parties	68,778	-
Option to extend lease term	138,797	83,981
Less: Short-term leases and leases of low-value assets	(486)	-
Contracts reassessed as service contracts	(15,266)	(1,860)
Deferred interest expenses	(19,940)	(24,766)
Lease liabilities as at 1 January 2020	<u>334,537</u>	<u>60,090</u>
Weighted average incremental borrowing rate (percent per annum)	2.3	3.0
Comprise:		
Current lease liabilities	113,126	1,706
Non-current lease liabilities	<u>221,411</u>	<u>58,384</u>
	<u>334,537</u>	<u>60,090</u>

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

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

5. Significant accounting policies

5.1 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.

5.2 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.

5.3 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.

5.4 Investments

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

5.5 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.

5.6 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	3 - 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.

5.7 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 a systematic 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.

5.8 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.

5.9 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

Accounting policies adopted since 1 January 2020

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.

Accounting policies adopted before 1 January 2020

Leases of property, plant or equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to income statement over the lease period. The assets acquired under finance leases are depreciated over the shorter of the useful life of the asset and the lease period.

Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in income statement 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 are 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.

5.10 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.

5.11 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.

5.12 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.

5.13 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.

5.14 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.

5.15 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.

5.16 Financial instruments

Accounting policies adopted since 1 January 2020

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.

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 neither transferred nor retained substantially all the risks and rewards of the asset but 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 in default when contractual payments are 90 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. It is 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.

Accounting policies adopted before 1 January 2020

Trade accounts receivable

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

5.17 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.

6. 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.

7. 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	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>		
<u>Transactions with subsidiaries</u>						
(Eliminated from the consolidated financial statements)						
Dividend income	-	-	1,970	3,320	At the declared rate	
Management income	-	-	280	280	Contract price	
Interest income	-	-	88	93	Contract price	
Rental and service income	-	-	-	3	Contract price	
<u>Transactions with related companies</u>						
Sales of goods	751	677	-	-	Market price	
Service income	12	8	-	-	Contract price	
Rental income	8	6	-	-	Contract price	
Other income	4	3	-	-	Market price/ Mutually agreed price	
Purchase of goods	2,382	1,289	-	-	Market price	
Promotion expenses	31	17	-	-	Contract price/ Mutually agreed price	
Rental and service expenses	28	35	-	-	Contract price	
Other expenses	4	4	-	-	Mutually agreed price	

As at 31 December 2020 and 2019, 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>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<u>Trade and other receivables - related parties</u>				
(Note 9)				
Subsidiaries	-	-	588	592
Related companies				
(related by shareholders and directors)	313,119	181,747	-	-
Total trade and other receivables - related parties	<u>313,119</u>	<u>181,747</u>	<u>588</u>	<u>592</u>
<u>Dividend receivable from related parties</u>				
(Note 32)				
Subsidiaries	-	-	1,669,995	2,949,991
Total dividend receivable from related parties	<u>-</u>	<u>-</u>	<u>1,669,995</u>	<u>2,949,991</u>
<u>Other long-term receivable - related party</u>				
Subsidiary	-	-	26,172	26,172
Total other long-term receivable - related party	<u>-</u>	<u>-</u>	<u>26,172</u>	<u>26,172</u>
<u>Trade and other payables - related parties</u>				
(Note 18)				
Subsidiaries	-	-	5	-
Related companies				
(related by shareholders and directors)	28,856	22,917	-	-
Total trade and other payables - related parties	<u>28,856</u>	<u>22,917</u>	<u>5</u>	<u>-</u>
<u>Lease liabilities - related parties (Note 20)</u>				
Subsidiaries	-	-	58,383	-
Related companies				
(related by shareholders and directors)	110,233	-	-	-
Total lease liabilities - related parties	<u>110,233</u>	<u>-</u>	<u>58,383</u>	<u>-</u>
<u>Deposits received for rental - related parties</u>				
Related companies				
(related by shareholders and directors)	5,545	3,230	-	-
Total deposits received for rental - related parties	<u>5,545</u>	<u>3,230</u>	<u>-</u>	<u>-</u>

As at 31 December 2020 and 2019, 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)

		Separate financial statements			
Loans to related parties	Related by	Balance as at	Increase	Decrease	Balance as at
		31 December 2019	during the year	during the year	Gain on exchange
Carabao Tawandang					
Co., Ltd.	Subsidiary	2,460,000	2,940,000	(1,675,000)	-
Asia Carabao Venture					
Co., Ltd.	Subsidiary	-	170,000	-	-
Asia Packaging					
Manufacturing Co., Ltd.	Subsidiary	-	28,000	(28,000)	-
Carabao Trading					
(Hong Kong) Limited	Subsidiary	26,368	-	(29,088)	2,720
Total		2,486,368	3,138,000	(1,732,088)	2,720
					3,895,000

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

Directors and management's benefits

During the years ended 31 December 2020 and 2019, the Group had employee benefit expenses payable to its directors and management as below.

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Short-term employee benefits	229.1	175.6	229.1	175.6
Post-employment benefits	2.3	2.1	2.3	2.1
Total	231.4	177.7	231.4	177.7

Guarantee obligation

As at 31 December 2020 and 2019, the Company had guarantee obligations on credit facilities of the two subsidiaries, as described in Note 33.5.1 to the financial statements.

8. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Cash	230	210	10	10
Bank deposits	946,318	275,744	21,243	21,945
Call deposit receipts	-	686,000	-	555,000
Total cash and cash equivalents	<u>946,548</u>	<u>961,954</u>	<u>21,253</u>	<u>576,955</u>

As at 31 December 2020, bank deposits in savings accounts carried interests between 0.01 and 0.25 percent per annum (2019: bank deposits in savings accounts and call deposit receipts carried interests between 0.01 and 1.00 percent per annum).

9. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	197,155	122,921	-	-
Past due				
Not over 3 months	85,854	55,633	-	-
Total trade receivables - related parties	<u>283,009</u>	<u>178,554</u>	<u>-</u>	<u>-</u>
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	792,370	752,210	-	-
Past due				
Not over 3 months	209,896	111,601	-	-
3 - 6 months	482	221	-	-
6 - 12 months	-	659	-	-
Over 12 months	<u>19,954</u>	<u>14,650</u>	<u>-</u>	<u>-</u>
Total trade receivables - unrelated parties	<u>1,022,702</u>	<u>879,341</u>	<u>-</u>	<u>-</u>
Less: Allowance for expected credit losses				
(2019: Allowance for doubtful accounts)	<u>(19,954)</u>	<u>(14,687)</u>	<u>-</u>	<u>-</u>
Total trade receivables - unrelated parties - net	<u>1,002,748</u>	<u>864,654</u>	<u>-</u>	<u>-</u>
Total trade receivables - net	<u>1,285,757</u>	<u>1,043,208</u>	<u>-</u>	<u>-</u>

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<u>Other receivables</u>				
Other receivables - related parties	8,370	2,922	-	1
Other receivables - unrelated parties	3,582	6,794	-	-
Accrued income - related parties	371	271	588	591
Accrued income - unrelated parties	507	367	-	283
Prepaid expenses	97,131	81,150	948	1,777
Advance payments for purchase of goods - related party	21,369	-	-	-
Advances	1,024	1,922	-	-
Excise tax receivables	1,144	993	-	-
Others	1,108	2,694	-	-
Total other receivables	134,606	97,113	1,536	2,652
Total trade and other receivables	1,420,363	1,140,321	1,536	2,652

Set out below are movements in the allowance for expected credit losses of trade and other receivables for the year ended 31 December 2020.

	Consolidated financial statements
As at 1 January 2020	14,687
Increase during the year	4,798
Translation adjustments	469
As at 31 December 2020	19,954

10. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Finished goods	572,380	404,488	(5,110)	(7,293)	567,270	397,195
Work in process	23,002	4,751	-	-	23,002	4,751
Raw materials	378,661	248,807	-	-	378,661	248,807
Packing materials	323,176	182,047	-	-	323,176	182,047
Spare parts and factory supplies	178,549	135,891	-	-	178,549	135,891
Scrap materials	11,620	10,257	-	-	11,620	10,257
Goods in transit	7,123	12,677	-	-	7,123	12,677
Total	<u>1,494,511</u>	<u>998,918</u>	<u>(5,110)</u>	<u>(7,293)</u>	<u>1,489,401</u>	<u>991,625</u>

During the current year, the subsidiaries reduced cost of inventories by Baht 4.5 million (2019: Baht 4.1 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 6.8 million (2019: Baht 5.3 million), and reduced the amount of inventories recognised as expenses during the year.

11. Other current assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
VAT receivables	106,166	78,861	-	-
Undue input VAT	20,388	11,220	29	74
Supplies for marketing promotion	6,292	7,690	-	-
Withholding tax deducted at sources	4	11	-	-
Others	3,090	5,728	-	-
Total other current assets	<u>135,940</u>	<u>103,510</u>	<u>29</u>	<u>74</u>

12. Investments in subsidiaries

12.1 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	
	2020 (Thousand Baht)	2019 (Thousand Baht)	2020 (Percent)	2019 (Percent)	2020 (Thousand Baht)	2019 (Thousand Baht)	2020 (Thousand Baht)	2019 (Thousand Baht)	2020 (Thousand Baht)	2019 (Thousand Baht)	2020 (Thousand Baht)	2019 (Thousand Baht)
	Baht)	Baht)			Baht)	Baht)	Baht)	Baht)	Baht)	Baht)	Baht)	Baht)
<u>Local subsidiaries</u>												
Carabao Tawandang Co., Ltd.	300,000	300,000	100	100	408,958	408,958	-	-	408,958	408,958	1,709,994	2,669,991
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	260,000	649,999
Tawandang DCM Co., Ltd.	100,000	100,000	100	100	99,998	99,998	-	-	99,998	99,998	-	-
Asia Can Manufacturing Co., Ltd.	700,000	700,000	74	74	518,000	518,000	-	-	518,000	518,000	-	-
Asia Packaging Manufacturing Co., Ltd.	595,000	-	100	-	595,000	-	-	-	595,000	-	-	-
Asia Carabao Venture Co., Ltd.	5,000	-	100	-	5,000	-	-	-	5,000	-	-	-
<u>Overseas subsidiaries</u>												
Carabao Holdings (Hong Kong) Limited	USD 93.6 million	USD 85.9 million	100	100	3,082,160	2,840,661	(1,498,756)	(1,498,756)	1,583,404	1,341,905	-	-
Carabao Trading (Hong Kong) Limited	USD 50,000	USD 50,000	100	100	1,758	1,758	-	-	1,758	1,758	-	-
Total					6,010,872	5,169,373	(1,498,756)	(1,498,756)	4,512,116	3,670,617	1,969,994	3,319,990

During the year 2019, the Company recorded an allowance for impairment of investment in Carabao Holdings (Hong Kong) Limited of Baht 1,498.8 million, which was included in other expenses in income statement of the separate financial statements.

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	11.1

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.

12.2 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	
	2020 (Percent)	2019 (Percent)	2020	2019	2020	2019
Carabao Venture Holdings (Luxembourg) S.à r.l. and its subsidiary (Subsidiary of Carabao Holdings (Hong Kong) Limited)	15.7	15.7	(90.3)	(61.7)	(13.2)	(89.1)
Asia Can Manufacturing Co., Ltd. (Subsidiary)	26.0	26.0	261.5	214.2	47.2	50.9
A Woody Drink Co., Ltd. (Subsidiary of Asia Carabao Venture Co., Ltd.)	15.0	-	30.1	-	0.1	-

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

Summarised information about financial position

	(Unit: Million Baht) As at 31 December					
	Carabao Venture Holdings (Luxembourg) S.à r.l. and its subsidiary		Asia Can Manufacturing Co., Ltd.		A Woody Drink Co., Ltd.	
	2020	2019	2020	2019	2020	2019
Current assets	176.9	102.2	365.6	436.6	229.0	-
Non-current assets	501.8	489.8	1,877.1	1,922.4	-	-
Current liabilities	1,231.4	969.7	339.7	489.7	28.4	-
Non-current liabilities	-	1.4	898.6	1,046.6	0.1	-

Summarised information about profit and loss

	(Unit: Million Baht) For the years ended 31 December					
	Carabao Venture Holdings (Luxembourg) S.à r.l. and its subsidiary		Asia Can Manufacturing Co., Ltd.		A Woody Drink Co., Ltd.	
	2020	2019	2020	2019	2020	2019
Profit (loss)	(84.2)	(565.8)	181.9	195.9	0.4	-
Other comprehensive income	(49.6)	35.1	(0.1)	(0.7)	-	-
Total comprehensive income	(133.8)	(530.7)	181.8	195.2	0.4	-

Summarised information about cash flows.

(Unit: Million Baht)

For the years ended 31 December

	Carabao Venture		Asia Can Manufacturing		A Woody Drink	
	Holdings (Luxembourg) S.à r.l. and its subsidiary		Co., Ltd.		Co., Ltd.	
	<u>2020</u>	<u>2020</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Cash flows from (used in)						
operating activities	(242.9)	(451.2)	248.1	376.7	5.2	-
Cash flows used in						
investing activities	(0.6)	-	(82.7)	(136.0)	-	-
Cash flows from (used in)						
financing activities	275.3	468.9	(245.7)	(136.2)	200.0	-
Net increase in cash and cash equivalents	<u>31.8</u>	<u>17.7</u>	<u>(80.3)</u>	<u>104.5</u>	<u>205.2</u>	<u>-</u>

12.4 Changes in investments in Carabao Holdings (Hong Kong) Limited and its subsidiaries

12.4.1 On 7 January 2019, the meeting of the Board of Directors of Carabao Holdings (Hong Kong) Limited (CHHK) (a subsidiary) pass a resolution to increase its registered share capital from USD 60.5 million to USD 78.4 million (increase USD 17.9 million). The Company already made the payment for share subscription. Such subsidiary registered the share capital increase on 7 January 2019.

On 8 January 2019, the meeting of the Board of Directors of Intercarabao Limited (ICUK) (a subsidiary) pass a resolution to increase its registered share capital from GBP 54.6 million to GBP 74.6 million (increase GBP 20.0 million or EUR 22.3 million). Such subsidiary registered the share capital increase on 8 January 2019.

On 8 January 2019, Carabao Venture Holdings (Luxembourg) S.à.r.l. (CVHLUX) purchase the additional ordinary shares of ICUK of GBP 20.0 million or EUR 22.3 million and partially made the payment for such share subscription totaling GBP 13.9 million.

12.4.2 On 26 June 2019, the meeting of the Board of Directors of Intercarabao Limited (ICUK) pass a resolution to additionally call up the remaining amount of its registered share capital of GBP 4.1 million. Carabao Venture Holdings (Luxembourg) S.à.r.l. (CVHLUX) paid for the share subscription on 28 June 2019.

On 28 June 2019, the meeting of the Board of Directors of Carabao Holdings (Hong Kong) Limited (CHHK) (a subsidiary) pass a resolution to increase its registered share capital from USD 78.4 million to USD 83.6 million (increase USD 5.2 million). The Company already made the payment for share subscription. Such subsidiary registered the share capital increase on 28 June 2019.

12.4.3 On 3 October 2019, the meeting of the Board of Directors of Intercarabao Limited (ICUK) pass a resolution to additionally call up the remaining amount of its registered share capital of GBP 1.9 million. Carabao Venture Holdings (Luxembourg) S.à.r.l. (CVHLUX) paid for the share subscription on 9 October 2019.

On 9 October 2019, the meeting of the Board of Directors of Carabao Holdings (Hong Kong) Limited (CHHK) (a subsidiary) pass a resolution to increase its registered share capital from USD 83.6 million to USD 85.9 million (increase USD 2.3 million). The Company already made the payment for share subscription. Such subsidiary registered the share capital increase on 9 October 2019.

12.4.4 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 ICKU 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.

12.4.5 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.

12.5 Investments in new subsidiaries

During the year, the Company invested in the new subsidiaries as follows:

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

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

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

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

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

Moreover, the meeting of the Company's Board of Directors passed a resolution to approve ACV to enter into joint venture agreement with an unrelated person for investing in A Woody Drink Co., Ltd. (AWD), a company newly established on 26 February 2020, being engaged in marketing and 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.

13. Investment properties

The net book value of investment properties, representing office building for rent, as at 31 December 2020 and 2019 is presented below.

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	<u>2020</u>	<u>2019</u>
Cost	139,277	131,123
Less: Accumulated depreciation	(32,384)	(27,903)
Net book value	<u>106,893</u>	<u>103,220</u>

A reconciliation of the net book value of investment properties for the years 2020 and 2019 is presented below.

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	<u>2020</u>	<u>2019</u>
Net book value at beginning of year	103,220	99,968
Cost of asset improvement	333	-
Transfers from property, plant and equipment	7,821	7,424
Depreciation for the year	(4,481)	(4,172)
Net book value at end of year	<u>106,893</u>	<u>103,220</u>

The fair value of the office building of the subsidiary as at 31 December 2020 was determined at approximately Baht 172.0 million (2019: Baht 167.9 million) using the income approach. The assumption used in the valuation was based on the subsidiary's data.



14. Property, plant and equipment

(Unit: Thousand Baht)

Consolidated financial statements						
Cost	Land and land improvement	Buildings and building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under construction and installation
As at 1 January 2019	2,933,320	3,330,442	6,023,688	156,120	176,381	100,695
Additions	21,000	21,741	64,083	22,848	11,239	176,056
Disposals	-	-	(6,467)	(4,277)	(13,360)	-
Transfers in (out)	-	29,881	167,470	4,339	-	(201,690)
Transfers to investment properties	-	(7,424)	-	-	-	-
Translation adjustment	-	-	-	(384)	-	(384)
As at 31 December 2019	2,954,320	3,374,640	6,248,774	178,646	174,260	75,061
Additions	4,811	54,108	76,779	23,199	60,750	1,484,162
Disposals	-	-	(3,424)	(871)	(17,350)	-
Transfers in (out)	-	84,441	744,032	3,817	-	(832,290)
Transfers to investment properties	-	-	-	-	-	(7,821)
Translation adjustment	-	-	-	289	-	-
As at 31 December 2020	2,959,131	3,513,189	7,066,161	205,080	217,660	719,112
						14,680,333

(Unit: Thousand Baht)

	Consolidated financial statements					
	Land and land improvement	Buildings and building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under construction and installation
						Total
Accumulated depreciation						
As at 1 January 2019	13,491	384,650	1,036,309	81,607	114,294	-
Depreciation for the year	4,571	131,363	338,462	26,723	22,135	-
Accumulated depreciation of disposed assets	-	-	(6,420)	(2,908)	(10,804)	-
Translation adjustment	-	-	-	(139)	-	-
As at 31 December 2019	18,062	516,013	1,368,351	105,283	125,625	-
Depreciation for the year	4,243	131,489	350,804	27,930	20,283	-
Accumulated depreciation of disposed assets	-	-	(2,640)	(327)	(16,868)	-
Translation adjustment	-	-	-	177	-	177
As at 31 December 2020	22,305	647,502	1,716,515	133,063	129,040	-
Net book value						
As at 31 December 2019	<u>2,936,258</u>	<u>2,858,627</u>	<u>4,880,423</u>	<u>73,363</u>	<u>48,635</u>	<u>75,061</u>
As at 31 December 2020	<u>2,936,826</u>	<u>2,865,687</u>	<u>5,349,646</u>	<u>72,017</u>	<u>88,620</u>	<u>719,112</u>
Depreciation for the year						
2019 (Baht 478.9 million included in manufacturing cost, and the balance in selling and distribution expenses and administrative expenses)						523,254
2020 (Baht 494.5 million included in manufacturing cost, and the balance in selling and distribution expenses and administrative expenses)						534,749
As at 31 December 2020, 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 701.9 million (2019: Baht 651.8 million).						

15. Goodwill

Movements in the goodwill account during the year ended 31 December 2020 are summarised below.

	(Unit: Thousand Baht)
	Consolidated financial statements
Net book value as at 31 December 2019	481,115
Translation adjustment	<u>13,617</u>
Net book value as at 31 December 2020	<u><u>494,732</u></u>

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

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

	(Unit: Percent per annum)
Terminal growth rate	4.0
Discount rate	11.1

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 and believed that no impairment was required for goodwill.

16. Intangible assets

(Unit: Thousand Baht)

	Consolidated financial statements					
	Intangible assets under development					
	Trademark	Patents	Computer software	Knowhow for manufacturing		Total
31 December 2020:						
Cost	10,000	10,000	68,792	49,986	11,409	150,187
Less: Accumulated amortisation	(10,000)	(10,000)	(29,910)	-	-	(49,910)
Net book value	-	-	38,882	49,986	11,409	100,277
31 December 2019:						
Cost	10,000	10,000	46,920	49,986	6,750	123,656
Less: Accumulated amortisation	(9,000)	(10,000)	(23,500)	-	-	(42,500)
Net book value	1,000	-	23,420	49,986	6,750	81,156

(Unit: Thousand Baht)

	Separate financial statements		
	Computer software	assets under development	Total
31 December 2020:			
Cost	5,200	5,272	10,472
Less: Accumulated amortisation	(1,345)	-	(1,345)
Net book value	3,855	5,272	9,127
31 December 2019:			
Cost	5,200	-	5,200
Less: Accumulated amortisation	(824)	-	(824)
Net book value	4,376	-	4,376

A reconciliation of the net book value of intangible assets for the years 2020 and 2019 is presented below.

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Net book value at beginning of year	81,156	77,322	4,376	4,895
Acquisition during the year - at cost	26,485	10,175	5,272	-
Amortisation for the year	(7,372)	(6,308)	(521)	(519)
Translation adjustment	8	(33)	-	-
Net book value at end of year	<u>100,277</u>	<u>81,156</u>	<u>9,127</u>	<u>4,376</u>

As at 31 December 2020, 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	2.4
Discount rate	8.3

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 and believed that no impairment was required for such intangible assets.

17. Short-term loans from financial institutions

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

18. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Trade payables - related parties	18,930	16,611	-	-
Trade payables - unrelated parties	577,189	614,553	-	-
Other payables - related parties	8,913	5,339	5	-
Other payables - unrelated parties	389,450	297,781	24,515	22,087
Accrued expenses - related parties	1,013	967	-	-
Accrued expenses - unrelated parties	398,887	319,501	73,173	53,574
Accrued excise tax	164,063	137,700	-	-
Advance received	14,537	54,269	-	-
Total trade and other payables	<u>1,572,982</u>	<u>1,446,721</u>	<u>97,693</u>	<u>75,661</u>

19. Long-term loan from financial institution

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	<u>2020</u>	<u>2019</u>
Long-term loan	1,063,050	1,333,750
Less: Portion due within one year	<u>(169,200)</u>	<u>(291,000)</u>
Long-term loans - net of current portion	<u>893,850</u>	<u>1,042,750</u>

During the year ended 31 December 2020, movements in long-term loan from financial institution are summarised below.

	(Unit: Thousand Baht)
	Consolidated
	financial statements
	<u>2020</u>
Balance as at 31 December 2019	1,333,750
Less: Repayment during the year	<u>(270,700)</u>
Balance as at 31 December 2020	<u>1,063,050</u>

On 12 July 2017, a subsidiary entered into long-term loan agreement with a financial institution with given credit facilities of Baht 1,455 million, which the last drawn down period was within 28 December 2018. The interest 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. The long-term loan agreement contains conditions that require the subsidiary to comply with certain conditions and restrictions stipulated in the agreement, pertaining to maintaining the subsidiary's debt to equity ratio at the rate prescribed in the agreement.

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.

20. Leases

20.1 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 year ended 31 December 2020 are summarised below.

(Unit: Thousand Baht)

Consolidated financial statements

	Building and structures	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Total
1 January 2020 (Note 4)	180,478	14,616	990	138,453	334,537
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)
31 December 2020	<u>155,197</u>	<u>21,696</u>	<u>451</u>	<u>126,482</u>	<u>303,826</u>

(Unit: Thousand Baht)

Separate financial statements

Building and structures
60,090
(2,478)
<u>57,612</u>

b) Lease liabilities

Lease liabilities as at 31 December 2020 are presented below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Lease liabilities	325,368	81,356
Less: Deferred interest expenses	(18,697)	(22,973)
Total	306,671	58,383
Less: Portion due within one year	(84,885)	(1,758)
Lease liabilities - net of current portion	<u>221,786</u>	<u>56,625</u>
Of which with related parties	110,233	58,383

Movements in lease liabilities during the year ended 31 December 2020 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2020 (Note 4)	334,537	60,090
Add: Additions during the year	91,062	-
Accretion of interest	7,299	1,793
Less: Payments during the year	<u>(126,227)</u>	<u>(3,500)</u>
Balance as at 31 December 2020	<u>306,671</u>	<u>58,383</u>

A maturity analysis of lease payments is disclosed in Note 35 under the liquidity risk.

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

(Unit: Thousand Baht)

	For the year ended 31 December 2020	
	Consolidated financial statements	Separate financial statements
Depreciation expense of right-of-use assets	121,773	2,478
Interest expense on lease liabilities	7,299	1,793
Expense relating to short-term leases	7,318	-

d) Others

The Group had total cash outflows for leases for the year ended 31 December 2020 of Baht 133.5 million (the Company only: Baht 3.5 million), including the cash outflows related to short-term leases. Moreover, the Group had non-cash additions to rights-of-use assets and lease liabilities of Baht 91.1 million (the Company only: Nil).

20.2 Group as a lessor

The Group has entered into operating leases for its investment property portfolio consisting of office building (see Note 13) with the lease terms of 3 years.

The Group has future minimum rental receivable under non-cancellable operating leases as at 31 December 2020 and 2019 as follows:

(Unit: Thousand Baht)

	<u>2020</u>	<u>2019</u>
Within 1 year	25,624	11,831
Over 1 year and up to 5 years	32,678	3,701
Total	<u>58,302</u>	<u>15,532</u>

21. Debentures

	Interest rate (Percent)	Maturity date	(Unit: Thousand Baht) Consolidated/Separate financial statements	
			<u>2020</u>	<u>2019</u>
No. 1/2018 - Series 1	2.23	15 June 2020	-	1,700,000
- Series 2	2.42	15 June 2021	720,000	720,000
No. 2/2018	2.42	15 June 2021	370,000	370,000
Total			1,090,000	2,790,000
Less: Deferred transaction costs			(369)	(1,880)
Total debentures			1,089,631	2,788,120
Less: Portion due within one year			(1,089,631)	(1,699,428)
Debentures - net of current portion			-	1,088,692

During the year ended 31 December 2020, movements in debentures are summarised below.

	(Unit: Thousand Baht) Consolidated/ Separate financial statements
Balance as at 31 December 2019	2,788,120
Add: Amortisation of transaction costs for debenture issuance during the year	1,511
Less: Redemptions of debentures during the year	(1,700,000)
Balance as at 31 December 2020	1,089,631

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

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

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

Fair value of debentures, which was the latest price as at 31 December 2020, was presented below.

	Fair value (Baht per unit)
Debentures No. 1/2018 - Series 2	1,004.6
Debentures No. 2/2018	1,004.6

22. 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>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Provision for long-term employee				
benefits at beginning of year	135,780	109,049	68,006	61,543
Included in income statement:				
Current service cost	14,680	12,259	2,496	3,672
Interest cost	1,609	2,017	319	596
Past service cost	-	8,567	-	211
Included in other comprehensive income:				
Actuarial loss (gain)				
Demographic assumptions changes	(1)	1,613	-	1,615
Financial assumptions changes	489	10,004	482	655
Experience adjustments	13,026	923	8,476	(286)
Benefits paid during the year	<u>(12,977)</u>	<u>(8,652)</u>	<u>(6,599)</u>	<u>-</u>
Provision for long-term employee				
benefits at end of year	<u>152,606</u>	<u>135,780</u>	<u>73,180</u>	<u>68,006</u>

On 5 April 2019, The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law was effective from 5 May 2019. This change is considered a post-employment benefits plan amendment and the Group had additional long-term employee benefit liabilities of Baht 8.6 million (the Company only: Baht 0.2 million) as a result. The Group reflected the effect of the change by recognising past service costs as expenses in income statement for the year 2019.

The Group expects to pay Baht 42.6 million of long-term employee benefits during the next year (Separate financial statements: Baht 41.2 million) (2019: Baht 45.6 million, Separate financial statements: Baht 44.3 million).

As at 31 December 2020, the weighted average duration of the liabilities for long-term employee benefits is 5 - 21 years (Separate financial statements: 5 years) (2019: 6 - 21 years, Separate financial statements: 6 years).

Key actuarial assumptions at the valuation date were as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rate	0.9 - 2.0	1.3 - 2.0	0.9	1.3
Future salary increase rate	5.0 - 6.0	5.0 - 6.0	6.0	6.0
Staff turnover rate (depending on age)	2 - 57	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 2020 and 2019 are summarised below.

	(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

	(Unit: Million Baht)			
	As at 31 December 2019			
	Consolidated financial statements		Separate financial statements	
	<u>Increase 1%</u>	<u>Decrease 1%</u>	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(9.2)	10.9	(1.0)	1.2
Salary increase rate	10.1	(8.7)	1.1	(1.0)
	<u>Increase 20%</u>	<u>Decrease 20%</u>	<u>Increase 20%</u>	<u>Decrease 20%</u>
Staff turnover rate	(11.4)	15.4	(0.6)	0.7

23. 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.



24. Revenues from contracts with customers

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	<u>2020</u>	<u>2019</u>
Revenue from sales of drinks under Group's trademark	14,082,422	12,880,815
Revenue from sales of OEM products under Group's trademark	443,052	531,756
Revenue from distribution of other products	2,412,944	1,408,988
Others	292,222	111,453
Total revenues from contracts with customers - recognised at a point in time	17,230,640	14,933,012

25. Other income/other expenses

25.1 Other income

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	<u>2020</u>	<u>2019</u>	financial statements
Management income		-	-	280,200
Gain on exchange		55,152	-	2,765
Rental and service income		32,620	68,888	-
Scrap sales		12,194	12,246	-
Gain on disposals of assets		5,629	3,348	-
Income from sales and trade-off				
premium goods		1,569	3,199	-
Others		44,262	29,537	1,007
Total other income		151,426	117,218	280,659

25.2 Other expenses

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	<u>2020</u>	<u>2019</u>	financial statements
Loss on exchange		-	11,693	-
Loss from impairment of investment				
in subsidiary		-	-	1,498,756
Total other expenses		-	11,693	-
				1,500,506

26. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Raw materials and packing materials used	4,502,680	4,364,629	-	-
Purchase of finished goods	2,765,024	1,792,614	-	-
Salaries, wages and other employee benefits	1,646,972	1,471,503	245,076	208,460
Excise tax	1,308,685	1,256,702	-	-
Sales promotion expenses	603,180	734,974	-	-
Depreciation and amortisation	668,375	533,734	2,999	520
Consumables used	367,185	367,000	-	-
Travelling expenses	246,618	295,802	10	40
Utility service expenses	323,988	288,123	1	1
Freight expenses	241,262	184,548	-	-
Repair and maintenance expenses	274,270	183,114	833	1,051
Advertising expenses	221,974	169,462	-	-
Loss on exchange	-	11,693	-	1,750
Changes in inventories of finished goods and work in process	(186,143)	2,640	-	-
Loss from impairment of investment in subsidiary	-	-	-	1,498,756

27. Income tax

Income tax for the years ended 31 December 2020 and 2019 is made up as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Current income tax:				
Current corporate income tax charge	677,895	531,809	9,479	17,347
Deferred tax:				
Relating to origination and reversal of temporary differences	(10,446)	32,199	455	(301,087)
Income tax reported in the income statement				
	<u>667,449</u>	<u>564,008</u>	<u>9,934</u>	<u>(283,740)</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2020 and 2019 are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Current income tax:				
Deferred tax relating to actuarial loss	(2,703)	(2,508)	(1,792)	(397)

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

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Accounting profit before tax	<u>4,226,610</u>	<u>3,032,370</u>	<u>2,015,304</u>	<u>1,901,148</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	851,359	610,186	403,061	380,230
Effects of:				
Promotional privileges (Note 28)	(104,064)	(95,036)	-	-
Income not subject to tax	(10,694)	(8,567)	(393,999)	(663,998)
Non-deductible expenses	17,839	10,239	881	36
Additional expense deductions allowed	(111,415)	(64,341)	(9)	(8)
Unrecognised tax loss as deferred tax assets	24,424	111,527	-	-
Total	<u>(183,910)</u>	<u>(46,178)</u>	<u>(393,127)</u>	<u>(663,970)</u>
Income tax reported in the income statement	<u>667,449</u>	<u>564,008</u>	<u>9,934</u>	<u>(283,740)</u>

As at 31 December 2020, the subsidiaries have unused tax losses of the year 2016 - 2020 totaling Baht 2,789 million, (2019: unused tax losses of the year 2016 - 2019 totaling Baht 2,619 million) on which deferred tax assets have not been recognised as the subsidiaries believe that there is uncertainty of utilisation of such unused tax losses in the future.

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

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Deferred tax assets				
Provision for long-term employee benefits	25,055	21,690	9,402	8,367
Provision for trade discounts and promotions	15,572	11,645	-	-
Accrued expenses	4,274	-	-	-
Allowance for diminution in value of inventories	278	533	-	-
Allowance for expected credit losses	103	-	-	-
Allowance for impairment of investment in subsidiary	-	-	299,751	299,751
Total	45,282	33,868	309,153	308,118
Deferred tax liabilities				
Different rate of depreciation	-	1,411	-	-
Transaction costs of debentures	74	376	74	376
Total	74	1,787	74	376
Total deferred tax assets and liabilities - net	45,208	32,081	309,079	307,742

As at 31 December 2020 and 2019, the above deferred tax assets and liabilities are presented in the statements of financial position as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Deferred tax assets	45,208	33,492	309,079	307,742
Deferred tax liabilities	-	(1,411)	-	-
Total deferred tax assets and liabilities - net	45,208	32,081	309,079	307,742

28. Promotional privileges

Asia Pacific Glass Co., Ltd., a subsidiary, 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:

Descriptions	Privileged details	
1. Certificate No.	2326(4)/2556	59-1062-0-00-1-0
2. Certificate date	24 September 2013	18 August 2016
3. Promotional privileges for	Manufacture of glass bottle	Manufacture of glass bottle
4. The significant privileges are:		
4.1 Exemption from corporate income tax on income from the promoted operation.	6 years (expire on 7 August 2020)	6 years (expire on 19 December 2023) (Tax exempted according to investment)
4.2 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)
4.3 Exemption from import duty on machinery as approved by the board.	Granted	-
4.4 Fifty percent reduction of import duty on machinery as approved by the board.	-	Granted

The subsidiary's operating revenues for the years ended 31 December 2020 and 2019 divided to promoted and non-promoted operations, are summarised below.

	(Unit: Thousand Baht)					
	Promoted operations		Non-promoted operations		Total	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Domestic sales	1,462,641	1,570,886	305,432	6,162	1,768,073	1,577,048

29. 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.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Profit for the year attributable to equity holders the Company (Thousand Baht)	3,525,028	2,506,461	2,005,371	2,184,888
Weighted average number of ordinary shares (Thousand shares)	1,000,000	1,000,000	1,000,000	1,000,000
Basic earnings per share (Baht/share)	3.53	2.51	2.01	2.18

30. 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 2020 and 2019.

(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	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Revenue										
Revenue from external customers	14,082	12,881	443	532	2,413	1,409	293	111	17,231	14,933
Segment gross profit	6,712	5,581	68	71	166	118	112	40	7,058	5,810
Other income									151	117
Selling and distribution expenses									(1,915)	(1,968)
Administrative expenses									(965)	(785)
Other expenses									-	(11)
Finance income									4	2
Finance cost									(107)	(133)
Profit before income tax expenses									4,226	3,032
Income tax expenses									(667)	(564)
Profit for the year									3,559	2,468

Geographic information

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

	(Unit: Million Baht)	
	Consolidated financial statements	
	<u>2020</u>	<u>2019</u>
Revenue from external customers		
Domestic	9,133	7,879
Overseas		
CLMV group	6,875	5,901
China	385	496
United Kingdom	52	30
Others	786	627
Total	17,231	14,933

In 2020, the Group had revenue from domestic sales at 53 percent (2019: 53 percent) and revenue from overseas sales at 47 percent (2019: 47 percent).

Major customers

In 2020, the Group had 2 major customers with revenue of 10 percent or more than of its consolidated revenue (2019: 2 major customers).

31. 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 2020 by the Group amounting to approximately Baht 19.5 million (2019: Baht 18.0 million) were recognised as expenses (the Company only: Baht 4.8 million (2019: Baht 4.2 million)).

32. Dividends

Dividend	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
<u>The Company</u>			
<u>For the year 2020</u>			
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
Total dividends for 2020		2,100	
<u>For the year 2019</u>			
Dividend from 2018 income	Annual General Meeting of the Shareholders on 23 April 2019	600	0.6
Interim dividend	Board of Directors' meeting of the Company on 8 August 2019	500	0.5
Total dividends for 2019		1,100	
<u>Subsidiaries</u>			
<u>For the year 2020</u>			
<u>Carabao Tawandang Co., Ltd.</u>			
Interim dividend	Board of Directors' meeting of Carabao Tawandang Co., Ltd. on 8 May 2020	300	100
Interim dividend	Board of Directors' meeting of Carabao Tawandang Co., Ltd. on 9 November 2020	1,410 ⁽¹⁾	470
Total		1,710	
<u>Asia Pacific Glass Co., Ltd.</u>			
Interim dividend	Board of Directors' meeting of Asia Pacific Glass Co., Ltd. on 9 November 2020	260 ⁽¹⁾	20
Total		260	
Total dividend for 2020		1,970	



Dividend	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
For the year 2019			
<u>Carabao Tawandang Co., Ltd.</u>			
Interim dividend	Board of Directors' meeting of Carabao Tawandang Co., Ltd. on 10 May 2019	240	80
Interim dividend	Board of Directors' meeting of Carabao Tawandang Co., Ltd. on 8 November 2019	1,020 ⁽¹⁾	340
Interim dividend	Board of Directors' meeting of Carabao Tawandang Co., Ltd. on 19 December 2019	1,410 ⁽¹⁾	470
Total		2,670	
<u>Asia Pacific Glass Co., Ltd.</u>			
Interim dividend	Board of Directors' meeting of Asia Pacific Glass Co., Ltd. on 10 May 2019	130	10
Interim dividend	Board of Directors' meeting of Asia Pacific Glass Co., Ltd. on 8 November 2019	325 ⁽¹⁾	25
Interim dividend	Board of Directors' meeting of Asia Pacific Glass Co., Ltd. on 19 December 2019	195 ⁽¹⁾	15
Total		650	
Total dividend for 2019			
		3,320	

⁽¹⁾ As at 31 December 2020, the Company had dividend receivable of Baht 1,670 million (2019: Baht 2,950 million), which the subsidiaries will pay to their shareholders within 31 May 2021 (2019: paid on 31 May 2020).

33. Commitments and contingent liabilities

33.1 Capital commitments

As at 31 December 2020 and 2019, the Group had capital commitments, relating to the construction of factory buildings and acquisitions of machinery as follows:

	(Unit: Million)	
	Consolidated financial statements	
	<u>2020</u>	<u>2019</u>
Currencies:		
Thai Baht	198.9	11.7
Euro	0.5	0.1

33.2 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 2020, the future minimum lease payments required under these non-cancellable lease and service contracts were as follows:

	(Unit: Million Baht)	
	Consolidated financial statements	Separate financial statements
Payable:		
In up to 1 year	17.9	1.0

33.3 Significant agreements with related parties

33.3.1 On 17 July 2012, Carabao Tawandang Co., Ltd. (a subsidiary) and Tawandang DCM Co., Ltd. (another subsidiary) entered into an agency agreement whereby the Tawandang DCM Co., Ltd. agreed to be a sole distributor of Carabao Tawandang Co., Ltd.'s beverage. The agreement is effective for a period of 10 years, expiring on 14 October 2022 and renewable every 5 years. Under the conditions of this agreement, Carabao Tawandang Co., Ltd. is obliged to support Tawandang DCM Co., Ltd. with regard to its advertising and promotional expenses incurred according to the terms and conditions of the agreement.

33.3.2 Carabao Tawandang Co., Ltd. (a subsidiary) and Asia Pacific Glass Co., Ltd., (another subsidiary), entered into a sale and purchase agreement for 150 ml amber glass bottle, 250 ml clear glass bottle, and 140 ml green glass bottle in accordance with quantity and design as depurated in the agreement. This agreement is effective since the date on the agreement unless being cancelled by either party.

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

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

33.3.4 On 25 January 2018, the Company entered into a technical assistance and management agreement with a subsidiary. The agreement is effective since 1 November 2017 unless being cancelled by either party. Under the condition of this agreement, the Company receives a monthly service fee of Baht 1.2 million.

On 20 March 2019, the Company entered into a technical assistance and management agreement with other three subsidiaries. The agreements are effective for a period of 3 years between 1 January 2019 and 31 December 2021. Under the condition of this agreement, the Company receives a monthly service fee of Baht 22.2 million. Subsequently, the Company agreed to change the expiration date of the agreement from 31 December 2021 to 31 December 2019.

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

33.3.5 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.

- 33.3.6 Tawandang DCM Co., Ltd. (a subsidiary) entered into agency agreements with three related companies whereby Tawandang DCM Co., Ltd. agreed to be a sole distributor of such related companies' products. The agreements are effective for a period of 1 year, and renewable every year. Under the conditions of these agreements, such related companies are obliged to support Tawandang DCM Co., Ltd. with regard to its advertising and promotional expenses incurred according to the terms and conditions of the agreements.
- 33.3.7 On 20 October 2016, Carabao Tawandang Co., Ltd. (a subsidiary) and Carabao Venture Holdings (Luxembourg) S.à.r.l. (another subsidiary) entered into an agency agreement whereby Carabao Venture Holdings (Luxembourg) S.à.r.l. agreed to be a sole distributor of Carabao Tawandang's products in the countries as specified in the agreement. The agreement is effective for a period of 9 years, expiring on 19 October 2025.
- 33.3.8 On 1 July 2017, Asia Can Manufacturing Co., Ltd. (a subsidiary) entered into license agreement with an overseas unrelated company for using manufacturing knowhow. This agreement is effective since the date on the agreement unless being cancelled by either party. Under the conditions of this agreement, such subsidiary paid for license fee of Baht 50 million, and it is obliged to pay a royalty fee quarterly at a rate specified in the agreement.
- 33.3.9 On 1 September 2017, Asia Pacific Glass Co., Ltd. (a subsidiary) entered into a land lease agreement with Asia Can Manufacturing Co., Ltd. (another subsidiary). The agreement is effective for a period of 30 years, expiring on 31 August 2047 and renewable. Under the conditions of this agreement, Asia Pacific Glass Co., Ltd. received rental in advance of Baht 50 million.
- 33.3.10 On 11 March 2020, A Woody Drink Co., Ltd. (a subsidiary) and Carabao Tawandang Co., Ltd. (another subsidiary) entered into a sale and purchase agreement for a product as depurated in the agreement. This agreement is effective since the date on the agreement unless being cancelled by either party.
- 33.3.11 On 11 March 2020, A Woody Drink Co., Ltd. (a subsidiary) entered into an agency agreement with Tawandang DCM Co., Ltd. (another subsidiary) whereby the Tawandang DCM Co., Ltd. agreed to be a sole distributor of A Woody Drink Co., Ltd.'s product. The agreement is effective since the date of the agreement unless being cancelled by either party. Under the conditions of this agreement, A Woody Drink Co., Ltd. is obliged to support Tawandang DCM Co., Ltd. according to the terms and conditions of the agreement.

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

33.3.13 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.

33.4 Sponsorship agreement

33.4.1 On 1 April 2016, Carabao Tawandang Co., Ltd. (a subsidiary) entered into a sponsorship agreement with a local football club concerning the marketing right regarding privileges and public relations as stipulated in the agreement. The agreement is effective from the date on the agreement until 31 December 2020.

33.4.2 On 18 November 2015, Carabao Tawandang Co., Ltd. (a subsidiary) and an overseas unrelated company entered into a sponsorship agreement with a football club registered in England concerning the marketing right to promote the brands and trademarks of the subsidiary in a football match. The agreement is effective for a period of 3 years between 1 May 2016 and 30 June 2019.

On 10 January 2017, the unrelated company entered into an agreement to transfer its rights and obligations under the sponsorship agreement to Intercarabao Limited (another subsidiary) and Carabao Venture Holdings (Luxembourg) S.à.r.l. (another subsidiary). The agreement is effective 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 year 4 - 5 will lower from Principal Partner to be Global Sponsorship.

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

33.4.3 On 1 November 2016, Carabao Venture Holdings (Luxembourg) S.à.r.l. (a subsidiary) entered into a sponsorship agreement with The Football League Limited which was incorporated in England. Under the condition of this agreement, the subsidiary is entitled to formally use the name and trademark of Carabao Tawandang Co., Ltd. (another subsidiary) to be the title of the football match and to promote the brand and trademark over a period of 3 seasons (from 2017/2018 Season to 2019/2020 Season). The subsidiary is obliged to pay a fee to such company under the terms and conditions specified in this agreement. The agreement is effective for a period of 3 years between 1 June 2017 and 31 May 2020.

On 30 March 2018, Carabao Venture Holdings (Luxembourg) S.à.r.l. entered into an amendment to the agreement to transfer its rights and obligations under the sponsorship agreement with The Football League Limited to Intercarabao Limited (another subsidiary) and Carabao Tawandang Co., Ltd. (another subsidiary). The agreement is effective 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.

33.5 Guarantees

33.5.1 As at 31 December 2020, the Company guaranteed for credit facilities, in forms of letters of credit and forward contracts, of Carabao Tawandang Co., Ltd. (a subsidiary) and Asia Pacific Glass Co., Ltd. (another subsidiary) amounting to Baht 1,100 million (2019: Baht 1,100 million).

33.5.2 As at 31 December 2020, the subsidiaries had outstanding bank guarantees of approximately Baht 34.3 million (2019: Baht 31.5 million) issued by banks on behalf of the subsidiaries to guarantee the use of electricity and natural gas, and the submission of excise tax.

34. Fair value hierarchy

As at 31 December 2020 and 2019, the Group had the assets and liabilities for which fair value was disclosed using different levels of inputs as follows:

	Consolidated financial statements							
	Level 1		Level 2		Level 3		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Assets for which fair value was disclosed								
Investment properties	-	-	-	-	172.0	167.9	172.0	167.9
Liabilities for which fair value was disclosed								
Debentures	-	-	1,095.0	2,801.0	-	-	1,095.0	2,801.0

	Separate financial statements							
	Level 1		Level 2		Level 3		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Liabilities for which fair value was disclosed								
Debentures	-	-	1,095.0	2,801.0	-	-	1,095.0	2,801.0

35. Financial instruments

35.1 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 interest rate risk, foreign currency 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 2020 and 2019 are summarised below.

Foreign currencies	As at 31 December 2020						
	Consolidated financial statements		Separate financial statements		Average exchange rate		
	Financial assets (Million)	Financial liabilities (Million)	Financial assets (Million)	Financial liabilities (Million)	Bought (Baht per 1 foreign currency unit)	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	

Foreign currencies	As at 31 December 2019					
	Consolidated financial statements		Separate financial statements		Average exchange rate	
	Financial assets (Million)	Financial liabilities (Million)	Financial assets (Million)	Financial liabilities (Million)	Bought (Baht per 1 foreign currency unit)	Sold
US dollar	5.2	2.2	-	-	29.9767	30.3313
Euro	0.3	0.4	0.8	-	33.3775	34.0846
Pound sterling	0.2	-	-	-	39.0910	39.9523
Yen	-	18.8	-	-	0.2723	0.2796
Hong Kong dollar	-	0.6	-	-	3.8238	3.9136
Yuan	-	0.5	-	-	4.2558	4.3736

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 2020 and 2019, 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 2020							
Fixed interest rates							
	Within 1 year	1-5 years	Over 5 years	interest rate	Interest bearing	Total	Effective interest rate (% per annum)
Financial assets							
Cash and cash equivalents	-	-	-	851	96	947	0.01 - 0.25
	-	-	-	851	96	947	
Financial liabilities							
Short-term loans from financial institutions	2,335	-	-	-	-	2,335	0.8 - 1.0
Long-term loan from financial institution	-	-	-	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
	3,509	216	6	1,063	-	4,794	

(Unit: Million Baht)

Consolidated financial statements

As at 31 December 2019

	Fixed interest rates						Effective interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years	interest rate	Interest bearing	Total	
Financial assets							
Cash and cash equivalents	686	-	-	225	51	962	0.01 - 1.00
	<u>686</u>	<u>-</u>	<u>-</u>	<u>225</u>	<u>51</u>	<u>962</u>	
Financial liabilities							
Short-term loans from financial institutions	7	-	-	-	-	7	1.8
Long-term loan from financial institution	-	-	-	1,334	-	1,334	MLR minus a margin
Debentures	1,699	1,089	-	-	-	2,788	2.2 - 2.4
	<u>1,706</u>	<u>1,089</u>	<u>-</u>	<u>1,334</u>	<u>-</u>	<u>4,129</u>	

(Unit: Million Baht)

Separate financial statements

As at 31 December 2020

	Fixed interest rates						Effective interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years	interest rate	Interest bearing	Total	
Financial assets							
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>	
Financial liabilities							
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>	

(Unit: Million Baht)

	Separate financial statements					
	As at 31 December 2019					
	Fixed interest rates					
	Within 1 year	1-5 years	Over 5 years	interest rate	Interest bearing	Total
Financial assets				Floating		Effective
Cash and cash equivalents	555	-	-	13	9	577
Short-term loans to related parties	2,486	-	-	-	-	2,486
	<u>3,041</u>	<u>-</u>	<u>-</u>	<u>13</u>	<u>9</u>	<u>3,063</u>
Financial liabilities						
Debentures	1,699	1,089	-	-	-	2,788
	<u>1,699</u>	<u>1,089</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,788</u>

(% per annum)

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 2020 based on contractual undiscounted cash flows.

(Unit: Million Baht)

	Consolidated financial statements				
	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 loan from financial institution	-	194	905	48	1,147
Debentures	-	1,102	-	-	1,102
Total	2,335	2,960	1,133	54	6,482

(Unit: Million Baht)

	Separate financial statements				
	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
Total	2,190	1,203	18	60	3,471

35.2 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.

36. 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 2020, the Group's debt-to-equity ratio was 0.68:1 (2019: 0.70:1) and the Company's was 0.50:1 (2019: 0.41:1).

37. Event after the reporting period

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. As a result of such agreement, the Company will have 100 percent interest in such subsidiary.

38. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 19 February 2021.

Part 4

ATTACHMENT



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

Details of Directors

1. Mr. Sathien Setthasit

Age	66
The date of appointment	18 March 2014 Years in the position 7 years (2014 - Present)
Shareholding in the Company (%)	32.1
Familial relationship	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), Thai Institute of Directors (IOD)

Work Experience

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 Public Company Limited
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 Public Company Limited
2002 — Present	Chairman of the Board of Directors Carabao Tawandang Co., Ltd.

2. Miss Nutchamai Thanombooncharoen

Age	58
The date of appointment	18 March 2014 Years in the position 7 years (2014 - Present)
Shareholding in the Company (%)	22.2
Familial relationship	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), Thai Institute of Directors (IOD)
- Financial Statements for Directors (FSD) , Thai Institute of Directors (IOD)



- Risk Management Committee Program (RMP) , Thai Institute of Directors (IOD)
- Transformative HR System, Panyapiwat Institute of Management (PIM)
- Top Management Program, Capital Market Academy (CMA)
- Top Executive Program in Commerce and Trade (TEPCot)

Work Experience

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 Public Company Limited

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 Public Company Limited
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.

3. Mr. Yuenyong Opakul

Age 66

The date of appointment 18 March 2014 Years in the position 7 years (2014 - Present)

Shareholding in the Company (%) 14.2

Familial relationship - 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

2014 — Present	Senior Deputy Managing Director Carabao Group Public Company Limited
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 Public Company Limited
2002 — Present	Member of the Board of Directors / Senior Deputy Managing Director Carabao Tawandang Co., Ltd.

4. Mr. Kamoldist Smuthkochorn

Age 61

The date of appointment 7 August 2015 Years in the position 6 years (2018 - Present)

Shareholding in the Company (%) - None -

Familial relationship - None -

Current Position

Member of the Board of Directors

Member of the Executive Committee

Member of the Risk Management Committee

Assistant 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 Public Company Limited
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 Public Company Limited
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. Mr. Romtham Setthasit

Age	36
The date of appointment	21 December 2016 Years in the position 5 years (2016 - Present)
Shareholding in the Company (%)	- None -
Familial relationship	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

2017 — Present	Member of the Board of Directors / Member of Executive Committee / Member of Risk Management Committee Carabao Group Public Company Limited
2016	Director of CEO's Office, Carabao Group Public Company Limited
2014 — 2015	Department Director, CJ Express Group Company Limited
2012 — 2013	Department Director, Tawandang Singapore Company Limited

6. Mrs. Saowanee Kamolbutr

Age	61
The date of appointment	7 August 2015 Years in the position 7 years (2014 - Present)
Shareholding in the Company (%)	- None -
Familial relationship	- None -

Current Position

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

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), Institute of Directors (IOD), Class 69
- Advance Audit Committee Program (ACP), Institute of Directors (IOD)
- Role of the Compensation Committee (RCC), Institute of Directors (IOD)
- Role of the Chairman Program (RCP), Institute of Directors (IOD)
- Financial Institutions Governance Program (FGP), 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) ๑/๔/2019 Thai Institute of Directors (IOD)
- IT Governance and Cyber Resilience Program 15/2020, Thai Institute of Directors (IOD)

Work Experience

2019 - Present	Honorary Directors, South East Bangkok College
2017 - 2018	Independent Director / Member of Audit Committee Pacific Pipe Public Company Limited
2016 — Present	Independent Director / Member of Audit Committee : Glow Energy Public Company Limited
2016 — Present	Independent Director / Member of Audit Committee / Chairman of Good Corporate Governance Committee / Member of Risk Management Committee : FN Factory Outlet Public Company Limited
2014 — 2018	Honorary Director, Rajapark Institute
2014 — Present	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
2014 — Present	Independent Director, Chairman of the Audit Committee and Vice Chairman of the Nomination and Remuneration Committee Carabao Group Public Company Limited
2012 — Present	Independent Director and Chairman of the Audit Committee, Member of the Risk Management Committee T.K.S. Technology Public Company Limited
2012 — 2013	Chairman of the Executive Director, Retail Business Unit, Thai Yarnyon Company Limited
2009 — 2013	Chairman of the Board of Directors, TMB Bank Public Company Limited
2009 — 2013	Director, Don Muang Tollway Public Company Limited
2009 — 2012	Deputy Permanent Secretary, Ministry of Finance

7. Mr. Kanit Patsaman

Age	58
The date of appointment	1 October 2014 Years in the position 7 years (2014 - Present)
Shareholding in the Company (%)	- None -
Familial relationship	- None -

Current Position

Independent Director
 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), Thai Institute of Directors (IOD)
- Audit Committee Program (ACP) Thai Institute of Director (IOD)
- Corporate Governance for Board of Directors and Top Management of State Enterprise and Public Organization by King Prajadhipok's Institute
- Driving Company Success with IT Governance (ITG) 5/2017
- Role of the Chairman Program, Class 45/2019 Thai Institute of Directors (IOD)

Work Experience

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 Public Company Limited
2014 — 2016	Member of the Board of Directors, Carabao Group Public Company Limited
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

8. Miss Urawee Ngowrungrueng

Age

61

The date of appointment

8 August 2019 Years in the position 2 years (2019 - Present)

Shareholding in the Company (%)

- None -

Familial relationship

- None -

Current Position

- Independent Director
- Member of the Board of Directors
- Member of the Audit Committee

Educational Qualifications/Training

- Master's degree of Political Science (Public Administration) Thammasat University
- Master of Intellectual Property, Franklin Pierce Law Center USA.
- Master's degree of Law (Business Law) Thammasat University
- Thai Bar Association Institute of Legal Education of the Thai Bar
- Bachelor's degree of Law Thammasat University
- Diploma, National Defence College, The Joint State Private Sector Course Class 24
- Certificate (Class 7), Top Management Program, Capital Market Academy (CMA) Class 21
- Senior Executives in the Strategy for Prevention and Suppression Corruption Strategy Program (Class 7), organized by the Office of the National Anti-Corruption Commission
- Director Accreditation Program (DAP), 164/2019 Thai Institute of Directors (IOD)
- Advanced Audit Committee Program (AACP) 35/2019 Thai Institute of Directors (IOD)



Work Experience

- Present Legal Advisor, Ministry of Commerce
- Past Deputy Permanent Secretary (Management), Ministry of Commerce
Legal Advisor, Ministry of Commerce
Deputy Director General, Department of Business Development, Ministry of Commerce
Deputy Director General, Department of Intellectual Property, Ministry of Commerce
Associate judge Central Intellectual Property and International Trade Court

9. General Siripong Wongskhanti

Age	59
The date of appointment	11 November 2016 Years in the position 5 years (2016 - Present)
Shareholding in the Company (%)	- None -
Familial relationship	- None -
Current Position	
Independent Director	
Member of the Board of Director	

Educational Qualifications/Training

- Military Academy (Class 20)
- Bachelor of Science, Chulachomklao Royal Military Academy (Class 31)
- 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), Thai Institute of Directors (IOD)

Work Experience

- 2018 - Present Director — General the War Veterans Organization of Thailand
- 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

10. Mr. Nha-Kran Loahavilai

Age	55
The date of appointment	22 June 2020 Years in the position 1 year (2020 - Present)
Shareholding in the Company (%)	- None -
Familial relationship	- None -
Current Position	

- Independent Director
- 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

2018 - 2019	Editor in Chief, Bangkok Post Publishing Public Company Limited
2016 - 2018	Deputy Chief Operating Officer, Post Publishing Public Company Limited
2013 - 2016	Deputy editor, Post Publishing Public Company Limited

11. Miss Nutchanok Vongsawat**Age** 32**The date of appointment** 22 June 2020 Years in the position 1 year (2020 - Present)**Shareholding in the Company (%)** - None -**Familial relationship** Daughter of Miss Nutchamai Thanombooncharoen**Current Position**

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

2018 — 2019	Assistant Managing Director, Carabao Tawandang Co., Ltd.
2016 — 2018	Member of the board of director, Sahamit Products Co., Ltd.
2015 — 2016	Manager, Tawandang DCM Co., Ltd.
2014 — 2015	Investor Relation, Carabao Tawandang Co., Ltd.

12. Mr. Pongsarn Klongwathanakith**Age** 52**The date of appointment** 22 June 2020**Shareholding in the Company (%)** - None -**Familial relationship** - 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 Degree of Business Administration, Sasin

Work Experience

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, Corporate Finance & Equity Capital Market CIMB
2001 — 2012	Senior Director of Investment Banking Maybank Kim Eng PLC.

13. Mr. Waranchai Jensiriwanich

Age	49
The date of appointment	24 July 2015
Shareholding in the Company (%)	- None -
Familial relationship	- 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

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 accounting

Name Mr. Pongsarn Klongwathanakith

Position Chief Financial Officer

Training in Year 2020	Training Hours
TLCA	3
CFO CPD Automation & RPA (Robot Process Automation for Accounting)	
Investment Banking Club : Association of Thai Securities Company	3
Mergers and Acquisition : Account Law and Tax	
Investment Banking Club : Association of Thai Securities Company	3
Internal Control for IPO Company	

Name Mr. Ratchapon Rojchyaroon

Position Accounting Director

Training in Year 2020	Training Hours
NYC Management Co.,Ltd	7
Taxes related to the promotions	
Dharmniti Seminar and Training Co.,Ltd	6
Practice TFRS 16 — Leases	

Attachment 2 The detail of the subsidiarie's director

NAME	CBD	APG	DCM	ACM	APM	ACV	AWD
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. Romtham Setthasit	/	/	/	/	-	-	-
7. Mr. Pongsarn Klongwathanakith (Cfo)	/	/	/	/	/	/	-
8. Mr. Kritpong Nillawong	-	-	-	-	-	-	/
9. Mr. Songpon Kittiveja	-	-	-	-	-	-	/
10. Mr. Wutthitorn Miliintachinda	-	-	-	-	-	-	/
11. Mrs. Kanyaluck Miliintachinda	-	-	-	-	-	-	/

/ Director

X Chairman of Board of Director

// Executive Director



Attachment 3 Profile - Head of Internal Audit

Ms. Chonlada Boonserm / Director of Internal Audit and Risk Management

Age	40
Education	- Master of Accountancy, Chulalongkorn University
Shareholding in the Company (%)	- None -
Familial relationship	- None -
Experience (5 years past experiences)	2019 – Present Director of Internal Audit and Risk Management Carabao Group Public Company Limited 2013 – 2019 Senior Manager, Internal Audit Services Seagate Technology (Thailand) Limited
Professional Certificate	Certified Public Accountant, CPA Certified Internal Auditor, CIA Certification in Risk Management Assurance, CRMA Certified Fraud Examiner, CFE

Attachment 4 Assets used in Business Operation

Assets Used in Business Operation

Type /Nature of Assets	Net book value as at 31 December 2020 (Million Baht)	Obligation
1. Land and land improvement	2,936.8	None
2. Buildings and builing improvement	2,865.7	None
3. Machinery and equipment	5,349.7	None
4. Furniture, fixtures, and office equipment	72.0	None
5. Motor vehicles	88.6	None
6. Assets under construction and installation	719.1	None
Total	12,031.9	

1 Land and land improvement as of 31 December 2020

Ownership	:	CBD
Location and area size (Rai-Ngan-Wah)	:	Land in Silom area, Silom Sub-District, Bangrak District, Bangkok (6 parcels), with the area of 5-2-33.5.
Possessory objective	:	Location of head quarter of the Group and for commercial benefits.
Type of ownership	:	Owner
Net book value (Million Baht)	:	2,154.9
Obligation	:	None
Ownership	:	CBD
Location and area size (Rai-Ngan-Wah)	:	Land in Bang Bo area, Bang Prieng Sub-District, Bang Bo District, Samutprakarn (84 parcels), with the area of 23-0-63.
Possessory objective	:	Location of factory for energy drink and beverage production.
Type of ownership	:	Owner
Net book value (Million Baht)	:	116.2
Obligation	:	None
Ownership	:	CBD
Location and area size (Rai-Ngan-Wah)	:	Land in Cha-am area, Cha-am Sub-District, Cha-am District, Phetchaburi (1 parcel), with the area of 0-2-59.4.
Possessory objective	:	Guesthouse
Type of ownership	:	Owner
Net book value (Million Baht)	:	16.5
Obligation	:	None
Ownership	:	CBD
Location and area size (Rai-Ngan-Wah)	:	Land in Bangpakong area, Pimpa Sub-District, Bangpakong District, Chachoengsao (3 parcels), with the area of 50-0-0.
Possessory objective	:	Location of factory for energy drink and beverage production.
Type of ownership	:	Owner
Net book value (Million Baht)	:	213.8
Obligation	:	None

Ownership	:	CBD
Location and area size (Rai-Ngan-Wah)	:	Land in Bang Pra Sub-District, Mueang District, Chachoengsao (1 parcel), with the area of 4-1-57.1.
Possessory objective	:	Learning Center
Type of ownership	:	Owner
Net book value (Million Baht)	:	21.0
Obligation	:	None
Ownership	:	APG
Location and area size (Rai-Ngan-Wah)	:	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.
Possessory objective	:	Location of factory for amber glass bottles production
Type of ownership	:	Owner
Net book value (Million Baht)	:	385.0
Obligation	:	None
Ownership	:	ACM
Location and area size (Rai-Ngan-Wah)	:	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.
Possessory objective	:	Location of factory for aluminum can production.
Type of ownership	:	Owner
Net book value (Million Baht)	:	29.4
Obligation	:	None

As at 31 December 2020, net book value of land and land improvement totaling Baht 2,936.8 million.

2 Buildings and building improvement as of 31 December 2020

Ownership	:	CBD
Location	:	Office building and shop house at Silom sub-District, Bangrak District, Bangkok.
Possessory objective	:	Location of head quarter of the Group and for commercial benefits.
Type of ownership	:	Owner
Net book value (Million Baht)	:	56.0
Obligation	:	None
Ownership	:	CBD
Location	:	Factory at Bang Prieng Sub-District, Bang Bo District, Samutprakarn.
Possessory objective	:	Factory for energy drink and beverage production.
Type of ownership	:	Owner
Net book value (Million Baht)	:	76.2
Obligation	:	None
Ownership	:	CBD
Location	:	Fatory at Pimpa Sub-District, Bangpakong District, Chachoengsao.
Possessory objective	:	Factory for energy drink and beverage production.
Type of ownership	:	Owner
Net book value (Million Baht)	:	1,605.1
Obligation	:	None

Ownership	:	CBD
Location	:	Guesthouse at Cha-am Sub-District, Cha-am District, Phetchaburi.
Possessory objective	:	Guesthouse
Type of ownership	:	Owner
Net book value (Million Baht)	:	14.8
Obligation	:	None
Ownership	:	APG
Location	:	Factory
Possessory objective	:	Location of machinery and equipment for amber glass bottle production.
Type of ownership	:	Owner
Net book value (Million Baht)	:	727.3
Obligation	:	None
Ownership	:	ACM
Location	:	Factory
Possessory objective	:	Location of machinery and equipment for aluminum can production.
Type of ownership	:	Owner
Net book value (Million Baht)	:	386.3
Obligation	:	None

As at 31 December 2020, net book value of Buildings and builing improvement totaling Baht 2,865.7 million.

3 Machinery and equipment as of 31 December 2020

Ownership	:	CBD
Assets	:	Machinery and equipment
Possessory objective	:	Production
Type of ownership	:	Owner
Net book value (Million Baht)	:	2,618.5
Obligation	:	None
Ownership	:	DCM
Assets	:	Equipment
Possessory objective	:	Business operation support
Type of ownership	:	Owner
Net book value (Million Baht)	:	1.0
Obligation	:	None
Ownership	:	APG
Assets	:	Machinery and equipment
Possessory objective	:	Production
Type of ownership	:	Owner
Net book value (Million Baht)	:	1,366.6
Obligation	:	None
Ownership	:	ACM
Assets	:	Machinery and equipment
Possessory objective	:	Production
Type of ownership	:	Owner
Net book value (Million Baht)	:	1,358.5
Obligation	:	None
Ownership	:	APM
Assets	:	Machinery and equipment
Possessory objective	:	Production
Type of ownership	:	Owner
Net book value (Million Baht)	:	5.1
Obligation	:	None

As at 31 December 2020, Net book value of Machinery and equipment totaling Baht 5,349.7 million.

4 Furniture, fixtures, and office equipment as of 31 December 2020

Ownership	:	CBD
Assets	:	Furniture, fixtures, and office equipment
Possessory objective	:	Business operation support
Type of ownership	:	Owner
Net book value (Million Baht)	:	44.6
Obligation	:	None

Ownership	:	DCM
Assets	:	Furniture, fixtures, and office equipment
Possessory objective	:	Business operation support
Type of ownership	:	Owner
Net book value (Million Baht)	:	5.4
Obligation	:	None

Ownership	:	APG
Assets	:	Furniture, fixtures, and office equipment
Possessory objective	:	Business operation support
Type of ownership	:	Owner
Net book value (Million Baht)	:	9.1
Obligation	:	None

Ownership	:	ACM
Assets	:	Furniture, fixtures, and office equipment
Possessory objective	:	Business operation support
Type of ownership	:	Owner
Net book value (Million Baht)	:	9.1
Obligation	:	None

Ownership	:	APM
Assets	:	Furniture, fixtures, and office equipment
Possessory objective	:	Business operation support
Type of ownership	:	Owner
Net book value (Million Baht)	:	0.5
Obligation	:	None

Ownership	:	ICUK
Assets	:	Furniture, fixtures, and office equipment
Possessory objective	:	Business operation support
Type of ownership	:	Owner
Net book value (Million Baht)	:	3.3
Obligation	:	None

As at 31 December 2020, net book value of Furniture, fixtures, and office equipment totaling Baht 72.0 million.

5 Motor vehicles as of 31 December 2020

Ownership	:	CBD
Assets	:	Motor vehicles
Possessory objective	:	Motor vehicles for operation team and management
Type of ownership	:	Owner
Net book value (Million Baht)	:	24.8
Obligation	:	None
Ownership	:	CBD
Assets	:	Vehicles in factory
Possessory objective	:	Factory vehicles
Type of ownership	:	Owner
Net book value (Million Baht)	:	51.8
Obligation	:	None
Ownership	:	DCM
Assets	:	Motor vehicles
Possessory objective	:	Motor vehicles for Sales representative
Type of ownership	:	Owner
Net book value (Million Baht)	:	6.8
Obligation	:	None
Ownership	:	APG
Assets	:	Vehicles in factory
Possessory objective	:	Factory vehicles
Type of ownership	:	Owner
Net book value (Million Baht)	:	2.2
Obligation	:	None
Ownership	:	ACM
Assets	:	Vehicles in factory
Possessory objective	:	Factory vehicles
Type of ownership	:	Owner
Net book value (Million Baht)	:	3.0
Obligation	:	None

As at 31 December 2020, net book value of Motor vehicles totaling Baht 88.6 million.

6 Assets under construction and installation as of 31 December 2020

Ownership	:	CBD
Assets	:	Office building improvement
Possessory objective	:	Location of head quarter of the Group and for commercial benefits.
Type of ownership	:	Owner
Net book value (Million Baht)	:	21.0
Obligation	:	None
Ownership	:	CBD
Assets	:	Factory building improvement
Possessory objective	:	Location of factory for energy drink and beverage production.
Type of ownership	:	Owner
Net book value (Million Baht)	:	0.2
Obligation	:	None
Ownership	:	CBD
Assets	:	Machinery and equipment
Possessory objective	:	Carabao beverage production
Type of ownership	:	Owner
Net book value (Million Baht)	:	48.0
Obligation	:	None
Ownership	:	APG
Assets	:	Factory building improvement
Possessory objective	:	Location of machinery and equipment for amber glass bottle production.
Type of ownership	:	Owner
Net book value (Million Baht)	:	66.3
Obligation	:	None
Ownership	:	APG
Assets	:	Machinery and equipment
Possessory objective	:	Amber glass bottle production
Type of ownership	:	Owner
Net book value (Million Baht)	:	22.3
Obligation	:	None
Ownership	:	ACM
Assets	:	Machinery and equipment
Possessory objective	:	Aluminum can production
Type of ownership	:	Owner
Net book value (Million Baht)	:	2.8
Obligation	:	None

Ownership	:	APM
Assets	:	Factory building improvement
Possessory objective	:	Location of factory for packaging production
Type of ownership	:	Owner
Net book value (Million Baht)	:	331.8
Obligation	:	None
 Ownership	:	 APM
Assets	:	Machinery and equipment
Possessory objective	:	Packaging production
Type of ownership	:	Owner
Net book value (Million Baht)	:	226.7
Obligation	:	None

As at 31 December 2020, net book value of Assets under construction and installation totaling Baht 719.1 million.

In total, fixed assets in business operation amounted to Baht 12,031.9 million.

Intangible assets

Intangible assets	Possessory objective
Trademarks	70 Registered trademarks for production, marketing and distribution of energy drink and other beverage as of 31 December 2020 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.
Computer software	Computer software right is using for business operation for the Group such as software for accounting, management report, inventory, and general operation.
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").

Investment policy in subsidiaries

As at 31 December 2020, 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

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 Policy And Code Of Conduct Carabao Group Public Company Limited And Subsidiaries

(Download Corporate Governance Policy and Code of Conduct via <https://investor-th.carabaogroup.com/policy.html>)

Attachment 6 Report of Sub-Committee

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 accordance with the regulations of the Stock Exchange of Thailand, namely, Mrs. Saowanee Kamolbutr, the Chairman of the Audit Committee, Mr. Kanit Patsaman and Ms. Urawee Ngowroongrueng, the Audit Committee members, in which the audit committee members have not in any way involved in the management nor hold any positions in the Company and its subsidiaries.

The Audit Committee had performed its task 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 in related matters through sound collaboration with the management, internal auditor and the Company's auditor.

In 2020, the Committee held a total of 5 meetings. The Committee's significant activities are summarized below:

1. Review of the financial statements

- The Audit Committee reviewed the annual and quarterly financial report 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 reports, 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 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 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 auditors and the management to confirm that the financial statements and the noted disclosures in financial statements complies with the relevant laws and Financial Reporting Standards. The Audit Committee then endorsed the financial statements reviewed and audited by the Company's external auditors 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.

2. Appointment of the External Auditor and the Review of the Audit fee

EY Office Limited has been selected and appointed as the external audit firm of the Company for the period from 2013 - 2020. 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 Report and internal control improvements.

3. Related party transactions

The Audit Committee reviewed the appropriateness of related transactions or transactions that may cause conflict of interest. The review showed that the related transactions by the Company in 2020 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 that accordance with the related party policy.

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 of the Company's internal audit for the year 2020 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. In this regard, reports presented by the internal audit 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, especially the significant issues.

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

1. 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 2020 were regularly presented to the Board of Directors.
2. 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.

In 2020, the great pandemic of COVID-19, occurred and affected social and economic dimensions. The pandemic has dictated both way of life and way of work in the nation 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 were very well-aware that the impacts from the pandemic would continue for a long time, so it is necessary to closely monitor in order to prevent the possible impacts from the second wave of the COVID-19. Consequently, strict safety methods, as well as the "New Normal" way of work, were put in place to help create stability for the Internal Audit Department and ensure trustworthiness of the internal control systems for the stakeholders.



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

Duties and Responsibilities

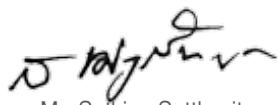
Recruitment

1. To consider the structure, size and elements of the Company's Board of Directors in a manner that such structure, size and elements are appropriate for the organization, the business and the environment.
2. To determine processes and criteria for recruitment and the qualifications of persons that should be nominated to be directors and executives from the level of assistants to managing directors and upwards.
3. To consider selecting and screening persons who have appropriate qualifications to become directors and executives from the level of deputy managing directors and upwards and to submit this matter to the Company's Board of Directors and/or shareholders' meetings for consideration and approval.

Remuneration Determination

1. To determine policies and to consider the criteria for determining remunerations, both monetary and non-monetary, of directors and executives from the level of assistants to managing directors and upwards in a manner that such remunerations are appropriate and fair, and to submit this matter to the Board of Directors' meetings and/or shareholders' meetings for consideration and approval.
2. To perform any other acts, as assigned by the Board of Directors, in connection with recruitment and the consideration of remunerations of directors and top executives.

In 2020, the Nomination and Remuneration Committee meeting for consideration of important agenda 2 times



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 the set-up 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. The Committee is comprised of 9 members who are the Board of Directors and top executives with relevant knowledge, competence and experience 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 Charter.

In 2020, the Committee held 4 meetings with the following significant matters:

1. Acknowledged the significant corporate risks for 2020 and reviewed the adequacy and appropriateness of the risk management plans.

2. Followed up the progress and evaluated all the risk assessment and business outlook that may have significant impact on the organization in order to manage the risks to be at the acceptable level.

3. Encourages the risk management training for organizational members to be aware of and realize the significance of risk management and participate in risk management by implementing in operation as part of the organization's culture.

4. Considered the risk management plans for reporting to the Board of Directors on the significant risks and the efficiency and the effectiveness of risk management process.

In 2020, Thailand and all nations worldwide were facing the COVID - 19 pandemic, which has significantly threatened our safety and forced us to change our way of life, leading us to the unpredictable future. The Risk Management Committee has consistently evaluated emerging COVID - 19 risks in every possible aspect to ensure business continuity and gain trust from all our stakeholders. The Risk Management Committee has placed importance on the preparation plan to respond the COVID - 19 outbreak which can be particularly severe the operations of the Company. The Risk Management Committee then established the Business Continuity Manual and Business Continuity Plan for Pandemic as the Company's guideline for each business unit to manage business continuity in the event of crisis or emergency.

According to the issues and tasks mentioned above, the Risk Management Committee has considered that the corporate risk factors have been identified covering the core businesses, a special focus on managing risks related to COVID - 19 outbreak, new emerging risks and the risk mitigation plans have been carried out adequately, appropriately, efficiently and in compliance with the good corporate governance and internal control principles, as well as laws, rules and regulations. The Risk Management Committee has regularly reported all the possibly significant risks and management plans for such risks to the Board of Directors, including the independent views and recommendations to the management with the consideration for the optimal benefits of organization and shareholders as well as other stakeholders as appropriate to ensure that the Company's operation firmly continues with stable and sustainable growth.



Mrs. Saowanee Kamolbutr

Chairman of the Risk Management Committee



CARABAO GROUP

CARABAO GROUP PCL.

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