

**THAI BEVERAGE PUBLIC COMPANY LIMITED**

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**ENCLOSURE 3**

**FINANCIAL STATEMENTS FOR YEARS ENDED DECEMBER 31, 2005 – 2007  
AND INTERIM FINANCIAL STATEMENT FOR SIX-MONTH  
PERIOD ENDED JUNE 30, 2008**

**Thai Beverage Public Company Limited  
and its Subsidiaries**

Interim financial statements  
and  
Review Report of Certified Public Accountant

For the three-month and six-month periods ended  
30 June 2008



**KPMG Phoomchai Audit Ltd.**

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## **Review Report of Certified Public Accountant**

### **To the Board of Directors of Thai Beverage Public Company Limited**

I have reviewed the accompanying consolidated and separate balance sheets as at 30 June 2008, and the related statements of income for the three-month and six-month periods then ended, and the related statements of changes in equity and cash flows for the six-month period then ended of Thai Beverage Public Company Limited and its subsidiaries, and of Thai Beverage Public Company Limited, respectively. The Company's management is responsible for the correctness and completeness of information presented in these financial statements. My responsibility is to issue a report on these financial statements based on my reviews. The consolidated and separate statements of income for the three-month and six-month periods ended 30 June 2007 and the related statements of changes in equity and cash flows for the six-month period ended of Thai Beverage Public Company Limited and its subsidiaries, and of Thai Beverage Public Company Limited, respectively, were reviewed by another auditor whose report dated 14 August 2007 stated that nothing had come to his attention that caused him to believe that those financial statements were not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

I conducted my reviews in accordance with the auditing standard on review engagements. This Standard requires that I plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit in accordance with generally accepted auditing standards. I have not performed an audit and, accordingly, I do not express an audit opinion on the reviewed financial statements.

Based on my reviews, nothing has come to my attention that causes me to believe that the financial statements referred to above are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

The consolidated and separate financial statements for the year ended 31 December 2007 of Thai Beverage Public Company Limited and its subsidiaries, and of Thai Beverage Public Company Limited, respectively, were audited by another auditor who expressed an unqualified opinion on those financial statements in his report dated 27 February 2008. The consolidated and separate balance sheets as at 31 December 2007, which are included in the accompanying financial statements for comparative purposes, are components of those financial statements.

*M*



Disclosure of significant differences between generally accepted accounting principles in Thailand and International Financial Reporting Standards is not a required part of the basic financial statements under generally accepted accounting principles in Thailand, but it is presented in Note 19 to the financial statements for information purposes only. I have not audited or reviewed such information and therefore do not express any audit opinion or review report thereon.

A handwritten signature in black ink, appearing to read 'M. Chetchotiros', written in a cursive style.

(Nittaya Chetchotiros)  
Certified Public Accountant  
Registration No. 4439

KPMG Phoomchai Audit Ltd.  
Bangkok  
14 August 2008

# Thai Beverage Public Company Limited and its Subsidiaries

## Balance sheets

As at 30 June 2008 and 31 December 2007

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		30 June	31 December	30 June	31 December
		2008	2007	2008	2007
		(Unaudited)		(Unaudited)	
		<i>(in thousand Baht)</i>			
<b>Current assets</b>					
Cash and cash equivalents		1,884,789	2,188,992	11,930	9,168
Current investments	6	9,516	7,685	-	-
Trade accounts receivable	5, 7	954,490	1,467,001	-	-
Short-term loans to and amounts due					
from related parties	5	14,532	4,371	2,866,074	3,916,012
Inventories		29,797,442	28,056,926	-	-
Other current assets		2,289,961	1,403,965	18,070	8,482
<b>Total current assets</b>		<b>34,950,730</b>	<b>33,128,940</b>	<b>2,896,074</b>	<b>3,933,662</b>
<b>Non-current assets</b>					
Investments in subsidiaries and associates	8	123,516	124,518	72,339,330	71,470,330
Other long-term investments	6	3,584	3,634	-	-
Long-term loans to and amounts due					
from related parties	5	52,011	1,172	6,757,830	9,418,244
Property, plant and equipment	9	41,682,276	43,215,908	66,674	71,001
Intangible assets		1,014,216	979,370	18,681	16,766
Other non-current assets		2,005,668	2,073,414	339,877	344,564
<b>Total non-current assets</b>		<b>44,881,271</b>	<b>46,398,016</b>	<b>79,522,392</b>	<b>81,320,905</b>
<b>Total assets</b>		<b>79,832,001</b>	<b>79,526,956</b>	<b>82,418,466</b>	<b>85,254,567</b>

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

# Thai Beverage Public Company Limited and its Subsidiaries

## Balance sheets

As at 30 June 2008 and 31 December 2007

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		30 June 2008 (Unaudited)	31 December 2007	30 June 2008 (Unaudited)	31 December 2007
<i>(in thousand Baht)</i>					
<b>Current liabilities</b>					
Bank overdrafts and short-term loans					
from financial institutions	10	10,282,594	5,998,234	5,600,653	4,797,684
Trade accounts payable	5, 11	2,451,384	2,249,329	-	-
Current portion of long-term guaranteed bonds	10	-	3,000,000	-	3,000,000
Current portion of long-term loans	10	2,775,000	1,755,000	2,775,000	1,755,000
Short-term loans from and amounts due to related parties	5	173,513	69,141	4,297,007	2,115,288
Other short-term loan		7,000	7,000	-	-
Income tax payable		2,212,835	2,773,848	109,853	146,249
Other current liabilities		3,545,012	3,196,279	100,204	161,543
<b>Total current liabilities</b>		<b>21,447,338</b>	<b>19,048,831</b>	<b>12,882,717</b>	<b>11,975,764</b>
<b>Non-current liabilities</b>					
Long-term loans from financial institutions	10	2,625,000	5,400,000	2,625,000	5,400,000
Long-term loans from and amounts due to related parties	5, 10	4,898	-	6,931,900	6,540,500
Other non-current liabilities		118,401	125,312	-	118
<b>Total non-current liabilities</b>		<b>2,748,299</b>	<b>5,525,312</b>	<b>9,556,900</b>	<b>11,940,618</b>
<b>Total liabilities</b>		<b>24,195,637</b>	<b>24,574,143</b>	<b>22,439,617</b>	<b>23,916,382</b>

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

# Thai Beverage Public Company Limited and its Subsidiaries

## Balance sheets

As at 30 June 2008 and 31 December 2007

Liabilities and equity	Note	Consolidated		Separate	
		financial statements		financial statements	
		30 June	31 December	30 June	31 December
		2008	2007	2008	2007
		(Unaudited)		(Unaudited)	
		<i>(in thousand Baht)</i>			
<b>Equity</b>					
Share capital					
Authorised share capital		29,000,000	29,000,000	29,000,000	29,000,000
Issued and paid-up share capital		25,110,025	25,110,025	25,110,025	25,110,025
Difference arising from common control transactions		(17,141,406)	(17,141,406)	-	-
Reserves					
Share premium		17,215,737	17,215,737	17,215,737	17,215,737
Currency translation changes		(236,903)	(208,076)	-	-
Fair value changes and revaluation surplus		4,388,935	4,388,935	-	-
Retained earnings					
Appropriated-legal reserve		2,900,000	2,900,000	2,900,000	2,900,000
Unappropriated		23,394,973	22,644,726	14,753,087	16,112,423
<b>Total equity attributable to equity holders of the Company</b>		<b>55,631,361</b>	<b>54,909,941</b>	<b>59,978,849</b>	<b>61,338,185</b>
Minority interests		5,003	42,872	-	-
<b>Total equity</b>		<b>55,636,364</b>	<b>54,952,813</b>	<b>59,978,849</b>	<b>61,338,185</b>
<b>Total liabilities and equity</b>		<b>79,832,001</b>	<b>79,526,956</b>	<b>82,418,466</b>	<b>85,254,567</b>

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

# Thai Beverage Public Company Limited and its Subsidiaries

## Statements of income

For the three-month periods ended 30 June 2008 and 2007 (Unaudited)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2008	2007	2008	2007
		<i>(in thousand Baht)</i>			
<b>Revenues</b>	5				
Revenue from sales		24,342,505	23,146,197	-	-
Interest income		10,011	11,780	120,583	161,742
Management fees		-	-	629,835	583,478
Dividends		-	-	2,549,434	15,401,479
Other income		179,868	44,921	13,125	(7,936)
<b>Total revenues</b>		<b>24,532,384</b>	<b>23,202,898</b>	<b>3,312,977</b>	<b>16,138,763</b>
<b>Expenses</b>	5				
Cost of sales		17,775,477	16,280,005	-	-
Selling and administrative expenses		3,161,352	3,097,026	261,776	197,975
<b>Total expenses</b>		<b>20,936,829</b>	<b>19,377,031</b>	<b>261,776</b>	<b>197,975</b>
<b>Profit before interest and income tax expenses</b>		<b>3,595,555</b>	<b>3,825,867</b>	<b>3,051,201</b>	<b>15,940,788</b>
Interest expense		129,633	259,742	237,125	448,985
Income tax expense		1,076,642	1,184,145	79,757	28,608
<b>Profit for the period</b>		<b>2,389,280</b>	<b>2,381,980</b>	<b>2,734,319</b>	<b>15,463,195</b>
<b>Attributable to:</b>					
Equity holders of the Company		2,388,126	2,381,966	2,734,319	15,463,195
Minority interests		1,154	14	-	-
<b>Profit for the period</b>		<b>2,389,280</b>	<b>2,381,980</b>	<b>2,734,319</b>	<b>15,463,195</b>
<b>Basic earnings per share (Baht)</b>	13	<b>0.10</b>	<b>0.09</b>	<b>0.11</b>	<b>0.62</b>

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



# Thai Beverage Public Company Limited and its Subsidiaries

## Statements of income

For the six-month periods ended 30 June 2008 and 2007 (Unaudited)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2008	2007	2008	2007
		<i>(in thousand Baht)</i>			
<b>Revenues</b>	5				
Revenue from sales		51,082,931	49,107,270	-	-
Interest income		12,343	19,514	281,946	363,054
Management fees		-	-	1,326,284	1,256,392
Dividends		-	-	2,549,434	15,401,479
Other income		226,542	158,745	14,308	73,120
<b>Total revenues</b>		<b>51,321,816</b>	<b>49,285,529</b>	<b>4,171,972</b>	<b>17,094,045</b>
<b>Expenses</b>	5				
Cost of sales		37,083,028	34,589,938	-	-
Selling and administrative expenses		6,652,970	6,215,732	591,043	580,540
<b>Total expenses</b>		<b>43,735,998</b>	<b>40,805,670</b>	<b>591,043</b>	<b>580,540</b>
<b>Profit before interest and income tax expenses</b>		<b>7,585,818</b>	<b>8,479,859</b>	<b>3,580,929</b>	<b>16,513,505</b>
Interest expense		289,304	556,703	516,233	929,998
Income tax expense		2,277,314	2,663,107	155,328	111,524
<b>Profit for the period</b>		<b>5,019,200</b>	<b>5,260,049</b>	<b>2,909,368</b>	<b>15,471,983</b>
<b>Attributable to:</b>					
Equity holders of the Company		5,018,951	5,259,997	2,909,368	15,471,983
Minority interests		249	52	-	-
<b>Profit for the period</b>		<b>5,019,200</b>	<b>5,260,049</b>	<b>2,909,368</b>	<b>15,471,983</b>
<b>Basic earnings per share (Baht)</b>	13	<b>0.20</b>	<b>0.21</b>	<b>0.12</b>	<b>0.62</b>

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

**Thai Beverage Public Company Limited and its Subsidiaries**

**Statements of changes in equity**

**For the six-month periods ended 30 June 2008 and 2007 (Unaudited)**

	<b>Consolidated financial statements</b>									
	Issued and paid-up share capital	Difference arising from common control transactions	Reserves			Retained earnings		Total equity attributable to equity holders of the Company	Minority interests	Total equity
Share premium			Currency translation changes	Fair value changes and revaluation surpluses	Appropriated to legal reserve	Unappropriated				
	<i>(in thousand Baht)</i>									
<b>Balance at 1 January 2007</b>	<b>25,110,025</b>	<b>(17,141,406)</b>	<b>17,215,737</b>	<b>(19,508)</b>	<b>6,586,263</b>	<b>1,700,000</b>	<b>19,102,445</b>	<b>52,553,556</b>	<b>506</b>	<b>52,554,062</b>
Net surplus on property revaluation	-	-	-	-	(134,521)	-	134,521	-	-	-
Translation loss relating to financial statements of foreign operations	-	-	-	(56,440)	-	-	-	(56,440)	-	(56,440)
Net expense recognised directly in equity	-	-	-	(56,440)	(134,521)	-	134,521	(56,440)	-	(56,440)
Profit for the period	-	-	-	-	-	-	5,259,997	5,259,997	52	5,260,049
<b>Total recognised income and expense</b>				<b>(56,440)</b>	<b>(134,521)</b>		<b>5,394,518</b>	<b>5,203,557</b>	<b>52</b>	<b>5,203,609</b>
Effects of change to percentage of holding	-	-	-	-	-	-	-	-	(21)	(21)
Dividends	-	-	-	-	-	-	(2,762,103)	(2,762,103)	(219)	(2,762,322)
<b>Balance at 30 June 2007</b>	<b>25,110,025</b>	<b>(17,141,406)</b>	<b>17,215,737</b>	<b>(75,948)</b>	<b>6,451,742</b>	<b>1,700,000</b>	<b>21,734,860</b>	<b>54,995,010</b>	<b>318</b>	<b>54,995,328</b>

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



**Thai Beverage Public Company Limited and its Subsidiaries**  
**Statements of changes in equity**  
**For the six-month periods ended 30 June 2008 and 2007 (Unaudited)**

	<b>Separate financial statements</b>					Total equity attributable to equity holders of the Company
	Reserves			Retained earnings		
	Issued and paid-up share capital	Share premium	Fair value changes and revaluation surpluses	Appropriated to legal reserve	Unappropriated	
	<i>(in thousand Baht)</i>					
<b>Balance at 1 January 2007</b>	<b>25,110,025</b>	<b>17,215,737</b>	<b>134,521</b>	<b>1,700,000</b>	<b>3,534,895</b>	<b>47,695,178</b>
Net surplus on property revaluation	-	-	(134,521)	-	134,521	-
Profit for the period	-	-	-	-	15,471,983	15,471,983
<b>Total recognised income and expense</b>	-	-	(134,521)	-	15,606,504	15,471,983
Dividends	-	-	-	-	(2,762,103)	(2,762,103)
<b>Balance at 30 June 2007</b>	<b>25,110,025</b>	<b>17,215,737</b>	<b>-</b>	<b>1,700,000</b>	<b>16,379,296</b>	<b>60,405,058</b>
<b>Balance at 1 January 2008</b>	<b>25,110,025</b>	<b>17,215,737</b>	<b>-</b>	<b>2,900,000</b>	<b>16,112,423</b>	<b>61,338,185</b>
Profit for the period	-	-	-	-	2,909,368	2,909,368
Dividends	-	-	-	-	(4,268,704)	(4,268,704)
<b>Balance at 30 June 2008</b>	<b>25,110,025</b>	<b>17,215,737</b>	<b>-</b>	<b>2,900,000</b>	<b>14,753,087</b>	<b>59,978,849</b>

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

# Thai Beverage Public Company Limited and its Subsidiaries

## Statements of cash flows

For the six-month periods ended 30 June 2008 and 2007 (Unaudited)

	<i>Note</i>	<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
		2008	2007	2008	2007
		<i>(in thousand Baht)</i>			
<b><i>Cash flows from operating activities</i></b>					
Profit for the period		5,019,200	5,260,049	2,909,368	15,471,983
<b><i>Adjustments for</i></b>					
Depreciation and amortisation		2,492,150	2,440,011	15,248	14,515
Interest income		(12,343)	(19,514)	(281,946)	(363,054)
Interest expense		289,304	556,703	516,233	929,998
Unrealised (gain) loss on exchange rate		(6,290)	5,557	(12,115)	14,010
Doubtful debts expense		162	257	-	-
Amortisation of advance payments to a specialist		25,000	25,000	4,688	4,688
Reversal of an allowance for obsolete inventories		(212,386)	(17,973)	-	-
Gain on sale and disposal of property, plant and equipment and intangible assets		(5,836)	(71,725)	(162)	(63,870)
Gain on sale of investment		-	-	-	(6)
Dividends		-	-	(2,549,434)	(15,401,479)
Income tax expense		2,277,314	2,663,107	155,328	111,524
		<u>9,866,275</u>	<u>10,841,472</u>	<u>757,208</u>	<u>718,309</u>
<b><i>Changes in operating assets and liabilities</i></b>					
Trade accounts receivable		514,395	285,541	-	-
Amounts due from related parties		1,992	31,462	93,983	1,389,329
Inventories		(1,528,130)	(1,836,350)	-	-
Other current assets		(886,064)	(268,007)	(9,588)	5,594
Trade accounts payable		195,402	4,698	-	-
Amounts due to related parties		108,463	(133,532)	(19,084)	(4,496)
Other current liabilities		568,130	(322,984)	3,614	(151,632)
Other non-current liabilities		(6,911)	5,687	(118)	-
Income taxes paid		(2,838,327)	(2,331,397)	(191,724)	(136,282)
<b>Net cash provided by operating activities</b>		<b><u>5,995,225</u></b>	<b><u>6,276,590</u></b>	<b><u>634,291</u></b>	<b><u>1,820,822</u></b>

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

# Thai Beverage Public Company Limited and its Subsidiaries

## Statements of cash flows

For the six-month periods ended 30 June 2008 and 2007 (Unaudited)

	Consolidated		Separate		
		financial statements	financial statements		
	Note	2008	2007	2008	2007
<i>(in thousand Baht)</i>					
<b><i>Cash flows from investing activities</i></b>					
Interest received		12,600	19,761	297,865	366,581
Short-term loans from and amounts due to related parties		-	-	2,549,434	6,600,156
Loans to and amounts due from related parties		(1,831)	(34,984)	(869,000)	(6,844,982)
Investments in subsidiaries and associates		(50,839)	(14,175)	3,612,567	3,109,442
Purchase of investments in indirect subsidiaries		1,002	36,369	-	-
Decrease in long-term investments		(81,050)	(21)	-	-
Purchase of property, plant and equipment		50	58	-	8
Decrease in property, plant and equipment		(1,119,638)	(404,711)	(8,027)	(5,883)
Purchase of intangible assets		37,894	876,808	865	819,000
Long-term loans and amounts due to related parties		(16,967)	(11,293)	(4,523)	(10,319)
Other non-current assets		1,629	5,556	-	-
		42,746	104	-	(1,501)
<b>Net cash provided by (used in) investing activities</b>		<b>(1,174,404)</b>	<b>473,472</b>	<b>5,579,181</b>	<b>4,032,502</b>
<b><i>Cash flows from financing activities</i></b>					
Interest paid		(356,853)	(602,362)	(578,475)	(994,059)
Dividends paid to equity holders of the Company		(4,268,704)	(2,762,103)	(4,268,704)	(2,762,103)
Dividend paid to the minority interests		-	(219)	-	-
Bank overdrafts and short-term loans from financial institutions		4,284,360	266,266	802,969	870,441
Repayment of short-term guaranteed bonds		-	(2,200,000)	-	(2,200,000)
Repayment of long-term guaranteed bonds		(3,000,000)	-	(3,000,000)	-
Loans from related parties		-	(3,081,719)	2,588,500	(2,510,250)
Proceeds from long-term loans from financial institutions		-	4,500,000	-	4,500,000
Repayment of long-term loans from financial institutions		(1,755,000)	(2,750,000)	(1,755,000)	(2,750,000)
<b>Net cash used in financing activities</b>		<b>(5,096,197)</b>	<b>(6,630,137)</b>	<b>(6,210,710)</b>	<b>(5,845,971)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>(275,376)</b>	<b>119,925</b>	<b>2,762</b>	<b>7,353</b>
Cash and cash equivalents at beginning of period		2,188,992	1,919,577	9,168	15,623
Effect of exchange rate changes on balances held in foreign currencies		(28,827)	(56,440)	-	-
<b>Cash and cash equivalents at end of period</b>		<b>1,884,789</b>	<b>1,983,062</b>	<b>11,930</b>	<b>22,976</b>

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

**Thai Beverage Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month and six-month periods ended 30 June 2008 (Unaudited)**

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**Thai Beverage Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month and six-month periods ended 30 June 2008 (Unaudited)**

These notes form an integral part of the financial statements.

The interim financial statements were authorised for issue by the directors on 14 August 2008.

**1 General information**

Thai Beverage Public Company Limited, the “Company”, is incorporated and registered as a public company in Thailand on 29 October 2003. The registered office of the Company is at 14 Vibhavadi Rangsit Road, Chomphon, Chatuchak Bangkok.

The Company was listed on the Singapore Exchange Securities Trading Limited (SGX-ST) in May 2006.

The principal activities of the Company and its subsidiaries are the production, distribution and marketing of alcoholic and non-alcoholic beverages, industrial alcohol and other by-products. Details of the Company’s subsidiaries as at 30 June 2008 and 31 December 2007 were as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			30 June 2008	31 December 2007
<i>Direct subsidiaries</i>				
1. Beer Thai (1991) PCL.	Beer brewery	Thailand	100.00	100.00
2. Beer Thip Brewery (1991) Co., Ltd.	Beer brewery	Thailand	100.00	100.00
3. Sangsom Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
4. Fuengfuanant Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
5. Mongkolsamai Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
6. Thanapakdi Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
7. Kanchanasingkorn Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
8. Sura Bangyikhan Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
9. Athimart Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
10. S.S. Karnsura Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
11. Kankwan Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
12. Theparunothai Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
13. Red Bull Distillery (1988) Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
14. United Winery and Distillery Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
15. Simathurakij Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
16. Nateechai Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
17. Luckchai Liquor Trading Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
18. Sura Piset Thipparat Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
19. Thai Alcohol PCL.	Alcohol distillery	Thailand	100.00	100.00
20. Pomthip Co., Ltd.	Beer distributor	Thailand	100.00	100.00
21. Pomkit Co., Ltd.	Beer distributor	Thailand	100.00	100.00
22. Pomkung Co., Ltd.	Beer distributor	Thailand	100.00	100.00
23. Pomchok Co., Ltd.	Beer distributor	Thailand	100.00	100.00
24. Pomcharoen Co., Ltd.	Beer distributor	Thailand	100.00	100.00
25. Pomburapa Co., Ltd.	Beer distributor	Thailand	100.00	100.00
26. Num Yuk Co., Ltd.	Spirits distributor	Thailand	100.00	100.00
27. Num Kijjakarn Co., Ltd.	Spirits distributor	Thailand	100.00	100.00
28. Num Palang Co., Ltd.	Spirits distributor	Thailand	100.00	100.00
29. Num Muang Co., Ltd.	Spirits distributor	Thailand	100.00	100.00
30. Num Nakorn Co., Ltd.	Spirits distributor	Thailand	100.00	100.00
31. Num Thurakij Co., Ltd.	Spirits distributor	Thailand	100.00	100.00
32. Thipchalothorn Co., Ltd.	Beer and sprits agency	Thailand	100.00	100.00
33. Krittayabun Co., Ltd.	Beer and sprits agency	Thailand	100.00	100.00
34. Surathip Co., Ltd.	Spirits agency	Thailand	100.00	100.00
35. Sunthronpirom Co., Ltd.	Spirits agency	Thailand	100.00	100.00



**Thai Beverage Public Company Limited and its Subsidiaries**  
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Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			30 June 2008	31 December 2007
<b>Direct subsidiaries (continued)</b>				
36. Piromsurang Co., Ltd.	Spirits agency	Thailand	100.00	100.00
37. Bionic Humus Co., Ltd.	Trading of fertilizer	Thailand	100.00	100.00
38. Wrangyer Beverage (2008) Co., Ltd. (Formerly: Maharas Agri Co., Ltd.)	Production and distribution of energy drink	Thailand	100.00	100.00
39. Thai Molasses Co., Ltd.	Trading of molasses	Thailand	99.72	99.72
40. Additive Food Co., Ltd.	Trading of feeds	Thailand	100.00	100.00
41. Pan International (Thailand) Co., Ltd.	Trading of supplies and procurement	Thailand	100.00	100.00
42. Charun Business 52 Co., Ltd.	Brick producer	Thailand	100.00	100.00
43. Thai Cooperage Co., Ltd.	Oak barrel producer	Thailand	100.00	100.00
44. Bang-Na Logistic Co., Ltd.	Trading of bottles	Thailand	100.00	100.00
45. Thai Beverage Logistics Co., Ltd.	Transportation	Thailand	100.00	100.00
46. Thai Beverage Marketing Co., Ltd.	Import and export spirits for trading/ international marketing	Thailand	100.00	100.00
47. Dhanasindhi Co., Ltd.	Construction	Thailand	100.00	100.00
48. Dhospaak Co., Ltd.	Advertising agency	Thailand	100.00	100.00
49. International Beverage Holdings Ltd.	Holding company	Hong Kong	100.00	100.00
50. Cosmos Brewery (Thailand) Co., Ltd.	Beer brewery	Thailand	100.00	100.00
51. Thai Beverage Brands Co., Ltd. (Formerly: T.C.C. Cosmo Corporation Ltd.)	Trademark holding	Thailand	100.00	100.00
52. Beer Chang Co., Ltd.	Trademark holding and production of concentrate materials	Thailand	100.00	100.00
53. Archa Beer Co., Ltd.	Trademark holding and production of concentrate materials	Thailand	100.00	100.00
54. Sura Piset Phatra Lanna Co., Ltd.	Holding company	Thailand	100.00	100.00
55. Thai Drinks Co., Ltd.	Production and distribution of water	Thailand	100.00	-
<b>Indirect subsidiaries</b>				
56. Thai Thum Distillery Co., Ltd. #	Trading of spirits	Thailand	99.90	99.90
57. Sura Piset Sahasan Co., Ltd. #	Production and distribution of spirits	Thailand	100.00	100.00
58. Sura Piset Sampan Co., Ltd. #	Production and distribution of spirits	Thailand	100.00	100.00
59. Muangkij Co., Ltd. #	Import of oak woods	Thailand	100.00	100.00
60. Sint Ek Panich Co., Ltd. #	Mining	Thailand	100.00	100.00
61. Pan Alcohol Co., Ltd. #	Production and distribution of vinegar	Thailand	100.00	100.00
62. Banglen Agriculture Co., Ltd. #	Agriculture	Thailand	100.00	100.00
63. Vitayathan Co., Ltd.	Environmental public relations	Thailand	100.00	100.00
64. InterBev (Singapore) Limited	Trading of alcoholic beverages	Singapore	100.00	100.00
65. InterBev (Cambodia) Co., Ltd.	Trading of alcoholic beverages	Cambodia	100.00	100.00
66. InterBev Malaysia Sdn. Bhd.	Trading of alcoholic beverages	Malaysia	100.00	100.00
67. International Beverage Holdings Limited USA, Inc.	Trading of alcoholic beverages of America	United States	100.00	100.00
68. Best Spirits Company Limited	Trading of alcoholic beverages	Hong Kong	100.00	100.00
69. International Beverage Holdings (UK) Limited	Holding company	United Kingdom	100.00	100.00
70. United Products Co., Ltd.	Production and distribution of spirits	Thailand	97.98	80.82
71. S P M Foods and Beverages Co., Ltd.	Production and distribution of water and energy drinks, and spirits agency	Thailand	83.20	83.20

**Thai Beverage Public Company Limited and its Subsidiaries**  
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Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			30 June 2008	31 December 2007
<i>Subsidiaries of indirect subsidiaries*</i>				
72. Blairmhor Limited #	Holding Company	United Kingdom	100.00	100.00
73. Inver House Distillers Limited	Production and distribution of spirits	United Kingdom	100.00	100.00
74. Blairmhor Distillers Limited #	Dormant	United Kingdom	100.00	100.00
75. Wee Beastie Limited #	Dormant	United Kingdom	100.00	100.00
76. Speyburn-Glenlivet Distillery Company Limited #	Dormant	United Kingdom	100.00	100.00
77. The Knockdhu Distillery Company Limited #	Dormant	United Kingdom	100.00	100.00
78. The Pulteney Distillery Company Limited #	Dormant	United Kingdom	100.00	100.00
79. The Balblair Distillery Company Limited #	Dormant	United Kingdom	100.00	100.00
80. R. Carmichael & Sons Limited #	Dormant	United Kingdom	100.00	100.00
81. J MacArthur Junior & Company Limited #	Dormant	United Kingdom	100.00	100.00
82. Mason & Summers Limited #	Dormant	United Kingdom	100.00	100.00
83. Hankey Bannister Limited #	Dormant	United Kingdom	100.00	100.00
84. James Catto & Company Limited #	Dormant	United Kingdom	100.00	100.00
85. Glen Calder Blenders Limited #	Dormant	United Kingdom	100.00	100.00
86. Moffat & Towers Limited #	Dormant	United Kingdom	100.00	100.00
<i>Associates of indirect subsidiaries**</i>				
87. Liquorland Limited	Off licences	United Kingdom	49.49	49.49
88. Inver House Polska Limited	Trading of alcoholic beverages	Poland	44.00	44.00
89. Inver House Distribution SA #	Dormant	France	50.02	50.02

\* Subsidiaries of International Beverage Holdings (UK) Limited

\*\* Associates of International Beverage Holdings (UK) Limited

# These are currently non-trading.

## 2 Basis of preparation of financial statements

The interim financial statements issued for Thai reporting purposes are prepared in the Thai language. This English translation of the financial statements has been prepared for the convenience of readers not conversant with the Thai language.

The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard No. 41 (revised 2007) *Interim Financial Reporting* including related interpretations and guidelines promulgated by the Federation of Accounting Professions, applicable rules and regulations of the Securities and Exchange Commission and with generally accepted accounting principles in Thailand.

The interim financial statements are prepared to provide an update on the financial statements for the year ended 31 December 2007. They focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements for the year ended 31 December 2007.

The interim financial statements are presented in Thai Baht, rounded to the nearest thousand unless otherwise stated.

**Thai Beverage Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
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In 2008, the Group adopted the following new Thai Accounting Standards (TAS) which are relevant to its operations:

TAS 25 (revised 2007)	<i>Cash Flows Statements</i>
TAS 29 (revised 2007)	<i>Leases</i>
TAS 31 (revised 2007)	<i>Inventories</i>
TAS 33 (revised 2007)	<i>Borrowing Costs</i>
TAS 35 (revised 2007)	<i>Presentation of Financial Statements</i>
TAS 39 (revised 2007)	<i>Accounting Policies, Changes in Accounting Estimates and Errors</i>
TAS 41 (revised 2007)	<i>Interim Financial Reporting</i>
TAS 43 (revised 2007)	<i>Business Combinations</i>
TAS 49 (revised 2007)	<i>Construction Contracts</i>
TAS 51	<i>Intangible Assets</i>

The adoption of these new and revised TAS does not have any material impact on the consolidated or separate financial statements except as disclosed in Note 15 to the financial statements.

Accounting policies and methods of computation applied in the interim financial statements for the three-month and six-month periods ended 30 June 2008 are consistent with those applied in the financial statements for the year ended 31 December 2007 except for the change in accounting policy discussed in Note 15 to the financial statements.

### **3 Seasonal operations**

The Group is subject to seasonal sales revenue from both its beer and spirits operations. Sales revenue fluctuates particularly around festive occasions, whilst expenditure is generally incurred evenly throughout the year.

### **4 Significant transactions**

Significant transactions occurring during the six-month period ended 30 June 2008 were as follows:

- (a) On 25 January 2008, Wrangyer Beverage (2008) Co., Ltd. (formerly: Maharas Agri Co., Ltd.), the Company's subsidiary increased its authorised share capital from Baht 2 million to Baht 200 million by issuing 19.8 million ordinary shares with a Baht 10 par value, totalling Baht 198 million.

Subsequently, on 28 January 2008, the said subsidiary entered into a sale and purchase agreement to acquire assets in the production and sale of energy drink and ready-to-drink coffee owned by Wrangyer Beverage Co., Ltd. at a consideration of Baht 420 million. Part of the fund was derived from the increase of the authorised share capital in the amount of Baht 200 million.

- (b) On 31 January 2008, Pan Alcohol Co., Ltd., the Company's indirect subsidiary, entered into a memorandum of understanding to acquire majority of ordinary shares in Carabao Tawandaeng Co., Ltd. who is engaging in the production and sales of energy drink. It is currently in the process of negotiation in details of the aforementioned acquisition.

## **Thai Beverage Public Company Limited and its Subsidiaries**

### **Notes to the interim financial statements**

#### **For the three-month and six-month periods ended 30 June 2008 (Unaudited)**

- (c) The Executive Board of Directors' meeting held on 18 February 2008 unanimously passed the resolution of approval in principle of the decrease of authorised share capital of S P M Foods and Beverages Co., Ltd. twice at 75% each and the increase of authorised share capital afterwards. The authorised share capital will be decreased from Baht 100 million to Baht 25 million firstly and from Baht 25 million to Baht 6.25 million secondly. After that the authorised share capital will be increased by Baht 600 million to Baht 606.25 million. The first decrease of authorised share capital was completed on 23 July 2008.
- (d) On 27 February 2008, Thai Beverage Logistics Co., Ltd., the Company's subsidiary, increased its authorised share capital from Baht 12 million to Baht 1,012 million by issuing 100 million ordinary shares with a Baht 10 par value. The first call for the capital paid up was 25% of the increased share capital, totalling Baht 250 million.
- (e) On 20 March 2008, International Beverage Holdings Limited, the Company's subsidiary, increased its authorised share capital from HKD 1,470 million to HKD 1,490 million to increase in capital of International Beverage Holdings Limited USA, Inc. for working capital.
- (f) On 10 April 2008, Bionic Humus Co., Ltd., the Company's subsidiary, received the second payment for the increase share capital of ordinary shares at 40% of the additional authorised share capital amounting to Baht 340 million.
- (g) The Board of Directors of the Company at their meeting held on 14 May 2008 unanimously approved the investment in 82,314,537 shares which represent 43.9% in share capital of Oishi Group Public Company Limited, a company listed in the Stock Exchange of Thailand, from Yodkij Business Co., Ltd., a company affiliated with the controlling shareholders of the Company at Baht 37 per share, totalling Baht 3,045.64 million. The Board of Directors also approved the sale of its 100% investment in shares of Thai Alcohol Public Company Limited to Damrongfah Co., Ltd., another company affiliated with the controlling shareholders of the Company at the total value of Baht 1,590.95 million. The share prices of both companies were valued by Prime Partners Corporate Finance Pte Ltd., a licensed independent financial adviser granted by the Monetary Authority of Singapore. The Board of Directors also approved in principle of calling for the extraordinary meeting of the shareholders to consider the aforementioned acquisition and resolved to authorise the Chairman to set the date, time and venue of the meeting and the closing date of share register to identify the right of the attendants and conduct any related performance as stipulated by associated laws or regulations necessary to complete the aforementioned acquisition. It is currently in the process of reviewing the circulation letter by the Singapore Exchange. The Extraordinary Meeting of the shareholders will be scheduled following the completion of the review.
- (h) On 22 May 2008, Thai Drinks Co., Ltd., the Company's wholly owned subsidiary, is incorporated with authorised share capital of Baht 1 million by issuing 10,000 ordinary shares with a Baht 100 par value. The initial called up capital was Baht 25 per share.
- (i) On 2 June 2008, Sura Piset Phatra Lanna Co., Ltd., the Company's subsidiary, acquired the additional 600,369 ordinary shares in United Products Co., Ltd. from an existing shareholder at Baht 135 per share, totaling Baht 81 million.

**Thai Beverage Public Company Limited and its Subsidiaries**  
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**5 Related party transactions and balances**

Related parties include subsidiary companies and those parties linked to the Group and the Company as shareholders or by common shareholders or directors. Transactions with related parties are conducted at prices based on market prices or, where no market price exists, at contractually agreed prices.

Relationships with related parties that are being controlled by the Company or have transactions with the Group were as follows:

<b>Name of the entity</b>	<b>Country of incorporation</b>	<b>Nature of relationships</b>
1. Beer Thai (1991) PCL.	Thailand	Direct subsidiary, 100% shareholding
2. Beer Thip Brewery (1991) Co., Ltd.	Thailand	Direct subsidiary, 100% shareholding
3. Sangsom Co., Ltd.	Thailand	Direct subsidiary, 100% shareholding
4. Fuengfuanant Co., Ltd.	Thailand	Direct subsidiary, 100% shareholding
5. Mongkolsamai Co., Ltd.	Thailand	Direct subsidiary, 100% shareholding
6. Thanapakdi Co., Ltd.	Thailand	Direct subsidiary, 100% shareholding
7. Kanchanasingkorn Co., Ltd.	Thailand	Direct subsidiary, 100% shareholding
8. Sura Bangyikhan Co., Ltd.	Thailand	Direct subsidiary, 100% shareholding
9. Athimart Co., Ltd.	Thailand	Direct subsidiary, 100% shareholding
10. S.S. Karnsura Co., Ltd.	Thailand	Direct subsidiary, 100% shareholding
11. Kankwan Co., Ltd.	Thailand	Direct subsidiary, 100% shareholding
12. Theparunothai Co., Ltd.	Thailand	Direct subsidiary, 100% shareholding
13. Red Bull Distillery (1988) Co., Ltd.	Thailand	Direct subsidiary, 100% shareholding
14. United Winery and Distillery Co., Ltd.	Thailand	Direct subsidiary, 100% shareholding
15. Simathurakij Co., Ltd.	Thailand	Direct subsidiary, 100% shareholding
16. Nateechai Co., Ltd.	Thailand	Direct subsidiary, 100% shareholding
17. Luckchai Liquor Trading Co., Ltd.	Thailand	Direct subsidiary, 100% shareholding
18. Sura Piset Thipparat Co., Ltd.	Thailand	Direct subsidiary, 100% shareholding
19. Thai Alcohol PCL.	Thailand	Direct subsidiary, 100% shareholding
20. Pomthip Co., Ltd.	Thailand	Direct subsidiary, 100% shareholding
21. Pomkit Co., Ltd.	Thailand	Direct subsidiary, 100% shareholding
22. Pomkung Co., Ltd.	Thailand	Direct subsidiary, 100% shareholding
23. Pomchok Co., Ltd.	Thailand	Direct subsidiary, 100% shareholding
24. Pomcharoen Co., Ltd.	Thailand	Direct subsidiary, 100% shareholding
25. Pomburapa Co., Ltd.	Thailand	Direct subsidiary, 100% shareholding
26. Num Yuk Co., Ltd.	Thailand	Direct subsidiary, 100% shareholding
27. Num Kijjakarn Co., Ltd.	Thailand	Direct subsidiary, 100% shareholding
28. Num Palang Co., Ltd.	Thailand	Direct subsidiary, 100% shareholding
29. Num Muang Co., Ltd.	Thailand	Direct subsidiary, 100% shareholding
30. Num Nakorn Co., Ltd.	Thailand	Direct subsidiary, 100% shareholding
31. Num Thurakij Co., Ltd.	Thailand	Direct subsidiary, 100% shareholding
32. Thipchalothorn Co., Ltd.	Thailand	Direct subsidiary, 100% shareholding
33. Krittayabun Co., Ltd.	Thailand	Direct subsidiary, 100% shareholding
34. Surathip Co., Ltd.	Thailand	Direct subsidiary, 100% shareholding
35. Sunthronpirom Co., Ltd.	Thailand	Direct subsidiary, 100% shareholding
36. Piromsurang Co., Ltd.	Thailand	Direct subsidiary, 100% shareholding
37. Bionic Humus Co., Ltd.	Thailand	Direct subsidiary, 100% shareholding
38. Wrangyer Beverage (2008) Co., Ltd. (Formerly: Maharas Agri Co., Ltd.)	Thailand	Direct subsidiary, 100% shareholding
39. Thai Molasses Co., Ltd.	Thailand	Direct subsidiary, 99.72% shareholding
40. Additive Food Co., Ltd.	Thailand	Direct subsidiary, 100% shareholding
41. Pan International (Thailand) Co., Ltd.	Thailand	Direct subsidiary, 100% shareholding
42. Charun Business 52 Co., Ltd.	Thailand	Direct subsidiary, 100% shareholding

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<b>Name of the entity</b>	<b>Country of incorporation</b>	<b>Nature of relationships</b>
43. Thai Cooperage Co., Ltd.	Thailand	Direct subsidiary, 100% shareholding
44. Bang-Na Logistic Co., Ltd.	Thailand	Direct subsidiary, 100% shareholding
45. Thai Beverage Logistics Co., Ltd.	Thailand	Direct subsidiary, 100% shareholding
46. Thai Beverage Marketing Co., Ltd.	Thailand	Direct subsidiary, 100% shareholding
47. Dhanasindhi Co., Ltd.	Thailand	Direct subsidiary, 100% shareholding
48. Dhospaak Co., Ltd.	Thailand	Direct subsidiary, 100% shareholding
49. International Beverage Holdings Ltd.	Hong Kong	Direct subsidiary, 100% shareholding
50. Cosmos Brewery (Thailand) Co., Ltd.	Thailand	Direct subsidiary, 100% shareholding
51. Thai Beverage Brands Co., Ltd. (Formerly: T.C.C. Cosmo Corporation Ltd.)	Thailand	Direct subsidiary, 100% shareholding
52. Beer Chang Co., Ltd.	Thailand	Direct subsidiary, 100% shareholding
53. Archa Beer Co., Ltd.	Thailand	Direct subsidiary, 100% shareholding
54. Sura Piset Phatra Lanna Co., Ltd.	Thailand	Direct subsidiary, 100% shareholding
55. Thai Drinks Co., Ltd.	Thailand	Direct subsidiary, 100% shareholding
56. Thai Thum Distillery Co., Ltd.	Thailand	Indirect subsidiary, 99.90% shareholding
57. Sura Piset Sahasan Co., Ltd.	Thailand	Indirect subsidiary, 100% shareholding
58. Sura Piset Sampan Co., Ltd.	Thailand	Indirect subsidiary, 100% shareholding
59. Muangkij Co., Ltd.	Thailand	Indirect subsidiary, 100% shareholding
60. Sint Ek Panich Co., Ltd.	Thailand	Indirect subsidiary, 100% shareholding
61. Pan Alcohol Co., Ltd.	Thailand	Indirect subsidiary, 100% shareholding
62. Banglen Agriculture Co., Ltd.	Thailand	Indirect subsidiary, 100% shareholding
63. Vitayathan Co., Ltd.	Thailand	Indirect subsidiary, 100% shareholding
64. InterBev (Singapore) Limited	Singapore	Indirect subsidiary, 100% shareholding
65. InterBev (Cambodia) Co., Ltd.	Cambodia	Indirect subsidiary, 100% shareholding
66. InterBev Malaysia Sdn. Bhd.	Malaysia	Indirect subsidiary, 100% shareholding
67. International Beverage Holdings Limited USA, Inc.	United States of America	Indirect subsidiary, 100% shareholding
68. Best Spirits Company Limited	Hong Kong	Indirect subsidiary, 100% shareholding
69. International Beverage Holdings (UK) Limited	United Kingdom	Indirect subsidiary, 100% shareholding
70. United Products Co., Ltd.	Thailand	Indirect subsidiary, 97.98% shareholding
71. S P M Foods and Beverages Co., Ltd.	Thailand	Indirect subsidiary, 83.20% shareholding
72. Blairmhor Limited	United Kingdom	Subsidiary of indirect subsidiary, 100% shareholding
73. Inver House Distillers Limited	United Kingdom	Subsidiary of indirect subsidiary, 100% shareholding
74. Blairmhor Distillers Limited	United Kingdom	Subsidiary of indirect subsidiary, 100% shareholding
75. Wee Beastie Limited	United Kingdom	Subsidiary of indirect subsidiary, 100% shareholding
76. Speyburn-Glenlivet Distillery Company Limited	United Kingdom	Subsidiary of indirect subsidiary, 100% shareholding
77. The Knockdhu Distillery Company Limited	United Kingdom	Subsidiary of indirect subsidiary, 100% shareholding
78. The Pulteney Distillery Company Limited	United Kingdom	Subsidiary of indirect subsidiary, 100% shareholding
79. The Balblair Distillery Company Limited	United Kingdom	Subsidiary of indirect subsidiary, 100% shareholding
80. R. Carmichael & Sons Limited	United Kingdom	Subsidiary of indirect subsidiary, 100% shareholding
81. J MacArthur Junior & Company Limited	United Kingdom	Subsidiary of indirect subsidiary, 100% shareholding
82. Mason & Summers Limited	United Kingdom	Subsidiary of indirect subsidiary, 100% shareholding
83. Hankey Bannister Limited	United Kingdom	Subsidiary of indirect subsidiary, 100% shareholding
84. James Catto & Company Limited	United Kingdom	Subsidiary of indirect subsidiary, 100% shareholding
85. Glen Calder Blenders Limited	United Kingdom	Subsidiary of indirect subsidiary, 100% shareholding
86. Moffat & Towers Limited	United Kingdom	Subsidiary of indirect subsidiary, 100% shareholding
87. Liquorland Limited	United Kingdom	Associates of indirect subsidiary, 49.90% shareholding
88. Inver House Polska Limited	Poland	Associates of indirect subsidiary, 44.00% shareholding
89. Inver House Distribution SA	France	Associates of indirect subsidiary, 50.02% shareholding
90. Pisetkij Co., Ltd.	Thailand	Directors and controlling shareholders hold substantial shares indirectly
91. Oishi Trading Co., Ltd.	Thailand	Directors and controlling shareholders hold substantial shares indirectly

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<b>Name of the entity</b>	<b>Country of incorporation</b>	<b>Nature of relationships</b>
92. PS Recycle Co., Ltd.	Thailand	Directors and controlling shareholders hold substantial shares indirectly
93. The Southeast Insurance (2000) Co., Ltd.	Thailand	Directors and controlling shareholders hold substantial shares indirectly
94. New Noble Property and Loan Fund	Thailand	Directors and controlling shareholders are the principal unit holder of this real estate investment fund
95. The Maewang Sugar Industry Co., Ltd.	Thailand	Directors and controlling shareholders hold substantial shares indirectly
96. The Chonburi Sugar Corp. Ltd.	Thailand	Directors and controlling shareholders hold substantial shares indirectly
97. The Utaradit Sugar Industry Co., Ltd.	Thailand	Directors and controlling shareholders hold substantial shares indirectly
98. The Suphanburi Sugar Industry Co., Ltd.	Thailand	Directors and controlling shareholders hold substantial shares indirectly
99. Dynamic Assets Property and Loan Fund	Thailand	Directors and controlling shareholders are the principal unit holder of this real estate investment fund
100. Berli Jucker PCL.	Thailand	Directors and controlling shareholders hold substantial shares indirectly
101. Thai Beverage Can Ltd.	Thailand	Directors and controlling shareholders hold 50% shares
102. Southeast Capital Co., Ltd.	Thailand	Directors and controlling shareholders hold substantial shares indirectly
103. T.C.C. Technology Co., Ltd.	Thailand	Directors and controlling shareholders hold substantial shares indirectly
104. TCC Capital Land Limited (Formerly: T.C.C. Capital Land Limited)	Thailand	Directors and controlling shareholders hold substantial shares indirectly
105. Great Oriole Limited	British Virgin Islands	Have common controlling shareholders
106. Madrigal Trading Limited	British Virgin Islands	Directors and controlling shareholders hold substantial shares indirectly
107. Thai Glass Industries PCL.	Thailand	Directors and controlling shareholders hold substantial shares indirectly
108. Bang-Na Glass Co., Ltd.	Thailand	Directors and controlling shareholders hold substantial shares indirectly
109. Plaza Athenee Hotel (Thailand) Co., Ltd.	Thailand	Directors and controlling shareholders are the directors and hold substantial shares indirectly
110. TCC Hotel Collection Co., Ltd.	Thailand	Directors and controlling shareholders hold substantial shares indirectly
111. Siam Realty Co., Ltd.	Thailand	Directors and controlling shareholders hold substantial shares indirectly
112. Best Fortune Property and Loan Fund	Thailand	Directors and controlling shareholders are the principal unit holder of this real estate investment fund
113. Terragro Fertilizer Co., Ltd.	Thailand	Directors and controlling shareholders hold substantial shares indirectly
114. Dhipaya Sugar (1999) Co., Ltd.	Thailand	Directors and controlling shareholders hold substantial shares indirectly
115. BJC Industrial and Trading Co., Ltd.	Thailand	Directors and controlling shareholders hold substantial shares indirectly
116. North Park Real Estate Co., Ltd.	Thailand	Directors and controlling shareholders hold substantial shares indirectly
117. North Park Golf And Sport Club Co., Ltd.	Thailand	Directors and controlling shareholders are directors and hold substantial shares indirectly

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The pricing policies for particular types of transactions are explained further below:

<b>Transactions</b>	<b>Pricing policies</b>
Sale of finished goods	Agreed prices which approximate market prices
Rendering of services	Contractual prices
Purchase of raw materials	Agreed prices which approximate market prices
Receiving of services	Contractual prices
Purchase and sale of property, plant and equipment	Contractual prices
Purchase and sale of investments	Contractual prices
Interest income and expense	Rate as mutually agreed by shareholders with reference interest rates quoted by domestic commercial banks

Significant transactions for the three-month and six-month periods ended 30 June 2008 and 2007 with related parties were as follows:

<i>Three-month period ended 30 June</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2008	2007	2008	2007
	<i>(in million Baht)</i>			
<b>Subsidiaries</b>				
Management fees	-	-	630	583
Dividends	-	-	2,549	15,401
Purchases of investments	-	-	340	340
Interest income	-	-	119	161
Interest expense	-	-	137	244
Other income	-	-	1	3
Other expenses	-	-	8	13

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2008	2007	2008	2007
	<i>(in million Baht)</i>			
<b>Other related parties</b>				
Revenue from sales	36	52	-	-
Service income	1	3	-	-
Purchases of raw materials and packaging	1,364	1,089	-	-
Overhead costs	42	57	-	-
Purchases of property, plant and equipment	1	-	-	-
Interest expense	-	21	-	-
Other income	3	3	-	-
Other expenses	110	82	26	18
Directors' remuneration	49	35	48	37



**Thai Beverage Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month and six-month periods ended 30 June 2008 (Unaudited)**

<i>Six-month period ended 30 June</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2008	2007	2008	2007
	<i>(in million Baht)</i>			
<b>Subsidiaries</b>				
Management fees	-	-	1,326	1,256
Dividends	-	-	2,549	15,401
Purchases of investments	-	-	869	6,845
Interest income	-	-	280	362
Interest expense	-	-	283	492
Other income	-	-	2	5
Other expenses	-	-	19	20
<b>Other related parties</b>				
Revenue from sales	79	77	-	-
Service income	1	7	-	-
Purchases of raw materials and packaging	2,598	2,302	-	-
Overhead costs	85	105	-	-
Sales of property, plant and equipment	4	819	-	819
Purchases of property, plant and equipment	1	31	-	-
Interest expense	-	50	-	-
Other income	6	72	-	64
Other expenses	193	148	45	32
Directors' remuneration	169	153	167	152

Balances as at 30 June 2008 and 31 December 2007 with related parties were as follows:

<i>Trade accounts receivable from related parties</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	30 June 2008	31 December 2007	30 June 2008	31 December 2007
	<i>(in million Baht)</i>			
<b>Other related companies</b>				
PS Recycle Co., Ltd.	4	3	-	-
Oishi Trading Co., Ltd.	3	4	-	-
Pisetkij Co., Ltd.	3	3	-	-
Terragro Fertilizer Co., Ltd.	3	-	-	-
Others	2	4	-	-
<b>Total</b>	<b>15</b>	<b>14</b>	<b>-</b>	<b>-</b>

**Thai Beverage Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month and six-month periods ended 30 June 2008 (Unaudited)**

*Short-term loans to and amounts due from related parties*

	Consolidated financial statements						Separate financial statements					
	30 June 2008			31 December 2007			30 June 2008			31 December 2007		
	Short-term loans to	Amounts due from	Total	Short-term loans to	Amounts due from	Total	Short-term loans to	Amounts due from	Total	Short-term loans to	Amounts due from	Total
	<i>(in million Baht)</i>											
<b>Subsidiaries</b>												
Beer Thai (1991) PCL.	-	-	-	-	-	-	508	24	532	1,786	54	1,840
Beer Thip Brewery (1991) Co., Ltd.	-	-	-	-	-	-	-	17	17	-	26	26
Sangsom Co., Ltd.	-	-	-	-	-	-	-	4	4	-	6	6
Fuengfuanant Co., Ltd.	-	-	-	-	-	-	-	2	2	-	2	2
Mongkolsamai Co., Ltd.	-	-	-	-	-	-	-	-	-	-	1	1
Thanapakdi Co., Ltd.	-	-	-	-	-	-	-	1	1	-	1	1
Kanchanasingkorn Co., Ltd.	-	-	-	-	-	-	-	1	1	182	3	185
Sura Bangyikhan Co., Ltd.	-	-	-	-	-	-	-	15	15	-	8	8
Athimart Co., Ltd.	-	-	-	-	-	-	-	2	2	-	3	3
S.S. Karnsura Co., Ltd.	-	-	-	-	-	-	-	2	2	-	3	3
Kankwan Co., Ltd.	-	-	-	-	-	-	-	2	2	-	4	4
Theparunothai Co., Ltd.	-	-	-	-	-	-	-	1	1	-	3	3
Red Bull Distillery (1988) Co., Ltd.	-	-	-	-	-	-	-	9	9	-	9	9
United Winery and Distillery Co., Ltd.	-	-	-	-	-	-	-	1	1	-	1	1
Simathurakij Co., Ltd.	-	-	-	-	-	-	478	3	481	519	5	524
Nateechai Co., Ltd.	-	-	-	-	-	-	153	2	155	219	3	222
Luckchai Liquor Trading Co., Ltd.	-	-	-	-	-	-	212	4	216	431	7	438
Sura Piset Thipparat Co., Ltd.	-	-	-	-	-	-	161	2	163	-	3	3
Thai Alcohol PCL.	-	-	-	-	-	-	38	4	42	124	7	131
Pomthip Co., Ltd.	-	-	-	-	-	-	-	7	7	-	9	9
Pomkit Co., Ltd.	-	-	-	-	-	-	-	6	6	-	16	16
Pomkung Co., Ltd.	-	-	-	-	-	-	-	6	6	-	7	7
Pomchok Co., Ltd.	-	-	-	-	-	-	-	7	7	-	9	9
Pomcharoen Co., Ltd.	-	-	-	-	-	-	-	4	4	-	5	5
Pomburapa Co., Ltd.	-	-	-	-	-	-	-	4	4	-	7	7
Num Yuk Co., Ltd.	-	-	-	-	-	-	182	11	193	85	12	97

**Thai Beverage Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month and six-month periods ended 30 June 2008 (Unaudited)**

*Short-term loans to and amounts due from related parties*

	Consolidated financial statements						Separate financial statements					
	30 June 2008			31 December 2007			30 June 2008			31 December 2007		
	Short-term loans to	Amounts due from	Total	Short-term loans to	Amounts due from	Total	Short-term loans to	Amounts due from	Total	Short-term loans to	Amounts due from	Total
	<i>(in million Baht)</i>											
<b><i>Subsidiaries (continued)</i></b>												
Num Kijjakarn Co., Ltd.	-	-	-	-	-	-	-	12	12	-	21	21
Num Palang Co., Ltd.	-	-	-	-	-	-	147	6	153	-	8	8
Num Muang Co., Ltd.	-	-	-	-	-	-	-	7	7	-	9	9
Num Nakorn Co., Ltd.	-	-	-	-	-	-	-	4	4	-	5	5
Num Thurakij Co., Ltd.	-	-	-	-	-	-	-	5	5	-	7	7
Thipchalothorn Co., Ltd.	-	-	-	-	-	-	76	25	101	120	38	158
Krittayabun Co., Ltd.	-	-	-	-	-	-	-	35	35	-	42	42
Surathip Co., Ltd.	-	-	-	-	-	-	-	10	10	-	17	17
Sunthronpirom Co., Ltd.	-	-	-	-	-	-	-	1	1	-	3	3
Piromsurang Co., Ltd.	-	-	-	-	-	-	-	1	1	-	1	1
Wrangyer Beverage (2008) Co., Ltd. (Formerly: Maharas Agri Co., Ltd.)	-	-	-	-	-	-	335	1	336	-	-	-
Thai Beverage Logistics Co., Ltd.	-	-	-	-	-	-	-	-	-	67	-	67
International Beverage Holdings Ltd.	-	-	-	-	-	-	84	6	90	12	1	13
Thai Beverage Brands Co., Ltd. (Formerly: T.C.C. Cosmo Corp., Ltd.)	-	-	-	-	-	-	14	-	14	3	-	3
Sura Piset Phatra Lanna Co., Ltd.	-	-	-	-	-	-	219	5	224	-	2	2
<b>Total subsidiaries</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,607</b>	<b>259</b>	<b>2,866</b>	<b>3,548</b>	<b>368</b>	<b>3,916</b>
<b><i>Other related companies</i></b>												
The Maewang Sugar Industry Co., Ltd.	-	3	3	-	-	-	-	-	-	-	-	-
The Suphanburi Sugar Industry Co., Ltd.	-	3	3	-	-	-	-	-	-	-	-	-
Pisetkij Co., Ltd.	-	2	2	-	2	2	-	-	-	-	-	-
The Utaradit Sugar Industry Co., Ltd.	-	2	2	-	-	-	-	-	-	-	-	-
Others	-	5	5	-	2	2	-	-	-	-	-	-
<b>Total other related companies</b>	<b>-</b>	<b>15</b>	<b>15</b>	<b>-</b>	<b>4</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>-</b>	<b>15</b>	<b>15</b>	<b>-</b>	<b>4</b>	<b>4</b>	<b>2,607</b>	<b>259</b>	<b>2,866</b>	<b>3,548</b>	<b>368</b>	<b>3,916</b>

**Thai Beverage Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month and six-month periods ended 30 June 2008 (Unaudited)**

*Long-term loans to and amounts due from related parties*

	Consolidated financial statements						Separate financial statements					
	30 June 2008			31 December 2007			30 June 2008			31 December 2007		
	Long-term loans to	Amounts due from	Total	Long-term loans to	Amounts due from	Total	Long-term loans to	Amounts due from	Total	Long-term loans to	Amounts due from	Total
	<i>(in million Baht)</i>											
<b><i>Subsidiaries</i></b>												
Beer Thai (1991) PCL.	-	-	-	-	-	-	2,905	-	2,905	4,210	-	4,210
Thanapakdi Co., Ltd.	-	-	-	-	-	-	44	-	44	7	-	7
Kanchanasingkorn Co., Ltd.	-	-	-	-	-	-	131	-	131	286	-	286
Sura Bangyikhan Co., Ltd.	-	-	-	-	-	-	462	-	462	785	-	785
Kankwan Co., Ltd.	-	-	-	-	-	-	-	-	-	106	-	106
Red Bull Distillery (1988) Co., Ltd.	-	-	-	-	-	-	630	-	630	565	-	565
Simathurakij Co., Ltd.	-	-	-	-	-	-	66	-	66	96	-	96
Nateechai Co., Ltd.	-	-	-	-	-	-	42	-	42	61	-	61
Luckchai Liquor Trading Co., Ltd.	-	-	-	-	-	-	593	-	593	859	-	859
Sura Piset Thipparat Co., Ltd.	-	-	-	-	-	-	414	-	414	600	-	600
Thai Alcohol PCL.	-	-	-	-	-	-	811	-	811	1,145	-	1,145
Num Yuk Co., Ltd.	-	-	-	-	-	-	210	-	210	155	-	155
Num Palang Co., Ltd.	-	-	-	-	-	-	28	-	28	-	-	-
Bang-Na Logistic Co., Ltd.	-	-	-	-	-	-	40	-	40	-	-	-
International Beverage Holdings Ltd.	-	-	-	-	-	-	136	-	136	196	-	196
Sura Piset Phatra Lanna Co., Ltd.	-	-	-	-	-	-	235	-	235	340	-	340
<b>Total subsidiaries</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,747</b>	<b>-</b>	<b>6,747</b>	<b>9,411</b>	<b>-</b>	<b>9,411</b>
<b><i>Other related companies</i></b>												
North Park Real Estate Co., Ltd.	-	21	21	-	-	-	-	-	-	-	-	-
Best Fortune Property and Loan Fund	-	9	9	-	-	-	-	-	-	-	-	-
T.C.C. Technology Co., Ltd.	-	8	8	-	-	-	-	8	8	-	7	7
North Park Golf And Sport Club Co., Ltd.	-	6	6	-	-	-	-	3	3	-	-	-
Others	-	8	8	-	1	1	-	-	-	-	-	-
<b>Total other related companies</b>	<b>-</b>	<b>52</b>	<b>52</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>11</b>	<b>11</b>	<b>-</b>	<b>7</b>	<b>7</b>
<b>Total</b>	<b>-</b>	<b>52</b>	<b>52</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>6,747</b>	<b>11</b>	<b>6,758</b>	<b>9,411</b>	<b>7</b>	<b>9,418</b>



**Thai Beverage Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month and six-month periods ended 30 June 2008 (Unaudited)**

*Short-term loans from and amounts due to related parties*

	Consolidated financial statements						Separate financial statements					
	30 June 2008			31 December 2007			30 June 2008			31 December 2007		
	Short-term loans from	Amounts due to	Total	Short-term loans from	Amounts due to	Total	Short-term loans from	Amounts due to	Total	Short-term loans from	Amounts due to	Total
	<i>(in million Baht)</i>											
<b>Subsidiaries</b>												
Beer Thip Brewery (1991) Co., Ltd.	-	-	-	-	-	-	1,075	16	1,091	129	12	141
Sangsom Co., Ltd.	-	-	-	-	-	-	675	5	680	-	-	-
Fuengfuanant Co., Ltd.	-	-	-	-	-	-	21	1	22	-	-	-
Athimart Co., Ltd.	-	-	-	-	-	-	39	-	39	45	-	45
S.S. Karnsura Co., Ltd.	-	-	-	-	-	-	160	1	161	50	-	50
Kankwan Co., Ltd.	-	-	-	-	-	-	89	-	89	-	-	-
Theparunothai Co., Ltd.	-	-	-	-	-	-	110	1	111	-	1	1
United Winery and Distillery Co., Ltd.	-	-	-	-	-	-	103	1	104	193	2	195
Pomthip Co., Ltd.	-	-	-	-	-	-	29	1	30	39	2	41
Pomkit Co., Ltd.	-	-	-	-	-	-	-	1	1	80	4	84
Pomkung Co., Ltd.	-	-	-	-	-	-	91	1	92	29	2	31
Pomchok Co., Ltd.	-	-	-	-	-	-	98	2	100	25	2	27
Pomcharoen Co., Ltd.	-	-	-	-	-	-	-	-	-	-	1	1
Pomburapa Co., Ltd.	-	-	-	-	-	-	-	1	1	-	1	1
Num Kijjakarn Co., Ltd.	-	-	-	-	-	-	115	-	115	406	2	408
Num Muang Co., Ltd.	-	-	-	-	-	-	28	-	28	-	-	-
Num Nakorn Co., Ltd.	-	-	-	-	-	-	96	-	96	100	-	100
Num Thurakij Co., Ltd.	-	-	-	-	-	-	30	-	30	65	-	65
Krittayabun Co., Ltd.	-	-	-	-	-	-	234	1	235	189	9	198
Surathip Co., Ltd.	-	-	-	-	-	-	136	1	137	10	5	15
Sunthronpirom Co., Ltd.	-	-	-	-	-	-	119	1	120	81	1	82
Piromsurang Co., Ltd.	-	-	-	-	-	-	102	1	103	64	1	65
Bionic Humus Co., Ltd.	-	-	-	-	-	-	258	1	259	121	-	121
Thai Molasses Co., Ltd.	-	-	-	-	-	-	22	-	22	22	-	22
Additive Food Co., Ltd.	-	-	-	-	-	-	25	-	25	-	-	-
Pan International (Thailand) Co., Ltd.	-	-	-	-	-	-	15	-	15	-	-	-
Charun Business 52 Co., Ltd.	-	-	-	-	-	-	10	-	10	-	-	-

**Thai Beverage Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month and six-month periods ended 30 June 2008 (Unaudited)**

*Short-term loans from and amounts due to related parties*

	Consolidated financial statements						Separate financial statements					
	30 June 2008			31 December 2007			30 June 2008			31 December 2007		
	Short-term loans from	Amounts due to	Total	Short-term loans from	Amounts due to	Total	Short-term loans from	Amounts due to	Total	Short-term loans from	Amounts due to	Total
	<i>(in million Baht)</i>											
<i>Subsidiaries (continued)</i>												
Bang-Na Logistic Co., Ltd.	-	-	-	-	-	-	-	-	-	30	-	30
Thai Beverage Logistics Co., Ltd.	-	-	-	-	-	-	198	1	199	-	-	-
Thai Beverage Marketing Co., Ltd.	-	-	-	-	-	-	50	-	50	150	1	151
Dhospaak Co., Ltd.	-	-	-	-	-	-	25	5	30	-	14	14
International Beverage Holdings Ltd.	-	-	-	-	-	-	-	-	-	-	1	1
Cosmos Brewery (Thailand) Co., Ltd.	-	-	-	-	-	-	132	2	134	177	3	180
Beer Chang Co., Ltd.	-	-	-	-	-	-	97	1	98	-	1	1
Archa Beer Co., Ltd.	-	-	-	-	-	-	55	-	55	35	-	35
<b>Total subsidiaries</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,237</b>	<b>45</b>	<b>4,282</b>	<b>2,040</b>	<b>65</b>	<b>2,105</b>
<i>Other related companies</i>												
The Southeast Insurance (2000) Co., Ltd.	-	122	122	-	19	19	-	5	5	-	-	-
Plaza Athenee Hotel (Thailand) Co., Ltd.	-	17	17	-	10	10	-	-	-	-	-	-
Southeast Capital Co., Ltd.	-	11	11	-	14	14	-	-	-	-	2	2
T.C.C. Technology Co., Ltd.	-	11	11	-	11	11	-	10	10	-	7	7
TCC Hotel Collection Co., Ltd.	-	5	5	-	10	10	-	-	-	-	1	1
Others	-	8	8	-	5	5	-	-	-	-	-	-
<b>Total other related companies</b>	<b>-</b>	<b>174</b>	<b>174</b>	<b>-</b>	<b>69</b>	<b>69</b>	<b>-</b>	<b>15</b>	<b>15</b>	<b>-</b>	<b>10</b>	<b>10</b>
<b>Total</b>	<b>-</b>	<b>174</b>	<b>174</b>	<b>-</b>	<b>69</b>	<b>69</b>	<b>4,237</b>	<b>60</b>	<b>4,297</b>	<b>2,040</b>	<b>75</b>	<b>2,115</b>

**Thai Beverage Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month and six-month periods ended 30 June 2008 (Unaudited)**

*Long-term loans from and amounts due to related parties*

	Consolidated financial statements						Separate financial statements					
	30 June 2008			31 December 2007			30 June 2008			31 December 2007		
	Long-term loans from	Amounts due to	Total	Long -term loans from	Amounts due to	Total	Long -term loans from	Amounts due to	Total	Long -term loans from	Amounts due to	Total
	<i>(in million Baht)</i>											
<b>Subsidiaries</b>												
Beer Thip Brewery (1991) Co., Ltd.	-	-	-	-	-	-	2,910	-	2,910	2,910	-	2,910
Sangsom Co., Ltd.	-	-	-	-	-	-	400	-	400	-	-	-
Fuengfuanant Co., Ltd.	-	-	-	-	-	-	124	-	124	90	-	90
Mongkolsamai Co., Ltd.	-	-	-	-	-	-	59	-	59	104	-	104
Athimart Co., Ltd.	-	-	-	-	-	-	40	-	40	-	-	-
Theparunothai Co., Ltd.	-	-	-	-	-	-	148	-	148	133	-	133
United Winery and Distillery Co., Ltd.	-	-	-	-	-	-	210	-	210	210	-	210
Pomthip Co., Ltd.	-	-	-	-	-	-	389	-	389	329	-	329
Pomkit Co., Ltd.	-	-	-	-	-	-	396	-	396	682	-	682
Pomkung Co., Ltd.	-	-	-	-	-	-	309	-	309	309	-	309
Pomchok Co., Ltd.	-	-	-	-	-	-	526	-	526	426	-	426
Pomcharoen Co., Ltd.	-	-	-	-	-	-	128	-	128	115	-	115
Pomburapa Co., Ltd.	-	-	-	-	-	-	383	-	383	284	-	284
Krittayabun Co., Ltd.	-	-	-	-	-	-	101	-	101	101	-	101
Surathip Co., Ltd.	-	-	-	-	-	-	24	-	24	-	-	-
Sunthronpirom Co., Ltd.	-	-	-	-	-	-	178	-	178	178	-	178
Piromsurang Co., Ltd.	-	-	-	-	-	-	78	-	78	78	-	78
Pan International (Thailand) Co., Ltd.	-	-	-	-	-	-	10	-	10	10	-	10
Charun Business 52 Co., Ltd.	-	-	-	-	-	-	10	-	10	10	-	10
Thai Cooperage Co., Ltd.	-	-	-	-	-	-	71	-	71	71	-	71
Thai Beverage Marketing Co., Ltd.	-	-	-	-	-	-	50	-	50	50	-	50
Dhospaak Co., Ltd.	-	-	-	-	-	-	10	-	10	10	-	10
Cosmos Brewery (Thailand) Co., Ltd.	-	-	-	-	-	-	320	-	320	320	-	320
Beer Chang Co., Ltd.	-	-	-	-	-	-	45	-	45	107	-	107
Archa Beer Co., Ltd.	-	-	-	-	-	-	13	-	13	13	-	13
<b>Total subsidiaries</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,932</b>	<b>-</b>	<b>6,932</b>	<b>6,540</b>	<b>-</b>	<b>6,540</b>



**Thai Beverage Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month and six-month periods ended 30 June 2008 (Unaudited)**

*Long-term loans from and amounts due to related parties*

	Consolidated financial statements						Separate financial statements					
	30 June 2008			31 December 2007			30 June 2008			31 December 2007		
	Long-term loans from	Amounts due to	Total	Long -term loans from	Amounts due to	Total	Long -term loans from	Amounts due to	Total	Long -term loans from	Amounts due to	Total
<i>Other related companies</i>												
Southeast Capital Co., Ltd.	-	5	5	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>5</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,932</b>	<b>-</b>	<b>6,932</b>	<b>6,540</b>	<b>-</b>	<b>6,540</b>

(in million Baht)



**Thai Beverage Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month and six-month periods ended 30 June 2008 (Unaudited)**

*Significant agreements with related parties*

*Supporting service agreements*

The Company entered into the supporting service agreements with subsidiaries for the supporting service such as human resource, administration, accounting, finance, public relations, public coordination, technology, law, secretary and share register and internal audit for the period of one year from 1 January 2004 to 31 December 2004. Unless there are notifications to terminate the agreement within 30 days before the expiry date, this agreement continues to be in effect for the successive one year term. The subsidiaries are committed to pay a service fee at the rate of 0.5% of their principal revenue.

Up to date, supporting service fee rate was adjusted to 1% of the principal revenue. Service fee rate was adjusted for development of new product, experiment and quality test, analysis, research and marketing survey for new products and procurement of information.

*Application service provisioning agreement*

The Company entered into the application service provisioning agreement with T.C.C. Technology Co., Ltd., a related party, for the providing ongoing support and maintenance of the systems and infrastructure and is committed to pay system, hardware and software rental fee and service fee on monthly basis throughout the contract period for five years.

*Procurement agreement*

The Group entered into the procurement agreement with Pan International (Thailand) Company Limited, the Company's subsidiary, for necessary purchase and procurement services to the Group. The Group is committed to pay procurement fee at 1% of the value of goods and services purchased under such agreement.

*Molasses purchase agreements*

Thai Molasses Co., Ltd., the Company's subsidiary, entered into the molasses purchase agreements with various related companies in order to sell to other subsidiary companies within the Group. The term and condition as specified in the agreements is that the sellers would sell molasses to the buyers in specified quantity, price, quality, delivery and received, payments, responsibility, weight, sample analysis on molasses, and quality control, etc. These were mutually agreed by the parties.

*Glass bottle purchase and sale agreement*

Bang-Na Logistic Co., Ltd., the Company's subsidiary, entered into the glass bottle purchase and sale agreement with Berli Jucker Public Company Limited, a related party, to purchase various types of new glass bottles in order to sell to other subsidiaries within the Group for a period of two years and eight months, effective date from 1 May 2007 to 31 December 2009 under the price and condition stated in the contract.

**Thai Beverage Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month and six-month periods ended 30 June 2008 (Unaudited)**

*License agreements*

- Three subsidiaries entered into license agreements with Beer Chang Co., Ltd., Archa Beer Co., Ltd., and Thai Beverage Brands Co., Ltd. the Company's subsidiaries, in order to receive the rights and obligations in drinking water, soda water, beer, draft beer and lager beer under the trade names of "CHANG", "ARCHA" and "FEDERBRAU". Subsidiaries are committed to pay fee at a rate of 2% based on net sale at price distributing at the factory (excluding VAT) after deducting the excise tax and health promotion fund.
- Sura Bangyikhan Co., Ltd., the Company's subsidiary, entered into license agreements with 12 subsidiaries to provide the rights to use trademark for white liquor and Chiang - Chun blended liquor as stipulated in the agreement. The trademark fee at Baht 0.50-1.50 per bottle based on contents of each type of bottles.

*Commitments with related parties*

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	30 June	31 December	30 June	31 December
	2008	2007	2008	2007
	<i>(in million Baht)</i>			
<b><i>Non-cancellable operating lease commitments</i></b>				
Within one year	164	131	21	22
After one year but within five years	264	228	35	32
After five years	16	17	-	-
<b>Total</b>	<b>444</b>	<b>376</b>	<b>56</b>	<b>54</b>
<b><i>Other commitments</i></b>				
Application service provisioning agreement	122	142	122	142
Brewing supervision agreement	30	30	-	-
Molasses purchase agreements	34	-	-	-
Other agreements	6	4	8	17
<b>Total</b>	<b>192</b>	<b>176</b>	<b>130</b>	<b>159</b>

**Thai Beverage Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month and six-month periods ended 30 June 2008 (Unaudited)**

**6 Other investments**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	30 June 2008	31 December 2007	30 June 2008	31 December 2007
	<i>(in million Baht)</i>			
<b><i>Current investments</i></b>				
Short-term deposits at financial institutions	9	8	-	-
<b><i>Other long term investments</i></b>				
Other non marketable equity securities	8	8	-	-
Less allowance for decline in value of investments	(4)	(4)	-	-
<b>Net</b>	<b>4</b>	<b>4</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>13</b>	<b>12</b>	<b>-</b>	<b>-</b>

**7 Trade accounts receivable**

	<i>Note</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		30 June 2008	31 December 2007	30 June 2008	31 December 2007
		<i>(in million Baht)</i>			
Related parties	5	15	14	-	-
Other parties		1,095	1,608	-	-
		1,110	1,622	-	-
Less allowance for doubtful accounts		(155)	(155)	-	-
<b>Total</b>		<b>955</b>	<b>1,467</b>	<b>-</b>	<b>-</b>

**Thai Beverage Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month and six-month periods ended 30 June 2008 (Unaudited)**

Aging analyses for trade accounts receivable were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	30 June 2008	31 December 2007	30 June 2008	31 December 2007
	<i>(in million Baht)</i>			
<b>Related parties</b>				
Within credit terms	8	10	-	-
Overdue:				
Less than 3 months	7	4	-	-
	<u>15</u>	<u>14</u>	<u>-</u>	<u>-</u>
<b>Other parties</b>				
Within credit terms	717	979	-	-
Overdue:				
Less than 3 months	192	353	-	-
3-6 months	23	64	-	-
6-12 months	10	72	-	-
Over 12 months	153	140	-	-
	<u>1,095</u>	<u>1,608</u>	<u>-</u>	<u>-</u>
Less allowance for doubtful accounts	(155)	(155)	-	-
<b>Net</b>	<u>940</u>	<u>1,453</u>	<u>-</u>	<u>-</u>
<b>Total</b>	<u>955</u>	<u>1,467</u>	<u>-</u>	<u>-</u>

The normal credit term granted by the Group ranges from 7 days to 180 days.

**8 Investments in subsidiaries and associates**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2008	2007	2008	2007
	<i>(in million Baht)</i>			
At 1 January	124	135	71,470	63,595
Acquisitions	-	-	869	6,845
Translation differences on consolidation	(1)	(36)	-	-
<b>At 30 June</b>	<u>123</u>	<u>99</u>	<u>72,339</u>	<u>70,440</u>

The consolidated financial statements of the Company for the six-month period ended 30 June 2008 include the financial statements of two subsidiary companies as follows: United Products Co., Ltd. and S P M Foods and Beverages Co., Ltd., which the financial statements were prepared by their management and which have not been reviewed by the auditors. The total assets of these subsidiary companies represent 0.94% of the consolidated assets as at 30 June 2008 and their revenues represent 1.22% of the consolidated revenues for the six-month period then ended.

**Thai Beverage Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month and six-month periods ended 30 June 2008 (Unaudited)**

Investments in subsidiaries and associates as at 30 June 2008 and 31 December 2007 were as follows:

	<b>Consolidated financial statements</b>							
	Ownership interest		Paid-up capital		Cost method		Equity method	
	30 June 2008	31 December 2007	30 June 2008	31 December 2007	30 June 2008	31 December 2007	30 June 2008	31 December 2007
	(%)				(in million Baht)			
<b>Associates</b>								
<i>Held by subsidiaries of indirect subsidiaries</i>								
Liquorland Limited	49.49	49.49	69	69	18	18	123	124
Inver House Polska Limited	44.00	44.00	8	8	4	4	-	-
Inver House Distribution SA	50.02	50.02	2	2	1	1	-	-
<b>Total</b>			<b>79</b>	<b>79</b>	<b>23</b>	<b>23</b>	<b>123</b>	<b>124</b>

**Thai Beverage Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month and six-month periods ended 30 June 2008 (Unaudited)**

	Separate financial statements							
	Ownership interest		Paid-up capital		Cost method		Dividend income for six months ended	
	30 June 2008	31 December 2007 (%)	30 June 2008	31 December 2007	30 June 2008	31 December 2007	30 June 2008	30 June 2007
	<i>(in million Baht)</i>							
<b>Direct subsidiaries</b>								
Beer Thai (1991) PCL.	100.00	100.00	5,550	5,550	12,500	12,500	117	1,870
Beer Thip Brewery (1991) Co., Ltd.	100.00	100.00	6,600	6,600	12,500	12,500	462	1,617
Sangsom Co., Ltd.	100.00	100.00	7,500	7,500	7,500	7,500	-	750
Fuengfuanant Co., Ltd.	100.00	100.00	900	900	900	900	32	253
Mongkolsamai Co., Ltd.	100.00	100.00	700	700	700	700	21	-
Thanapakdi Co., Ltd.	100.00	100.00	700	700	700	700	17	36
Kanchanasingkorn Co., Ltd.	100.00	100.00	700	700	700	700	17	85
Sura Bangyikhan Co., Ltd.	100.00	100.00	4,000	4,000	4,000	4,000	180	228
Athimart Co., Ltd.	100.00	100.00	900	900	900	900	63	237
S.S. Karnsura Co., Ltd.	100.00	100.00	800	800	800	800	72	326
Kankwan Co., Ltd.	100.00	100.00	800	800	800	800	40	244
Theparunothai Co., Ltd.	100.00	100.00	700	700	700	700	63	134
Red Bull Distillery (1988) Co., Ltd.	100.00	100.00	5,000	5,000	5,000	5,000	125	-
United Winery and Distillery Co., Ltd.	100.00	100.00	1,800	1,800	1,800	1,800	27	52
Simathurakij Co., Ltd.	100.00	100.00	900	900	889	889	54	104
Nateechai Co., Ltd.	100.00	100.00	800	800	800	800	8	101
Luckchai Liquor Trading Co., Ltd.	100.00	100.00	800	800	766	766	-	70
Sura Piset Thipparat Co., Ltd.	100.00	100.00	500	500	510	510	-	-
Thai Alcohol PCL.	100.00	100.00	800	800	1,374	1,374	-	357
Pomthip Co., Ltd.	100.00	100.00	10	10	10	10	27	190
Pomkit Co., Ltd.	100.00	100.00	10	10	10	10	51	281
Pomkung Co., Ltd.	100.00	100.00	10	10	10	10	34	173
Pomchok Co., Ltd.	100.00	100.00	10	10	10	10	57	359
Pomcharoen Co., Ltd.	100.00	100.00	10	10	10	10	17	16
Pomburapa Co., Ltd.	100.00	100.00	10	10	10	10	36	255
Num Yuk Co., Ltd.	100.00	100.00	10	10	10	10	112	631
Num Kijjakarn Co., Ltd.	100.00	100.00	10	10	10	10	133	1,077
Num Palang Co., Ltd.	100.00	100.00	10	10	10	10	61	257



**Thai Beverage Public Company Limited and its Subsidiaries**  
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	Separate financial statements							
	Ownership interest		Paid-up capital		Cost method		Dividend income for six months ended	
	30 June 2008	31 December 2007	30 June 2008	31 December 2007	30 June 2008	31 December 2007	30 June 2008	30 June 2007
		(%)			(in million Baht)			
<b>Direct subsidiaries (continued)</b>								
Num Muang Co., Ltd.	100.00	100.00	10	10	10	10	101	400
Num Nakorn Co., Ltd.	100.00	100.00	10	10	10	10	64	168
Num Thurakij Co., Ltd.	100.00	100.00	10	10	10	10	77	306
Thipchalothorn Co., Ltd.	100.00	100.00	1	1	3	3	-	214
Krittayabun Co., Ltd.	100.00	100.00	5	5	27	27	38	241
Surathip Co., Ltd.	100.00	100.00	1	1	7	7	32	649
Sunthronpirom Co., Ltd.	100.00	100.00	5	5	25	25	50	951
Piromsurang Co., Ltd.	100.00	100.00	5	5	24	24	20	654
Bionic Humus Co., Ltd.	100.00	100.00	690	350	694	354	-	-
Wrangyer Beverage (2008) Co., Ltd. (Formerly: Maharas Agri Co., Ltd.)	100.00	100.00	200	2	200	2	-	-
Thai Molasses Co., Ltd.	99.72	99.72	40	40	35	35	-	76
Additive Food Co., Ltd.	100.00	100.00	1	1	32	32	10	36
Pan International (Thailand) Co., Ltd.	100.00	100.00	1	1	34	34	9	65
Charun Business 52 Co., Ltd.	100.00	100.00	122	122	84	84	-	-
Thai Cooperage Co., Ltd.	100.00	100.00	300	300	296	296	-	31
Bang-Na Logistic Co., Ltd.	100.00	100.00	123	123	134	134	-	53
Thai Beverage Logistics Co., Ltd.	100.00	100.00	262	12	262	12	-	64
Thai Beverage Marketing Co., Ltd.	100.00	100.00	300	300	300	300	99	100
Dhanasindhi Co., Ltd.	100.00	100.00	20	20	24	24	6	20
Dhospaak Co., Ltd.	100.00	100.00	25	25	61	61	11	20
International Beverage Holdings Ltd.	100.00	100.00	6,841	6,760	6,841	6,760	-	-
Cosmos Brewery (Thailand) Co., Ltd.	100.00	100.00	1,667	1,667	4,212	4,212	125	1,427
Thai Beverage Brands Co., Ltd. (Formerly: T.C.C. Cosmo Corp., Ltd.)	100.00	100.00	5	5	39	39	-	3
Beer Chang Co., Ltd.	100.00	100.00	1	1	4,301	4,301	52	190
Archa beer Co., Ltd.	100.00	100.00	1	1	130	130	29	30
Sura Piset Phatra Lanna Co., Ltd.	100.00	100.00	600	600	615	615	-	-
<b>Total</b>			<b>51,786</b>	<b>50,917</b>	<b>72,339</b>	<b>71,470</b>	<b>2,549</b>	<b>15,401</b>

**Thai Beverage Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month and six-month periods ended 30 June 2008 (Unaudited)**

**9 Property, plant and equipment**

Acquisitions and disposals of property, plant and equipment during the six-month periods ended 30 June 2008 and 2007 were as follows:

	<b>Consolidated financial statements</b>			
	2008		2007	
	Acquisitions - at cost	Disposals - net book value <i>(in million Baht)</i>	Acquisitions - at cost	Disposals - net book value
Land	55	-	24	(546)
Land improvement	-	(1)	1	-
Buildings and improvements	127	(1)	9	(1)
Machinery and equipment	324	(10)	64	(9)
Furniture, fixtures and office equipment	27	-	30	-
Vehicles	68	(2)	7	(4)
Construction in progress	366	-	491	(210)
<b>Total</b>	<b>967</b>	<b>(14)</b>	<b>626</b>	<b>(770)</b>

  

	<b>Separate financial statements</b>			
	2008		2007	
	Acquisitions - at cost	Disposals - net book value <i>(in million Baht)</i>	Acquisitions - at cost	Disposals - net book value
Land	-	-	-	(545)
Furniture, fixtures and office equipment	7	-	1	-
Vehicles	2	(1)	-	-
Construction in progress	-	-	-	(210)
<b>Total</b>	<b>9</b>	<b>(1)</b>	<b>1</b>	<b>(755)</b>

**Thai Beverage Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month and six-month periods ended 30 June 2008 (Unaudited)**

**10 Interest-bearing liabilities**

	<i>Note</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		30 June 2008	31 December 2007	30 June 2008	31 December 2007
<i>(in million Baht)</i>					
<b>Current</b>					
Bank overdrafts					
Secured		581	899	-	-
Unsecured		12	101	1	-
Short-term loans from financial institutions					
Unsecured		9,690	4,998	5,600	4,798
Bank overdraft and short-term loans from financial institutions		<b>10,283</b>	<b>5,998</b>	<b>5,601</b>	<b>4,798</b>
Current portion of long-term guaranteed bonds					
Guaranteed / Negative pledge		-	3,000	-	3,000
Current portion of long-term loans					
Guaranteed / Negative pledge		-	1,755	-	1,755
Unsecured		2,775	-	2,775	-
Short-term loans from related parties					
Unsecured	5	-	-	4,237	2,040
		<b>13,058</b>	<b>10,753</b>	<b>12,613</b>	<b>11,593</b>
<b>Non-current</b>					
Long-term loans from financial institutions					
Unsecured		2,625	5,400	2,625	5,400
Long-term loans from related parties					
Unsecured	5	-	-	6,932	6,540
		<b>2,625</b>	<b>5,400</b>	<b>9,557</b>	<b>11,940</b>
<b>Total</b>		<b>15,683</b>	<b>16,153</b>	<b>22,170</b>	<b>23,533</b>

The periods to maturity of interest-bearing liabilities as at 30 June 2008 and 31 December 2007 were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	30 June 2008	31 December 2007	30 June 2008	31 December 2007
<i>(in million Baht)</i>				
Within one year	13,058	10,753	12,613	11,593
After one year but within five years	2,625	5,400	9,557	11,940
<b>Total</b>	<b>15,683</b>	<b>16,153</b>	<b>22,170</b>	<b>23,533</b>

**Thai Beverage Public Company Limited and its Subsidiaries**  
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As at 30 June 2008 the Group had unutilised credit facilities totalling Baht 18,174 million (*31 December 2007: Baht 24,724 million*).

The principal features of the borrowings were as follows:

- (a) Bank overdrafts are repayable on demand as at 30 June 2008, the Group has a total overdraft facilities amounting to Baht 3,946 million (*31 December 2007: Baht 3,714 million*) which is partially guaranteed by five subsidiaries.
- (b) Short-term loans from financial institutions as at 30 June 2008, the Group has short-term loan facilities from several financial institutions totalling Baht 24,510 million (*31 December 2007: Baht 25,010 million*) with money market rate quoted by bank. The Group utilised those facilities in term of promissory notes issued by the Group to several domestic financial institutions totalling Baht 9,690 million (*31 December 2007: Baht 3,000 million*).

In 2007, the Company issued and offered short-term bill of exchange amounting to Baht 5,000 million to two financial institutions, the said bills represents short-term bill of exchange offered to and exchanged among institutional investors and/or substantial high net worth investors as prescribed in accordance with Notifications of the Securities and Exchange Commission. The Company repaid the short-term bill of exchange at maturity during November 2007 and January 2008. The Company fully repaid the short-term bill of exchange in January 2008 and there was no outstanding balance as at 30 June 2008 (*31 December 2007: Baht 2,000 million*).

- (c) Long-term loan and its current portion as at 31 December 2006 were loan agreements with eight financial institutions to obtain long-term borrowings totalling Baht 26,600 million. Of this, the principal of Baht 23,600 million has a grace period of 2 years and is to be repaid in 36 monthly installments, Baht 654.22 million each for the first 35 installments and Baht 702.2 million for the last installment, from 28 April 2008 to 31 March 2011 with interest at the fixed rates of 5.75% and 6% per annum for the first and the second years, respectively, and MLR-1.5% to MLR-1.75% per annum from the third year onwards, payable monthly, commencing in March 2006. The remaining principal of Baht 3,000 million is to be repaid in eight quarterly installments, Baht 375 million each, from 28 June 2006 to 28 March 2008 with a fixed interest rate of 5.70% per annum, payable quarterly, commencing in June 2006.

The borrowings are fully co-guaranteed by four subsidiaries with a negative pledge made by 17 subsidiaries whereby these subsidiaries agree not to sell, transfer, mortgage, pledge, encumber or grant any preferential right in relation to their land, buildings, plant and machinery.

In 2006 and 2007, the Company partially repaid long-term loans amounting to Baht 22,220 million with accrued interest to seven financial institutions and the interest rate in the second year decrease from 6% to 5% per annum. Subsequently, in March 2008, the Company fully prepaid the remaining long-term loans of Baht 1,380 million with accrued interest to the financial institutions. The fully co-guarantee by four subsidiaries and the negative pledge made by 17 subsidiaries were terminated in March 2008.

**Thai Beverage Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month and six-month periods ended 30 June 2008 (Unaudited)**

In 2007, the Company entered into a long-term loan agreement with a financial institution in the amount of Baht 4,500 million which is to be repaid monthly in 12 installments, Baht 375 million each, commencing in February 2009. Interest is payable monthly at 5.60% per annum for the first year and 5.75% per annum afterwards. Subsequently, the Company has been granted the reduction of interest rate to be 4.50% per annum for the first year and 4.75% per annum afterwards. In addition, the Company entered into a long-term loan agreement with a financial institution in the amount of Baht 900 million which is to be repaid in 2009. The interest is payable monthly at 3.9625% per annum.

**11 Trade accounts payable**

	<i>Note</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		30 June 2008	31 December 2007	30 June 2008	31 December 2007
		<i>(in million Baht)</i>			
Related parties	5	712	680	-	-
Other parties		1,739	1,569	-	-
<b>Total</b>		<b>2,451</b>	<b>2,249</b>	<b>-</b>	<b>-</b>

**12 Segment information**

Segment information is presented in respect of the Group's business and geographical segments. The primary format, business segments, is based on the Group's management and internal reporting structure.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

In preparing segmental information, those liabilities and related interest expense that are not specifically attributable to a particular segment are allocated on a percentage of net assets basis. Management believes this to be a fair indication of the actual use of the liabilities.

Inter-segment transactions are eliminated on consolidation.

***Business segments***

The Group comprises the following main business segments:

<i>Beer</i>	Production and sales of branded beer products (mostly outside the group);
<i>Spirits</i>	Production and sales of branded spirits products (mostly outside the group);
<i>Non-alcoholic beverages</i>	Production and sales of branded soda, water, energy drinks and fruit drinks products (mostly outside the group); and
<i>Alcohol</i>	Production and sales of alcohol (mostly outside the group)

**Thai Beverage Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month and six-month periods ended 30 June 2008 (Unaudited)**

*Geographical segments*

Operating units of the Group are mainly located in Thailand. Portions of product produced from these units are exported directly or indirectly through foreign subsidiaries to external customers. Certain operating units of subsidiaries are located in foreign countries.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

**Thai Beverage Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month and six-month periods ended 30 June 2008 (Unaudited)**

*Business segment results*

Revenue and results, based on business segments, in the consolidated financial statements for the three-month periods ended 30 June 2008 and 2007 were as follows:

	<b>Beer</b>		<b>Spirits</b>		<b>Non-alcoholic beverages</b>		<b>Alcohol</b>		<b>Elimination</b>		<b>Total</b>	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	<i>(in million Baht)</i>											
Revenue from sales	9,402	10,722	14,273	12,574	221	-	267	131	180	(281)	24,343	23,146
Interest income	5	7	15	5	-	-	-	1	(10)	(1)	10	12
Other income	49	4	136	34	2	-	1	12	(8)	(5)	180	45
<b>Total revenues</b>	<b>9,456</b>	<b>10,733</b>	<b>14,424</b>	<b>12,613</b>	<b>223</b>	<b>-</b>	<b>268</b>	<b>144</b>	<b>162</b>	<b>(287)</b>	<b>24,533</b>	<b>23,203</b>
Cost of sales	7,804	8,310	9,391	8,127	164	-	244	135	172	(292)	17,775	16,280
Selling and administrative expenses	1,364	1,474	1,644	1,595	89	-	59	31	6	(3)	3,162	3,097
<b>Total expenses</b>	<b>9,168</b>	<b>9,784</b>	<b>11,035</b>	<b>9,722</b>	<b>253</b>	<b>-</b>	<b>303</b>	<b>166</b>	<b>178</b>	<b>(295)</b>	<b>20,937</b>	<b>19,377</b>
<b>Profit (loss) before interest and income tax expenses</b>	<b>288</b>	<b>949</b>	<b>3,389</b>	<b>2,891</b>	<b>(30)</b>	<b>-</b>	<b>(35)</b>	<b>(22)</b>	<b>(16)</b>	<b>8</b>	<b>3,596</b>	<b>3,826</b>
Interest expense	38	69	85	183	13	-	4	9	(10)	(1)	130	260
Income tax expense	133	707	959	477	(16)	-	1	-	-	-	1,077	1,184
<b>Profit (loss) for the period</b>	<b>117</b>	<b>173</b>	<b>2,345</b>	<b>2,231</b>	<b>(27)</b>	<b>-</b>	<b>(40)</b>	<b>(31)</b>	<b>(6)</b>	<b>9</b>	<b>2,389</b>	<b>2,382</b>

**Thai Beverage Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month and six-month periods ended 30 June 2008 (Unaudited)**

Business segments capital expenditure, depreciation and amortisation for the three-month periods ended 30 June 2008 and 2007 were as follows:

	<b>Beer</b>		<b>Spirits</b>		<b>Non-alcoholic beverages</b>		<b>Alcohol</b>		<b>Total</b>	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	<i>(in million Baht)</i>									
<b>Capital expenditure</b>										
- Property, plant and equipment	28	64	172	206	3	-	2	22	205	292
- Intangible assets	1	-	55	-	-	-	-	-	56	-
Depreciation	532	582	590	581	78	-	48	48	1,248	1,211
Amortisation	1	1	8	12	-	-	-	-	9	13



**Thai Beverage Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month and six-month periods ended 30 June 2008 (Unaudited)**

*Business segment results*

Revenue and results, based on business segments, in the consolidated financial statements for the six-month periods ended 30 June 2008 and 2007 were as follows:

	<b>Beer</b>		<b>Spirits</b>		<b>Non-alcoholic beverages</b>		<b>Alcohol</b>		<b>Elimination</b>		<b>Total</b>	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	<i>(in million Baht)</i>											
Revenue from sales	21,272	23,086	28,719	26,162	365	-	757	350	(30)	(491)	51,083	49,107
Interest income	6	12	25	10	-	-	-	1	(19)	(3)	12	20
Other income	55	50	178	103	5	-	2	15	(13)	(9)	227	159
<b>Total revenues</b>	<b>21,333</b>	<b>23,148</b>	<b>28,922</b>	<b>26,275</b>	<b>370</b>	<b>-</b>	<b>759</b>	<b>366</b>	<b>(62)</b>	<b>(503)</b>	<b>51,322</b>	<b>49,286</b>
Cost of sales	17,096	17,864	19,048	16,936	293	-	678	321	(32)	(531)	37,083	34,590
Selling and administrative expenses	2,876	2,913	3,516	3,248	159	-	89	63	13	(8)	6,653	6,216
<b>Total expenses</b>	<b>19,972</b>	<b>20,777</b>	<b>22,564</b>	<b>20,184</b>	<b>452</b>	<b>-</b>	<b>767</b>	<b>384</b>	<b>(19)</b>	<b>(539)</b>	<b>43,736</b>	<b>40,806</b>
<b>Profit (loss) before interest and income tax expenses</b>	<b>1,361</b>	<b>2,371</b>	<b>6,358</b>	<b>6,091</b>	<b>(82)</b>	<b>-</b>	<b>(8)</b>	<b>(18)</b>	<b>(43)</b>	<b>36</b>	<b>7,586</b>	<b>8,480</b>
Interest expense	82	141	191	400	26	-	10	19	(19)	(3)	290	557
Income tax expense	400	1,181	1,902	1,481	(27)	-	2	1	-	-	2,277	2,663
<b>Profit (loss) for the period</b>	<b>879</b>	<b>1,049</b>	<b>4,265</b>	<b>4,210</b>	<b>(81)</b>	<b>-</b>	<b>(20)</b>	<b>(38)</b>	<b>(24)</b>	<b>39</b>	<b>5,019</b>	<b>5,260</b>

**Thai Beverage Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month and six-month periods ended 30 June 2008 (Unaudited)**

Business segments capital expenditure, depreciation and amortisation for the six-month periods ended 30 June 2008 and 2007 were as follows:

	<b>Beer</b>		<b>Spirits</b>		<b>Non-alcoholic beverages</b>		<b>Alcohol</b>		<b>Total</b>	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	<i>(in million Baht)</i>									
<b>Capital expenditure</b>										
- Property, plant and equipment	96	122	429	475	423	-	19	29	967	626
- Intangible assets	2	3	56	8	2	-	-	-	60	11
Depreciation	1,062	1,159	1,175	1,159	143	-	95	97	2,475	2,415
Amortisation	2	2	15	23	-	-	-	-	17	25

**Thai Beverage Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month and six-month periods ended 30 June 2008 (Unaudited)**

***Business segments financial position***

Business segment assets and liabilities as at 30 June 2008 and 31 December 2007 were as follows:

	<b>Beer</b>		<b>Spirits</b>		<b>Non-alcoholic beverages</b>		<b>Alcohol</b>		<b>Total</b>	
	30 June 2008	31 December 2007	30 June 2008	31 December 2007	30 June 2008	31 December 2007	30 June 2008	31 December 2007	30 June 2008	31 December 2007
	<i>(in million Baht)</i>									
Inventories	3,704	3,588	25,611	23,988	344	-	138	481	29,797	28,057
Property, plant and equipment	15,773	17,910	22,212	23,137	1,603	-	2,094	2,169	41,682	43,216
Other assets	2,201	1,817	5,546	5,921	153	-	453	516	8,353	8,254
<b>Total Assets</b>	<b>21,678</b>	<b>23,315</b>	<b>53,369</b>	<b>53,046</b>	<b>2,100</b>	<b>-</b>	<b>2,685</b>	<b>3,166</b>	<b>79,832</b>	<b>79,527</b>
Total debts	4,992	4,444	9,942	11,048	320	-	436	668	15,690	16,160
Other liabilities	3,173	4,065	5,129	4,307	162	-	42	42	8,506	8,414
<b>Total liabilities</b>	<b>8,165</b>	<b>8,509</b>	<b>15,071</b>	<b>15,355</b>	<b>482</b>	<b>-</b>	<b>478</b>	<b>710</b>	<b>24,196</b>	<b>24,574</b>

**Thai Beverage Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month and six-month periods ended 30 June 2008 (Unaudited)**

***Geographic segments***

The segment financial information of the Group based on geographical segments in the consolidated financial statements for six-month periods ended 30 June were as follows:

	<b>Consolidated financial statements</b>			
	Revenue		Property, plant and equipment	
	30 June 2008	30 June 2007	30 June 2008	31 December 2007
	<i>(in million Baht)</i>			
Thailand	49,609	47,425	40,107	41,613
Overseas	1,713	1,861	1,575	1,603
<b>Total</b>	<b><u>51,322</u></b>	<b><u>49,286</u></b>	<b><u>41,682</u></b>	<b><u>43,216</u></b>

**13 Earnings per share**

The calculation of basic earnings per share for the three-month and six-month periods ended 30 June 2008 and 2007 were based on the profit for the period attributable to equity holders of the Company and the number of ordinary shares outstanding during the period as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2008	2007	2008	2007
<b><i>Three-month period ended 30 June</i></b>	<i>(in million Baht / million shares)</i>			
Profit attributable to equity holders of the Company (basic)	<u>2,388</u>	<u>2,382</u>	<u>2,734</u>	<u>15,463</u>
Number of ordinary shares outstanding	<u>25,110</u>	<u>25,110</u>	<u>25,110</u>	<u>25,110</u>
<b>Earnings per share (basic) (in Baht)</b>	<b><u>0.10</u></b>	<b><u>0.09</u></b>	<b><u>0.11</u></b>	<b><u>0.62</u></b>

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2008	2007	2008	2007
<b><i>Six-month period ended 30 June</i></b>	<i>(in million Baht / million shares)</i>			
Profit attributable to equity holders of the Company (basic)	<u>5,019</u>	<u>5,260</u>	<u>2,909</u>	<u>15,472</u>
Number of ordinary shares outstanding	<u>25,110</u>	<u>25,110</u>	<u>25,110</u>	<u>25,110</u>
<b>Earnings per share (basic) (in Baht)</b>	<b><u>0.20</u></b>	<b><u>0.21</u></b>	<b><u>0.12</u></b>	<b><u>0.62</u></b>

**14 Dividends**

At the annual general meeting of the shareholders of the Company held on 28 April 2008, the shareholders approved the appropriation of dividends of Baht 0.29 per share, amounting to Baht 7,282 million. On 11 September 2007, the interim dividend were paid of Baht 0.12 per share, totalling Baht 3,013 million. The remaining dividend payment of Baht 0.17 per share, totalling Baht 4,269 million was paid on 26 May 2008.

**Thai Beverage Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month and six-month periods ended 30 June 2008 (Unaudited)**

At the annual general meeting of the shareholders of the Company held on 20 April 2007, the shareholders approved the appropriation of dividends of Baht 0.22 per share, totalling Baht 5,524 million. On 8 September 2006, the interim dividend were paid of Baht 0.11 per share, totalling Baht 2,762 million. The remaining dividend payment of Baht 0.11 per share, totalling Baht 2,762 million was paid on 16 May 2007.

**15 Changes in accounting policy**

The following change of accounting policy by the Group has no effect on the separate financial statements of the Company.

Until 31 December 2007, the Group accounted for goodwill arising from a business combination at cost less accumulated amortisation. Amortisation was charged to the statement of income over the estimated useful life of 20 years.

During 2007, the Federation of Accounting Professions issued Thai Accounting Standard (TAS) 43 (revised 2007) "Business Combinations" which is effective for annual accounting periods beginning on or after 1 January 2008. TAS 43 (revised 2007) requires that the acquirer shall, at the acquisition date, recognise goodwill acquired in a business combination as an asset at cost. After initial recognition, goodwill shall be measured at cost less any accumulated impairment losses.

The Group has, accordingly, changed its accounting policy for goodwill prospectively from 1 January 2008. The effect of the change in accounting policy on the Group's consolidated financial statements for the six-month period ended 30 June 2008 is to reduce the charge to the statement of income resulting from the amortisation of goodwill that would have been recognised under the previous accounting policy by approximately Baht 26.1 million, with a corresponding increase in reported profit for the period. Management has determined that there is no impairment in the carrying value of goodwill as at 30 June 2008.

**16 Commitments with non-related parties**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	30 June	31 December	30 June	31 December
	2008	2007	2008	2007
	<i>(in million Baht)</i>			
<b>Capital commitments</b>				
<i>Contracted but not provided for</i>				
Land, buildings and other constructions	48	217	-	-
Machinery and equipment	199	218	-	-
<b>Total</b>	<b>247</b>	<b>435</b>	<b>-</b>	<b>-</b>
<b>Non-cancellable operating lease commitments</b>				
Within one year	126	165	9	9
After one year but within five years	88	157	11	14
<b>Total</b>	<b>214</b>	<b>322</b>	<b>20</b>	<b>23</b>

**Thai Beverage Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month and six-month periods ended 30 June 2008 (Unaudited)**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	30 June	31 December	30 June	31 December
	2008	2007	2008	2007
	<i>(in million Baht)</i>			
<b><i>Other commitments</i></b>				
Unused letters of credits	122	86	-	-
Goods and raw materials				
purchase agreements	3,828	4,386	-	-
Molasses purchase agreements	281	296	-	-
Computer system installation				
agreements	36	53	36	53
Advertising services and				
sponsorship agreements	773	154	-	-
Purchase forward contracts	3,593	5,036	-	-
Sale forward contracts	245	524	217	217
Bank guarantees	177	247	30	31
Other agreements	29	60	2	1
<b>Total</b>	<b>9,084</b>	<b>10,842</b>	<b>285</b>	<b>302</b>

- (a) During 2004, the Company and four subsidiaries entered into production and blending control agreements with a specialist for a period of 40 years from 1 August 2004 to 1 August 2044. Under the agreements, the Company and its subsidiaries are obliged to pay monthly service fees of Baht 4.3 million which are to be annually increased by 5% for the first 20 years from 1 August 2004 to 1 August 2024. Afterwards, the Company and its subsidiaries have to pay monthly service fees of Baht 250,000 until the expiration of the agreements. Service fee under the agreements totaled Baht 1,766.2 million. Subsequently, the addendums were made on 5 January 2006, under which the Company and its subsidiaries have to pay additional amount to this specialist amounting to Baht 2,000 million. Therefore, the total service fees under the agreements both outstanding and already paid by the Company and its subsidiaries amounted to Baht 3,766.2 million.

As at 30 June 2008 the remaining commitments to be paid, relating to these agreements, amounted to Baht 1,548.8 million.

- (b) During 2005, a subsidiary renewed a sponsorship agreement with Everton Football Club, in the United Kingdom, for a period of three years as from 1 June 2005 to 31 May 2008 in order to promote the Group's businesses globally. Under the agreement, the subsidiary is obliged to pay a minimum amount of GBP 0.5 million and a maximum amount of GBP 2.9 million per year, dependent on the performance of Everton football team in each year.

Subsequently, on 17 January 2008, the sponsorship agreement was extended to another period of three years as from 1 June 2008 to 31 May 2011. The subsidiary is obliged to pay a minimum amount of GBP 0.5 million and a maximum amount of GBP 3.5 million per year, dependent on the performance of Everton football team in each year.

**Thai Beverage Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month and six-month periods ended 30 June 2008 (Unaudited)**

**17 Events after the balance sheet date**

- (a) The Executive Board of Directors' Meeting held on 28 July 2008 unanimously passed the resolution of approval in principle of acquiring the additional 64,656 ordinary shares in United Products Co., Ltd. by Sura Piset Phatra Lanna Co., Ltd., the Company's subsidiary, from existing shareholders at Baht 130 per share, totaling Baht 8.4 million.
- (b) The Board of Directors' Meeting held on 14 August 2008 unanimously passed the resolution of approval for the interim dividend payment for the year 2008 of 25,110.03 million ordinary shares at Baht 0.12 per share, totaling Baht 3,013 million.

**18 Reclassification of accounts**

Certain accounts in the 2007 financial statements have been reclassified to conform to the presentation in the 2008 interim financial statements.

**19 Significant differences between Thai GAAP and IFRS (unaudited/ unreviewed)**

These consolidated financial statements have been prepared in accordance with generally accepted accounting principles in Thailand ("Thai GAAP"), which differ in certain significant respects from International Financial Reporting Standards ("IFRS"). The following disclosure provides a summary of certain significant differences between Thai GAAP and IFRS, as applicable to the consolidated financial statements of the Group, and a reconciliation of net profit and total shareholders' equity from Thai GAAP to IFRS. Neither the narrative summary nor the reconciliation should be construed as being exhaustive or presented fairly in all material respects and are provided for information purposes only.

**(a) *Deferred tax***

There is no Thai accounting standard currently effective in relation to accounting for deferred taxes. Whilst not specifically addressed in Thai GAAP, provisions for income taxes of the Group are typically based on corporate income taxes currently payable in the period under the Revenue Code of Thailand. The Group does not, therefore, recognise deferred tax assets and liabilities for the current period.

Under IFRS, provision is made for deferred tax using a balance sheet approach, with deferred tax calculated on temporary differences, being the differences between the tax and the book values of assets and liabilities. The deferred tax charge or credit is the change in the period in deferred tax liabilities and assets. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be fully utilised.

**(b) *Employee benefits***

There is currently no Thai accounting standard in relation to accounting for employee benefits, including termination, retirement and post-retirement benefits. The Group's primary obligations in respect of employee benefits are contributions on behalf of employees to provident funds and the payment of statutory severance benefits on retirement and terminating employment involuntarily. Severance termination and retirement benefits vary according to various factors, including the employee's service life and salary. Whilst not specifically addressed in Thai GAAP, contributions are charged as an expense as incurred.

**Thai Beverage Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month and six-month periods ended 30 June 2008 (Unaudited)**

Under IFRS, employee benefits are accounted for in accordance with IAS No. 19 *Employee Benefits*. Accordingly, termination benefits are recognised as a liability and an expense when, and only when, the enterprise is demonstrably committed to either terminate the employment of an employee or group of employees before the normal retirement date or provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

Retirement benefits are recognised as a liability, being the net total of the present value of the obligation at the balance sheet date less the fair value of any plan assets and recognised as an expense the net total of current service costs, interest costs, past service costs and any actuarial gains and losses.

**(c) *Financial instruments***

Thai GAAP has certain disclosure requirements for financial instruments, but only limited guidance on the recognition and measurement of financial instruments. The Group has decided not to recognise derivative financial instruments on the balance sheet. However, foreign currency assets and liabilities hedged by these contracts are translated into Thai Baht at exchange rates prevailing on the balance sheet date.

Under IFRS, derivative financial instruments are recognised on the balance sheet as either an asset or a liability initially at cost, which is the fair value of consideration given (in the case of an asset) or received (in the case of a liability). Transaction costs are included in the initial measurement. Subsequent to initial recognition, derivative financial instruments are stated at fair value. Movements in fair values are recognised in the consolidated statement of income.

**(d) *Investment in property***

In accordance with Thai GAAP, owned land held to earn rentals is classified as part of property, plant and equipment. This land is carried at a revalued amount less any subsequent accumulated impairment losses. Movements on the revaluation surplus are reflected in equity.

Under IFRS, owned property held to earn rentals is classified as part of investment property. This is covered by IAS No. 40 *Investment Property*. IAS No. 40 allows enterprises to choose either a fair value model or a cost model to measure investment property.

In accordance with the fair value model, an enterprise should measure all of its investment property at its fair value. A gain or loss arising from a change in the fair value of investment property should be included in net profit or loss for the period in which it arises.

In accordance with the cost model, land and buildings held as investment property should be measured at cost less any accumulated impairment losses.

For the purposes of disclosure under IFRS, the Group has adopted the cost model for investment property consisting of both land and buildings. For Thai GAAP, the land has been revalued while the buildings have not.



**Thai Beverage Public Company Limited and its Subsidiaries**  
**Notes to the interim financial statements**  
**For the three-month and six-month periods ended 30 June 2008 (Unaudited)**

(e) **Business combination (Goodwill)**

Until 31 December 2007, Thai GAAP requires goodwill acquired in business combination to be systematically amortised over its estimated useful life, although its useful life should not exceed 20 years from initial recognition.

During 2007, Thai GAAP on goodwill was revised in accordance with IFRS which is effective for accounting period beginning on or after 1 January 2008.

Under the newly revised Thai GAAP, acquired goodwill is measured after initial recognition at cost less any accumulated impairment losses. Therefore, goodwill is not amortised and must be tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired.

	<b>Consolidated net profit</b>	
	Six-month period ended 30 June 2008	Six-month period ended 30 June 2007
	<i>(in million Baht)</i>	
<b>As reported in these consolidated financial statements under Thai GAAP</b>	<b>5,019</b>	<b>5,260</b>
<i>Add (less) : Thai GAAP/IFRS differences (net of tax effect)</i>		
(a) Deferred tax	7	168
(b) Employee benefits	(36)	(35)
(c) Financial instruments	79	14
(d) Business combination (Goodwill)	-	15
<b>Under IFRS</b>	<b>5,069</b>	<b>5,422</b>

	<b>Consolidated total shareholders' equity</b>	
	30 June 2008	31 December 2007
	<i>(in million Baht)</i>	
<b>As reported in these consolidated financial statements under Thai GAAP</b>	<b>55,636</b>	<b>54,953</b>
<i>Add (less) : Thai GAAP/IFRS differences (net of tax effect)</i>		
(a) Deferred tax	(628)	(636)
(b) Employee benefits	(617)	(581)
(c) Financial instruments	91	12
(d) Investment in property	(47)	(47)
(e) Business combination (Goodwill)	102	102
<b>Under IFRS</b>	<b>54,537</b>	<b>53,803</b>

**Thai Beverage Public Company Limited  
and its Subsidiaries**

Annual financial statements  
and  
Audit report of Certified Public Accountant

For the years ended  
31 December 2007 and 2006



**KPMG Phoomchai Audit Ltd.**

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## **Audit report of Certified Public Accountant**

### **To the shareholders of Thai Beverage Public Company Limited**

I have audited the accompanying consolidated and separate balance sheets as at 31 December 2007 and 2006, and the related statements of income, changes in shareholders' equity and cash flows for the years then ended of Thai Beverage Public Company Limited and its subsidiaries, and of Thai Beverage Public Company Limited, respectively. The Company's management is responsible for the correctness and completeness of information presented in these financial statements. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial positions as at 31 December 2007 and 2006 and the results of operations and cash flows for the years then ended of Thai Beverage Public Company Limited and its subsidiaries, and of Thai Beverage Public Company Limited, respectively, in accordance with generally accepted accounting principles.

As described in note 29 to the financial statements, the Company's financial statements for the year ended 31 December 2006 have been restated for the effects of the change in accounting policy for investments in subsidiaries and associates from the equity method of accounting to the cost method, and are now termed 'separate' financial statements.

Disclosure of significant differences between generally accepted accounting principles in Thailand and International Financial Reporting Standards is not a required part of the basic financial statements under generally accepted accounting principles in Thailand, but it is presented in Note 36 to the notes to financial statements for information purposes only. I have not audited or reviewed such information and therefore do not express any audit opinion or review report thereon.

(Nirand Lilamethwat)  
Certified Public Accountant  
Registration No. 2316

KPMG Phoomchai Audit Ltd.  
Bangkok  
27 February 2008

# Thai Beverage Public Company Limited and its Subsidiaries

## Balance sheets

As at 31 December 2007 and 2006

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		2007	2006	2007	2006
					(Restated)
		(in Baht)			
<b>Current assets</b>					
Cash and cash equivalents	6	2,188,991,774	1,919,576,970	9,168,240	15,622,582
Current investments	7	7,685,085	4,358,600	-	-
Trade accounts receivable	5, 8	1,467,001,317	1,317,930,493	-	-
Short-term loans to and amounts due from related parties	5	4,371,057	50,951,648	3,916,012,461	11,035,118,471
Inventories	9	28,056,925,651	28,315,158,270	-	-
Other current assets	10	1,403,965,020	1,914,238,542	8,481,487	16,988,878
<b>Total current assets</b>		<b>33,128,939,904</b>	<b>33,522,214,523</b>	<b>3,933,662,188</b>	<b>11,067,729,931</b>
<b>Non-current assets</b>					
Investments in subsidiaries and associates	11	124,518,368	135,490,042	71,470,329,894	63,594,730,188
Other long-term investments	7	3,633,579	3,753,619	-	-
Long-term loans to and amounts due from related parties	5	1,172,250	13,563,000	9,411,471,969	5,500,898,900
Property, plant and equipment	12	43,216,507,663	49,428,039,362	71,600,623	845,926,385
Intangible assets	13	978,770,498	354,876,536	16,165,989	12,353,346
Other non-current assets	14	2,073,413,637	2,121,574,962	351,336,250	357,128,650
<b>Total non-current assets</b>		<b>46,398,015,995</b>	<b>52,057,297,521</b>	<b>81,320,904,725</b>	<b>70,311,037,469</b>
<b>Total assets</b>		<b>79,526,955,899</b>	<b>85,579,512,044</b>	<b>85,254,566,913</b>	<b>81,378,767,400</b>

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

# Thai Beverage Public Company Limited and its Subsidiaries

## Balance sheets

As at 31 December 2007 and 2006

Liabilities and shareholders' equity	Note	Consolidated financial statements		Separate financial statements	
		2007	2006	2007	2006 (Restated)
<i>(in Baht)</i>					
<b>Current liabilities</b>					
Bank overdrafts and short-term					
loans from financial institutions	15	5,998,233,815	6,753,305,295	4,797,684,522	3,029,559,266
Trade accounts payable	16	2,249,329,022	2,275,670,644	-	-
Short-term guaranteed bonds	15	-	2,200,000,000	-	2,200,000,000
Current portion of long-term					
guaranteed bonds	15	3,000,000,000	2,300,000,000	3,000,000,000	2,300,000,000
Current portion of long-term loans	15	1,755,000,000	1,500,000,000	1,755,000,000	1,500,000,000
Short-term loans from and amounts					
due to related parties	5, 15	69,141,215	4,837,042,378	2,115,288,548	13,084,828,757
Income tax payable		2,773,848,081	2,180,870,323	146,248,940	47,791,738
Other current liabilities	17	3,203,278,986	4,103,314,358	161,542,579	394,209,562
<b>Total current liabilities</b>		<b>19,048,831,119</b>	<b>26,150,202,998</b>	<b>11,975,764,589</b>	<b>22,556,389,323</b>
<b>Non-current liabilities</b>					
Long-term guaranteed bonds	15	-	3,000,000,000	-	3,000,000,000
Long-term loans from financial					
institutions	15	5,400,000,000	3,755,000,000	5,400,000,000	3,755,000,000
Long-term loans from related parties	5, 15	-	-	6,540,500,000	4,372,200,000
Other non-current liabilities		168,184,325	120,753,208	117,900	-
<b>Total non-current liabilities</b>		<b>5,568,184,325</b>	<b>6,875,753,208</b>	<b>11,940,617,900</b>	<b>11,127,200,000</b>
<b>Total liabilities</b>		<b>24,617,015,444</b>	<b>33,025,956,206</b>	<b>23,916,382,489</b>	<b>33,683,589,323</b>

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

# Thai Beverage Public Company Limited and its Subsidiaries

## Balance sheets

As at 31 December 2007 and 2006

Liabilities and shareholders' equity	Note	Consolidated		Separate	
		financial statements		financial statements	
		2007	2006	2007	2006 (Restated)
<i>(in Baht)</i>					
<b>Shareholders' equity</b>					
Share capital	18				
Authorised share capital		<u>29,000,000,000</u>	<u>29,000,000,000</u>	<u>29,000,000,000</u>	<u>29,000,000,000</u>
Issued and paid-up share capital		25,110,025,000	25,110,025,000	25,110,025,000	25,110,025,000
Difference arising from common control transactions		(17,141,406,365)	(17,141,406,365)	-	-
Reserves	19				
Share premium		17,215,736,603	17,215,736,603	17,215,736,603	17,215,736,603
Currency translation changes		(208,076,374)	(19,508,334)	-	-
Fair value changes and revaluation surpluses		4,388,935,374	6,586,263,579	-	134,521,429
Retained earnings					
Appropriated - legal reserve	19	2,900,000,000	1,700,000,000	2,900,000,000	1,700,000,000
Unappropriated		<u>22,644,726,217</u>	<u>19,102,445,355</u>	<u>16,112,422,821</u>	<u>3,534,895,045</u>
<b>Total shareholders' equity</b>		<b><u>54,909,940,455</u></b>	<b><u>52,553,555,838</u></b>	<b><u>61,338,184,424</u></b>	<b><u>47,695,178,077</u></b>
<b>Total liabilities and shareholders' equity</b>		<b><u>79,526,955,899</u></b>	<b><u>85,579,512,044</u></b>	<b><u>85,254,566,913</u></b>	<b><u>81,378,767,400</u></b>

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

# Thai Beverage Public Company Limited and its Subsidiaries

## Statements of income

For the years ended 31 December 2007 and 2006

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2007	2006	2007	2006
					(Restated)
		(in Baht)			
<b>Revenues</b>	5				
Revenue from sales		100,540,895,079	97,797,921,895	-	-
Interest income		40,834,243	56,452,361	775,352,387	858,621,337
Management fees		-	-	2,577,305,358	3,432,470,973
Dividends		-	-	18,985,153,408	8,055,408,868
Other income	21	228,524,668	77,938,829	89,527,428	4,873,832
Share of profits from investments accounted for using the equity method		28,641,891	23,684,083	-	-
<b>Total revenues</b>		<b>100,838,895,881</b>	<b>97,955,997,168</b>	<b>22,427,338,581</b>	<b>12,351,375,010</b>
<b>Expenses</b>	5				
Cost of sales		70,872,565,833	69,325,121,958	-	-
Selling and administrative expenses	22	13,689,414,856	12,684,556,582	1,154,217,891	943,322,290
<b>Total expenses</b>		<b>84,561,980,689</b>	<b>82,009,678,540</b>	<b>1,154,217,891</b>	<b>943,322,290</b>
<b>Profit before interest and income tax expenses</b>		<b>16,276,915,192</b>	<b>15,946,318,628</b>	<b>21,273,120,690</b>	<b>11,408,052,720</b>
Interest expense	24	1,047,277,561	1,568,651,172	1,577,560,366	2,253,267,473
Income tax expense	25	4,846,572,448	4,322,890,312	277,248,227	149,318,355
<b>Net profit</b>		<b>10,383,065,183</b>	<b>10,054,777,144</b>	<b>19,418,312,097</b>	<b>9,005,466,892</b>
<b>Basic earnings per share</b>	26	<b>0.41</b>	<b>0.42</b>	<b>0.77</b>	<b>0.38</b>

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

## Thai Beverage Public Company Limited and its Subsidiaries

### Statements of changes in shareholders' equity

For the years ended 31 December 2007 and 2006

	Consolidated financial statements								
	Note	Issued and paid-up share capital	Difference arising from common control transactions	Reserves			Retained earnings		Total shareholders' equity
				Share premium	Currency translation changes	Fair value changes and revaluation surpluses	Appropriated to legal reserve	Unappropriated	
				<i>(in Baht)</i>					
<b>Balance at 1 January 2006</b>		<b>22,000,000,000</b>	<b>(15,630,789,676)</b>	-	<b>(5,341,471)</b>	<b>6,584,735,444</b>	<b>1,110,000,000</b>	<b>17,655,899,298</b>	<b>31,714,503,595</b>
<b>Change in shareholders' equity for 2006</b>									
Net surplus on property revaluation		-	-	-	-	1,528,135	-	-	1,528,135
Translation loss relating to financial statements of foreign operations		-	(8,543,855)	-	(14,166,863)	-	-	-	(22,710,718)
Net expense recognised directly in shareholder's equity		-	(8,543,855)	-	(14,166,863)	1,528,135	-	-	(21,182,583)
Net profit		-	(23,871,663)	-	-	-	-	10,078,648,807	10,054,777,144
Total recognised income and expense		-	(32,415,518)	-	(14,166,863)	1,528,135	-	10,078,648,807	10,033,594,561
Legal reserve		-	-	-	-	-	590,000,000	(590,000,000)	-
Dividends	28	-	-	-	-	-	-	(8,042,102,750)	(8,042,102,750)
Consideration paid to shareholders of subsidiaries for the common control transactions		-	(1,505,240,976)	-	-	-	-	-	(1,505,240,976)
Increase in share capital in subsidiaries before business restructuring		-	27,039,805	-	-	-	-	-	27,039,805
Issue of ordinary shares	18	3,110,025,000	-	17,215,736,603	-	-	-	-	20,325,761,603
<b>Balance at 31 December 2006</b>		<b>25,110,025,000</b>	<b>(17,141,406,365)</b>	<b>17,215,736,603</b>	<b>(19,508,334)</b>	<b>6,586,263,579</b>	<b>1,700,000,000</b>	<b>19,102,445,355</b>	<b>52,553,555,838</b>

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



**Thai Beverage Public Company Limited and its Subsidiaries**

**Statements of changes in shareholders' equity**

**For the years ended 31 December 2007 and 2006**

	Consolidated financial statements								
	Note	Issued and paid-up share capital	Difference arising from common control transactions	Share premium	Reserves		Retained earnings		Total shareholders' equity
					Currency translation changes	Fair value changes and revaluation surpluses	Appropriated to legal reserve	Unappropriated	
					<i>(in Baht)</i>				
<b>Balance at 1 January 2007</b>		<b>25,110,025,000</b>	<b>(17,141,406,365)</b>	<b>17,215,736,603</b>	<b>(19,508,334)</b>	<b>6,586,263,579</b>	<b>1,700,000,000</b>	<b>19,102,445,355</b>	<b>52,553,555,838</b>
<b>Change in shareholders' equity for 2007</b>									
Net surplus on property revaluation		-	-	-	-	(2,197,328,205)	-	134,521,429	(2,062,806,776)
Translation loss relating to financial statements of foreign operations		-	-	-	(188,568,040)	-	-	-	(188,568,040)
Net expense recognised directly in shareholder's equity		-	-	-	(188,568,040)	(2,197,328,205)	-	134,521,429	(2,251,374,816)
Net profit		-	-	-	-	-	-	10,383,065,183	10,383,065,183
Total recognised income and expense		-	-	-	(188,568,040)	(2,197,328,205)	-	10,517,586,612	8,131,690,367
Legal reserve		-	-	-	-	-	1,200,000,000	(1,200,000,000)	-
Dividends	28	-	-	-	-	-	-	(5,775,305,750)	(5,775,305,750)
<b>Balance at 31 December 2007</b>		<b>25,110,025,000</b>	<b>(17,141,406,365)</b>	<b>17,215,736,603</b>	<b>(208,076,374)</b>	<b>4,388,935,374</b>	<b>2,900,000,000</b>	<b>22,644,726,217</b>	<b>54,909,940,455</b>

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

## Thai Beverage Public Company Limited and its Subsidiaries

### Statements of changes in shareholders' equity

For the years ended 31 December 2007 and 2006

	Note	Separate financial statements (Restated)							Total shareholders' equity
		Issued and paid-up share capital	Difference arising from common control transactions	Share premium	Reserves		Retained earnings		
					Currency translation changes	Fair value changes and revaluation surpluses	Appropriated to legal reserve	Unappropriated	
					<i>(in Baht)</i>				
<b>Balance at 1 January 2006</b>		<b>22,000,000,000</b>	<b>(15,979,264,833)</b>	-	<b>(5,341,471)</b>	<b>6,584,735,444</b>	<b>1,110,000,000</b>	<b>17,655,899,298</b>	<b>31,366,028,438</b>
Changes in accounting policy	29	-	15,979,264,833	-	5,341,471	(6,450,214,015)	-	(14,494,368,395)	(4,959,976,106)
<b>Restated balance</b>		<b>22,000,000,000</b>	-	-	-	<b>134,521,429</b>	<b>1,110,000,000</b>	<b>3,161,530,903</b>	<b>26,406,052,332</b>
<b>Changes in shareholders' equity for 2006</b>									
Net profit		-	-	-	-	-	-	9,005,466,892	9,005,466,892
Legal reserve		-	-	-	-	-	590,000,000	(590,000,000)	-
Dividends	28	-	-	-	-	-	-	(8,042,102,750)	(8,042,102,750)
Issue of ordinary shares	18	3,110,025,000	-	17,215,736,603	-	-	-	-	20,325,761,603
<b>Balance at 31 December 2006</b>		<b>25,110,025,000</b>	-	<b>17,215,736,603</b>	-	<b>134,521,429</b>	<b>1,700,000,000</b>	<b>3,534,895,045</b>	<b>47,695,178,077</b>

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

## Thai Beverage Public Company Limited and its Subsidiaries

### Statements of changes in shareholders' equity

For the years ended 31 December 2007 and 2006

	Note	Separate financial statements (Restated)							Total shareholders' equity
		Issued and paid-up share capital	Difference arising from common control transactions	Share premium	Reserves		Retained earnings		
					Currency translation changes	Fair value changes and surpluses	Appropriated to legal reserve	Unappropriated	
(in Baht)									
<b>Balance at 1 January 2007</b>		<b>25,110,025,000</b>	<b>(17,141,406,365)</b>	<b>17,215,736,603</b>	<b>(19,508,334)</b>	<b>6,586,263,579</b>	<b>1,700,000,000</b>	<b>19,102,445,355</b>	<b>52,553,555,838</b>
Change in accounting policy	29	-	17,141,406,365	-	19,508,334	(6,451,742,150)	-	(15,567,550,310)	(4,858,377,761)
<b>Restated balance</b>		<b>25,110,025,000</b>	<b>-</b>	<b>17,215,736,603</b>	<b>-</b>	<b>134,521,429</b>	<b>1,700,000,000</b>	<b>3,534,895,045</b>	<b>47,695,178,077</b>
<b>Change in shareholders' equity for 2007</b>									
Net surplus on property revaluation		-	-	-	-	(134,521,429)	-	134,521,429	-
Net profit		-	-	-	-	-	-	19,418,312,097	19,418,312,097
Total recognised income and expense		-	-	-	-	(134,521,429)	-	19,552,833,526	19,418,312,097
Legal reserve		-	-	-	-	-	1,200,000,000	(1,200,000,000)	-
Dividends	28	-	-	-	-	-	-	(5,775,305,750)	(5,775,305,750)
<b>Balance at 31 December 2007</b>		<b>25,110,025,000</b>	<b>-</b>	<b>17,215,736,603</b>	<b>-</b>	<b>-</b>	<b>2,900,000,000</b>	<b>16,112,422,821</b>	<b>61,338,184,424</b>

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

# Thai Beverage Public Company Limited and its Subsidiaries

## Statements of cash flows

For the years ended 31 December 2007 and 2006

	Note	Consolidated financial statements		Separate financial statements	
		2007	2006	2007	2006 (Restated)
<i>(in Baht)</i>					
<b>Cash flows from operating activities</b>					
Net profit		10,383,065,183	10,054,777,144	19,418,312,097	9,005,466,892
<i>Adjustments for</i>					
Depreciation and amortisation		4,974,695,900	4,651,978,462	28,966,567	24,071,862
Interest income		(40,834,243)	(56,452,361)	(775,352,387)	(858,621,337)
Interest expense		1,047,277,561	1,568,651,172	1,577,560,366	2,253,267,473
Unrealised loss on exchange rate		5,841,586	11,720,775	1,164,320	16,321,434
Amortisation of advance payments to a specialist		50,000,000	50,000,000	9,375,000	9,375,000
Allowance for obsolete inventories		145,536,197	354,960,794	-	-
Allowance for impairment loss on property		58,768,300	-	-	-
(Gain) loss on sale and disposal of property, plant and equipment and intangible assets		(70,105,694)	3,190,891	(63,880,601)	50,309
Gain on sale of investment		-	708,828	(6,044)	-
Dividends		-	-	(18,985,153,408)	(8,055,408,868)
Share of profits from investments accounted for using the equity method		(28,641,891)	(23,684,083)	-	-
Income tax expense		4,846,572,448	4,322,890,312	277,248,227	149,318,355
		<u>21,372,175,347</u>	<u>20,938,741,934</u>	<u>1,488,234,137</u>	<u>2,543,841,120</u>
<b>Changes in operating assets and liabilities</b>					
Trade accounts receivable		(95,274,423)	143,293,100	-	-
Amounts due from related parties		57,800,991	35,968,778	1,293,629,337	(354,909,409)
Inventories		240,314,893	76,897,733	-	-
Other current assets		543,222,112	657,219,479	8,507,390	(7,432,139)
Trade accounts payable		(52,736,803)	583,226,076	-	-
Amounts due to related parties		(152,525,782)	45,335,778	16,230,422	5,885,734
Other current liabilities		(1,220,696,777)	(1,444,554,668)	(139,223,931)	78,444,379
Other non-current liabilities		4,841,922	(2,775,617)	117,900	-
Advance payments to a specialist		-	(2,000,000,000)	-	(375,000,000)
Income taxes paid		(4,253,594,691)	(4,671,000,532)	(178,791,025)	(198,576,232)
<b>Net cash provided by operating activities</b>		<u><b>16,443,526,789</b></u>	<u><b>14,362,352,061</b></u>	<u><b>2,488,704,230</b></u>	<u><b>1,692,253,453</b></u>

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

# Thai Beverage Public Company Limited and its Subsidiaries

## Statements of cash flows

For the years ended 31 December 2007 and 2006

	Note	Consolidated financial statements		Separate financial statements	
		2007	2006	2007	2006 (Restated)
<i>(in Baht)</i>					
<b><i>Cash flows from investing activities</i></b>					
Interest received		40,930,836	58,093,432	780,791,231	847,583,522
Dividends received		-	16,975,616	20,290,212,836	8,055,408,868
Current investments		(3,326,485)	5,640,990	-	-
Loans to related parties		-	40,850,000	1,908,300,440	(1,144,799,640)
Investments in subsidiaries and associates		39,613,566	-	(9,180,660,910)	(509,999,340)
Consideration paid to shareholders of subsidiaries for the common control transactions		-	(1,505,240,976)	-	-
Increase in share capital in subsidiaries before business restructuring		-	27,039,805	-	-
Sale of long-term investments		120,039	26	7,820	-
Purchase of property, plant and equipment		(1,454,554,671)	(4,231,904,150)	(9,205,674)	(129,607,370)
Decrease in property, plant and equipment		933,321,336	51,883,323	819,205,608	58,906
Purchase of intangible assets		(26,925,503)	(12,511,963)	(8,595,148)	(6,666,764)
Decrease in intangible assets		11,202,717	37,899	-	-
Other non-current assets		(1,211,354)	(24,843,220)	(3,582,600)	(4,716,900)
Net cash outflow on acquisition of indirect subsidiaries		(253,908,978)	-	-	-
<b>Net cash provided by (used in) investing activities</b>		<b>(714,738,497)</b>	<b>(5,573,979,218)</b>	<b>14,596,473,603</b>	<b>7,107,261,282</b>
<b><i>Cash flows from financing activities</i></b>					
Interest paid		(1,139,354,066)	(1,420,545,600)	(1,708,451,681)	(2,086,173,156)
Dividends paid		(5,775,305,750)	(8,042,102,750)	(5,775,305,750)	(8,042,102,750)
Bank overdrafts and short-term loans from financial institutions		(1,140,914,252)	(33,405,319,840)	1,768,125,256	(33,570,440,734)
Proceeds from short-term guaranteed bonds		-	4,700,000,000	-	4,700,000,000
Repayment of short-term guaranteed bonds		(2,200,000,000)	(2,500,000,000)	(2,200,000,000)	(2,500,000,000)
Loans from related parties		(4,615,231,380)	629,727,420	(8,776,000,000)	1,815,500,000
Proceeds from long-term guaranteed bonds		-	5,300,000,000	-	5,300,000,000
Repayment of long-term guaranteed bonds		(2,300,000,000)	-	(2,300,000,000)	-
Proceeds from issuance of share capital		-	20,325,761,603	-	20,325,761,603
Proceeds from long-term loans from financial institutions		5,400,000,000	26,600,000,000	5,400,000,000	26,600,000,000
Repayment of long-term loans from financial institutions		(3,500,000,000)	(22,431,600,000)	(3,500,000,000)	(21,345,000,000)
<b>Net cash used in financing activities</b>		<b>(15,270,805,448)</b>	<b>(10,244,079,167)</b>	<b>(17,091,632,175)</b>	<b>(8,802,455,037)</b>
Currency translation changes		(188,568,040)	(22,710,718)	-	-
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>269,414,804</b>	<b>(1,478,417,042)</b>	<b>(6,454,342)</b>	<b>(2,940,302)</b>
Cash and cash equivalents at beginning of year		1,919,576,970	3,397,994,012	15,622,582	18,562,884
<b>Cash and cash equivalents at end of year</b>	6	<b>2,188,991,774</b>	<b>1,919,576,970</b>	<b>9,168,240</b>	<b>15,622,582</b>

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

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These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the directors on 27 February 2008.

**1 General information**

Thai Beverage Public Company Limited, the “Company”, is incorporated and registered as a public company in Thailand on 29 October 2003. The registered office of the Company is at 14 Vibhavadi Rangsit Road, Chomphon, Chatuchak, Bangkok.

The Company was listed on the Singapore Exchange Securities Trading Limited (SGX-ST) in May 2006.

The principal businesses of the Company and its subsidiaries are the production, distribution and marketing of alcoholic and non-alcoholic beverages, industrial alcohol and other by-products. Details of the Company’s subsidiaries as at 31 December 2007 and 2006 were as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2007	2006
<i>Direct subsidiaries</i>				
1. Beer Thai (1991) PCL.	Beer brewery	Thailand	100.00	100.00
2. Beer Thip Brewery (1991) Co., Ltd.	Beer brewery	Thailand	100.00	100.00
3. Sangsom Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
4. Fuengfuanant Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
5. Mongkolsamai Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
6. Thanapakdi Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
7. Kanchanasingkorn Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
8. Sura Bangyikhan Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
9. Athimart Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
10. S.S. Karnsura Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
11. Kankwan Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
12. Theparunothai Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
13. Red Bull Distillery (1988) Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
14. United Winery and Distillery Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
15. Simathurakij Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
16. Nateechai Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
17. Luckchai Liquor Trading Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
18. Sura Piset Thipparat Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
19. Thai Alcohol PCL.	Alcohol distillery	Thailand	100.00	100.00
20. Pomthip Co., Ltd.	Beer distributor	Thailand	100.00	100.00
21. Pomkit Co., Ltd.	Beer distributor	Thailand	100.00	100.00
22. Pomkung Co., Ltd.	Beer distributor	Thailand	100.00	100.00
23. Pomchok Co., Ltd.	Beer distributor	Thailand	100.00	100.00
24. Pomcharoen Co., Ltd.	Beer distributor	Thailand	100.00	100.00
25. Pomburapa Co., Ltd.	Beer distributor	Thailand	100.00	100.00
26. Num Yuk Co., Ltd.	Spirits distributor	Thailand	100.00	100.00
27. Num Kijjakarn Co., Ltd.	Spirits distributor	Thailand	100.00	100.00
28. Num Palang Co., Ltd.	Spirits distributor	Thailand	100.00	100.00
29. Num Muang Co., Ltd.	Spirits distributor	Thailand	100.00	100.00
30. Num Nakorn Co., Ltd.	Spirits distributor	Thailand	100.00	100.00
31. Num Thurakij Co., Ltd.	Spirits distributor	Thailand	100.00	100.00
32. Thipchalothorn Co., Ltd.	Beer and sprits agency	Thailand	100.00	100.00
33. Krittayabun Co., Ltd.	Beer and sprits agency	Thailand	100.00	100.00
34. Surathip Co., Ltd.	Spirits agency	Thailand	100.00	100.00
35. Sunthronpirom Co., Ltd.	Spirits agency	Thailand	100.00	100.00
36. Piromsurang Co., Ltd.	Spirits agency	Thailand	100.00	100.00

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Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2007	2006
<i>Direct subsidiaries (continued)</i>				
37. Bionic Humus Co., Ltd.	Trading of fertilizer	Thailand	100.00	100.00
38. Maharas Agri Co., Ltd.	Japanese rice farming	Thailand	100.00	100.00
39. Thai Molasses Co., Ltd.	Trading of molasses	Thailand	99.72	99.72
40. Additive Food Co., Ltd.	Trading of feeds	Thailand	100.00	100.00
41. Pan International (Thailand) Co., Ltd.	Trading of supplies and procurement	Thailand	100.00	100.00
42. Charun Business 52 Co., Ltd.	Brick producer	Thailand	100.00	100.00
43. Thai Cooperage Co., Ltd.	Oak barrel producer	Thailand	100.00	100.00
44. Bang-Na Logistic Co., Ltd.	Trading of bottles	Thailand	100.00	100.00
45. Thai Beverage Logistics Co., Ltd. (Formerly: Sahatipkarnkonsong Co., Ltd.)	Transportation	Thailand	100.00	100.00
46. Thai Beverage Marketing Co., Ltd.	Import and export spirits for trading/ international marketing	Thailand	100.00	100.00
47. Dhanasindhi Co., Ltd.	Construction	Thailand	100.00	100.00
48. Dhospaak Co., Ltd.	Advertising agency	Thailand	100.00	100.00
49. International Beverage Holdings Ltd.	Holding company	Hong Kong	100.00	100.00
50. Cosmos Brewery (Thailand) Co., Ltd.	Beer brewery	Thailand	100.00	100.00
51. T.C.C. Cosmo Corporation Ltd.	Trademark holding	Thailand	100.00	100.00
52. Beer Chang Co., Ltd.	Trademark holding and production of concentrate materials	Thailand	100.00	100.00
53. Archa Beer Co., Ltd.	Trademark holding and production of concentrate materials	Thailand	100.00	100.00
54. Sura Piset Phatra Lanna Co., Ltd. ##	Holding company	Thailand	100.00	100.00
<i>Indirect subsidiaries</i>				
55. Thai Thum Distillery Co., Ltd. #	Trading of spirits	Thailand	99.90	99.90
56. Sura Piset Sahasan Co., Ltd. #	Production and distribution of spirits	Thailand	100.00	100.00
57. Sura Piset Sampan Co., Ltd. #	Production and distribution of spirits	Thailand	100.00	100.00
58. Muangkij Co., Ltd. #	Import of oak woods	Thailand	100.00	100.00
59. Sint Ek Panich Co., Ltd. #	Mining	Thailand	100.00	100.00
60. Pan Alcohol Co., Ltd. #	Production and distribution of vinegar	Thailand	100.00	100.00
61. Banglen Agriculture Co., Ltd. #	Agriculture	Thailand	100.00	100.00
62. Vitayathan Co., Ltd.	Environmental public relations	Thailand	100.00	100.00
63. InterBev (Singapore) Limited	Trading of alcoholic beverages	Singapore	100.00	100.00
64. InterBev (Cambodia) Co., Ltd.	Trading of alcoholic beverages	Cambodia	100.00	100.00
65. InterBev Malaysia Sdn. Bhd.	Trading of alcoholic beverages	Malaysia	100.00	100.00
66. International Beverage Holdings Limited USA, Inc. (Formerly: InterBev USA Inc.)	Trading of alcoholic beverages	United States of America	100.00	100.00
67. Best Spirits Company Limited	Trading of alcoholic beverages	Hong Kong	100.00	100.00
68. International Beverage Holdings (UK) Limited (Formerly: Pacific Spirits (UK) Limited)	Holding company	United Kingdom	100.00	100.00
69. United Products Co., Ltd.	Production and distribution of spirits	Thailand	80.82	-
70. S P M Foods and Beverages Co., Ltd.	Production and distribution of water and energy drinks and spirits agency	Thailand	83.20	-
<i>Subsidiaries of indirect subsidiaries*</i>				
71. Blairmhor Limited #	Holding Company	United Kingdom	100.00	100.00
72. Inver House Distillers Limited	Production and distribution of spirits	United Kingdom	100.00	100.00
73. Blairmhor Distillers Limited #	Dormant	United Kingdom	100.00	100.00
74. Wee Beastie Limited	Production and distribution of alcoholic beverages	United Kingdom	100.00	100.00
75. Speyburn-Glenlivet Distillery Company Limited #	Dormant	United Kingdom	100.00	100.00
76. The Knockdhu Distillery Company Limited #	Dormant	United Kingdom	100.00	100.00



**Thai Beverage Public Company Limited and its Subsidiaries**  
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Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2007	2006
<i>Subsidiaries of indirect subsidiaries* (continued)</i>				
77. The Pulteney Distillery Company Limited #	Dormant	United Kingdom	100.00	100.00
78. The Balblair Distillery Company Limited #	Dormant	United Kingdom	100.00	100.00
79. R. Carmichael & Sons Limited #	Dormant	United Kingdom	100.00	100.00
80. J MacArthur Junior & Company Limited #	Dormant	United Kingdom	100.00	100.00
81. Mason & Summers Limited #	Dormant	United Kingdom	100.00	100.00
82. Hankey Bannister Limited #	Dormant	United Kingdom	100.00	100.00
83. James Catto & Company Limited #	Dormant	United Kingdom	100.00	100.00
84. Glen Calder Blenders Limited #	Dormant	United Kingdom	100.00	100.00
85. Moffat & Towers Limited #	Dormant	United Kingdom	100.00	100.00
<i>Associates of indirect subsidiaries**</i>				
86. Liquorland Limited	Off licences	United Kingdom	49.49	49.49
87. Inver House Polska Limited	Trading of alcoholic beverages	Poland	44.00	44.00
88. Inver House Distribution SA #	Dormant	France	50.02	50.02

\* Subsidiaries of International Beverage Holdings (UK) Limited

\*\* Associates of International Beverage Holdings (UK) Limited

# These are currently non-trading.

## A subsidiary was changed from indirect subsidiary to direct subsidiary in October 2007 and is currently non-trading.

In 2007, Sura Piset Phatra Lanna Co., Ltd., a subsidiary, acquired 2.8 million ordinary shares of United Product Co., Ltd. which represents 80.82% in share capital of such company for a total value of Baht 285.54 million, and 0.8 million ordinary shares of SPM Foods and Beverages Co., Ltd. which represents 83.20% in share capital of such company for a total value of Baht 0.08 million from the former shareholders of both companies.

## 2 Basis of preparation of the financial statements

The financial statements issued for Thai reporting purposes are prepared in the Thai language. This English translation of the financial statements has been prepared for the convenience of readers not conversant with the Thai language.

The financial statements are prepared in accordance with Thai Accounting Standards (“TAS”) including related interpretations and guidelines promulgated by the Federation of Accounting Professions (“FAP”) and with generally accepted accounting principles in Thailand.

During 2007, the FAP issued the following revised TAS relevant to the Group’s operations and effective for accounting periods beginning on or after 1 January 2007:

TAS 44 (revised 2007)      *Consolidated and Separate Financial Statements*

TAS 45 (revised 2007)      *Investments in Associates*

The adoption of these revised TAS has resulted in a change in the Company’s accounting policy for interests in subsidiaries and associates in the separate financial statements of the Company. The effects of this change are disclosed in note 29.

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In addition to the above revised TAS, the FAP has issued during 2007 a number of other new and revised TAS which are only effective for financial statements beginning on or after 1 January 2008 and have not been adopted in the preparation of these financial statements. These new and revised TAS are disclosed in note 34.

The financial statements are presented in Thai Baht, rounded in the notes to the financial statements to the nearest million, unless otherwise stated. They are prepared on the historical cost basis except as stated in the accounting policies.

The preparation of financial statements in conformity with TAS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources. Accordingly, actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

### **3 Significant accounting policies**

#### **(a) Basis of consolidation**

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interest in associates.

Significant intra-group transactions between the Company and its subsidiaries are eliminated on consolidation.

#### *Subsidiaries*

Subsidiaries are those companies controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of a company so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

#### *Associates*

Associates are those companies in which the Group has significant influence, but not control, over the financial and operating policies. The consolidated financial statements include the Group’s share of the total recognised gains and losses of associates on an equity accounted basis, from the date that significant influence commences until the date that significant influence ceases. When the Group’s share of losses exceeds its interest in an associate, the Group’s carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

**Thai Beverage Public Company Limited and its Subsidiaries**  
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*Business combinations*

Business combinations involving businesses under common control have been accounted for in a manner similar to a pooling of interests, whereby the assets, liabilities and contingent liabilities transferred have been accounted for at book values.

Business combinations are accounted for using the purchase method. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

**(b) Foreign currencies**

*Foreign currency transactions*

Transactions in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Thai Baht at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in the statement of income.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to Thai Baht using the foreign exchange rates ruling at the dates of the transactions.

*Foreign entities*

The assets and liabilities of foreign entities are translated to Thai Baht at the average foreign exchange rates ruling at the balance sheet date.

The revenues and expenses of foreign entities are translated to Thai Baht at rates approximating the average foreign exchange rates ruling at the dates of the transactions.

Foreign exchange differences arising on translation are recognised in a separate component of equity until disposal of the investments.

**(c) Derivative financial instruments**

Forward exchange contracts are treated as off-balance sheet items.

**(d) Cash and cash equivalents**

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

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**(e) Trade and other accounts receivable**

Trade and other accounts receivables (including balances with related parties) are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

**(f) Inventories**

Inventories are stated at the lower of cost and net realisable value.

Cost of raw material, packaging materials, work in progress and finished goods is calculated using the weighted average cost principle, and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

**(g) Investments**

*Investments in subsidiaries and associates*

Investments in subsidiaries and associates in the separate financial statements of the Company are accounted for using the cost method. This is a change of accounting policy, the effects of which are disclosed in note 29. Investments in associates in the consolidated financial statements are accounted for using the equity method.

*Investments in other equity securities*

Marketable equity securities are classified as being available-for-sale and are stated at fair value, with any resultant gain or loss being recognised directly in equity. The exceptions are impairment losses, which are recognised in the statement of income.

Equity securities which are not marketable are stated at cost less impairment losses.

The fair value of financial instruments classified as available-for-sale is determined as the quoted bid price at the balance sheet date.

*Disposal of investments*

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in the statement of income.

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**(h) *Property, plant and equipment***

*Owned assets*

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses except for land, which is stated at its revalued amount. The revalued amount is the fair value.

Property that is being constructed or developed for future use is classified as property, plant and equipment and stated at cost until construction or development is complete.

*Leased assets*

Leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the statement of income.

*Revalued assets*

Revaluations are performed by independent professional valuers with sufficient regularity. The Group's policy requires an appraisal to be conducted every three to five years or when there are factors that might materially impact the value of the land, to ensure that the carrying amount of these assets does not differ materially from that which would be determined using fair values at the balance sheet date.

Any increase in value, on revaluation, is credited to equity under the heading "revaluation surplus" unless it offsets a previous decrease in value recognised in the statement of income in respect of the same asset. A decrease in value is recognised in the statement of income to the extent it exceeds an increase previously recognised in equity in respect of the same asset. Upon disposal of a revalued asset, any related revaluation surplus is transferred from equity to retained earnings and is not taken into account in calculating the gain or loss on disposal.

*Subsequent expenditure*

Subsequent expenditure relating to an item of property, plant and equipment is added to the carrying amount of the asset when it is probable that the future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

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*Depreciation*

Depreciation is charged to the statement of income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

Land improvement	5-20 years
Building and structures	10-40 years
Building improvements	5-20 years
Machinery and equipment	4-40 years
Oak barrels	10-20 years
Furniture, fixtures and office equipment	3-10 years
Vehicles	3-10 years

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

**(i) Intangible assets**

*Goodwill*

Goodwill in a business combination represents the excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired.

Goodwill is stated at cost less accumulated amortisation and impairment losses.

*Other intangible assets*

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and impairment losses.

*Amortisation*

Amortisation is charged to the statement of income on a straight-line and unit of production basis over the estimated useful lives of the assets. Intangible assets are amortised from the date that they are available for use. The estimated useful lives are as follows:

Goodwill	20 years (straight-line method)
Computer software	3-10 years (straight-line method)
Trademark	10 years (straight-line method)
Broadcasting rights	4 years (unit of production method)
Leasehold	Lease term (straight-line method)

**(j) Impairment**

The carrying amounts of the Group's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in the statement of income unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

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**(k) Interest-bearing liabilities**

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in the statement of income over the period of the borrowings on an effective interest basis.

**(l) Trade and other accounts payable**

Trade and other accounts payable (including balances with related parties) are stated at cost.

**(m) Provisions**

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

**(n) Difference arising from common control transactions**

Difference arising from common control transactions relates to the restructuring of businesses under the common control of the ultimate majority shareholder of the Company and arises from the difference between the cost of the combination and the carrying amounts of net identifiable assets at the date of combination (except for businesses acquired that are not under common control, net identifiable assets are measured at the fair value). The Company recognises the difference arising from common control transactions under shareholders' equity until disposal of the investment.

**(o) Revenue**

Revenue excludes value added taxes or other sales taxes and is arrived at after deduction of trade discounts.

*Sale of goods and services rendered*

Revenue is recognised in the statement of income when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods. Service income is recognised as services are provided.

When the outcome of a contract for the rendering of services can be estimated reliably, contract revenue is recognised in the statement of income by reference to the stage of completion of the contract activity at the balance sheet date. When the outcome of the contract cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

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*Construction contracts*

When the outcome of a construction contract can be estimated reliably, contract revenue and expenses are recognised in the statement of income by reference to the stage of completion of the contract activity at the balance sheet date. The stage of completion is assessed the percentage of completion method, which is measured by the project engineer. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised immediately as an expense in the statement of income.

*Interest and dividend income*

Interest income is recognised in the statement of income as it accrues. Dividend income is recognised in the statement of income on the date the Group's right to receive payments is established which in the case of marketable securities is usually the ex-dividend date.

**(p) Expenses**

*Operating leases*

Payments made under operating leases are recognised in the statement of income on a straight line basis over the term of the lease. Lease incentives received are recognised in the statement of income as an integral part of the total lease payments made. Contingent rentals are charged to the statement of income in the accounting period in which they are incurred.

*Finance costs*

Interest expenses and similar costs are charged to the statement of income in the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale. The interest component of finance lease payments is recognised in the statement of income using the effective interest rate method.

*Research and development*

Research and development costs, including costs of developing new beverage products and package design is expensed in the period in which it is incurred.

Other income and expenses are recognised on an accrual basis.

**(q) Income tax**

Income tax on the profit or loss for the year comprises current tax. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the balance sheet date and applicable to the reporting period, and any adjustment to tax payable in respect of previous years.