

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

Financial statements for the year ended  
30 September 2019  
and  
Independent Auditor's Report



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## Independent Auditor's Report

### To the Shareholders of Thai Beverage Public Company Limited

#### *Opinion*

I have audited the consolidated and separate financial statements of Thai Beverage Public Company Limited and its subsidiaries (the "Group") and of Thai Beverage Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 30 September 2019, the consolidated and separate statements of income and comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 30 September 2019 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards ("TFRSs").

#### *Basis for Opinion*

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



*Key Audit Matters*

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

<b>Acquisitions of businesses</b>	
Refer to Notes 2, 4 and 5 to the consolidated financial statements.	
<b>The key audit matter</b>	<b>How the matter was addressed in the audit</b>
<p>During the year 2019, the Group finalised the valuation of net assets of SABECO and Havi which the Group acquired on 29 December 2017 and 28 February 2018 respectively, resulting in the recording goodwill of Baht 130,749 million in the consolidated statement of financial position as at 30 September 2018. The audited consolidated financial statements as at and for the year ended 30 September 2018, which are included as comparative information have been restated to reflect the finalised valuation as described in Note 5 to the financial statements.</p> <p>The acquisition method of accounting for business combinations is a complex and judgmental exercise, requiring the Group to determine the fair value of assets acquired and liabilities assumed and consideration transferred with any resulting differences recognised as goodwill.</p> <p>I considered accounting for business combination as a key audit matter due to complexities of accounting treatment and significant judgment are involved in determining the fair value of assets acquired and liabilities assumed. Moreover, the consideration paid are significant to the consolidated financial statements.</p>	<p>My audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Read the sale and purchase agreement to understand key terms and conditions;</li> <li>• Evaluated the assessment by the Group of the identification of all the assets acquired and liabilities assumed and consideration transferred;</li> <li>• Evaluated the assumptions and methodologies underpinning the valuations;</li> <li>• Evaluated the qualifications and independence of the independent valuer of the group.</li> <li>• Involved KPMG valuation specialist to evaluate the financial parameters applied to the discount rate, identification of the intangible assets, valuation methodology used and calculation rationale that in relating to intangible assets.</li> <li>• Evaluated the adequacy of the financial statements disclosures in accordance with TFRSs.</li> </ul>



<b>Impairment of investments in associates, goodwill and other intangible assets</b>	
Refer to Notes 2, 4, 11, 16 and 17 to the consolidated financial statements	
<b>The key audit matter</b>	<b>How the matter was addressed in the audit</b>
<p>The group has significant investment in associates, and also has goodwill and other intangible assets with indefinite useful life which was mainly arising from acquisition of businesses.</p> <p>For investments in associates, the management has determined if there in any indicator for impairment. The management normally assesses the impairment from the estimated the recoverable amount of goodwill and intangible assets base on discounted future cash flow expected to be generate from the respective operating unit. The net present value of forecast future cash flow derived from profit forecasts which include key assumptions as sale growth rate and profit margins, and discount rate for the operating units which the goodwill and intangible assets are allocated to.</p> <p>As there are judgement and estimation involved in the preparation of discounted future cash flows and determination of certain key inputs, therefore, I have determined this matter to be a key audit matter.</p>	<p>My audit procedures included the following:</p> <ul style="list-style-type: none"><li>• For investments in associates, assessed the management's assessment of indicator for impairment.</li><li>• Assessed the determination of operating units that goodwill is allocated to base on my understanding of the nature of the Group's business.</li><li>• Assessed the appropriateness of the methodology used in determining the recoverability of goodwill and intangible assets.</li><li>• Assessed the reasonableness of the key assumptions used in discounted cash flow projection approved by management by comparing sales growth rate and gross profit margins to past performance and future plan. In determining appropriateness of discounted rate, I compare the rate used with the weighted average cost of capital within the same industry which the Group operates in.</li><li>• Evaluating the sensitivity of key assumptions used in future cash flows projection which affect to the recoverable amount of cash-generating unit; and</li><li>• Evaluating the adequacy of the financial statements disclosures in accordance with TFRSs.</li></ul>

*Emphasis of Matter*

I draw attention to note 3 to financial information describing the effect of the Group's adoption from 1 January 2019 of the accounting policy for derivative financial instruments and hedge accounting. The corresponding figures presented are based on the audited financial statements as at 30 September 2018 after making the adjustments described in note 3. My opinion is not modified in respect of this matter.



### *Other Information*

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

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

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

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

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

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

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

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

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

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

(Sureerat Thongarunsang)  
Certified Public Accountant  
Registration No. 4409

KPMG Phoomchai Audit Ltd.  
Bangkok  
22 November 2019

**Thai Beverage Public Company Limited and its Subsidiaries**  
**Statement of financial position**

Assets	Note	Consolidated financial statements			Separate financial statements	
		30 September	2018	1 October	30 September	
		2019	(Restated)	2017	2019	2018
<i>(in thousand Baht)</i>						
<b>Current assets</b>						
Cash and cash at financial institutions	7	24,362,475	22,529,716	9,929,210	72,249	92,698
Trade accounts receivable	6, 8	5,094,230	4,294,425	2,627,222	978,610	667,775
Other receivables		1,664,328	1,789,128	620,566	156,198	168,069
Short-term loans to and other receivables						
from related parties	6	1,079,684	1,621,436	316,726	6,589,392	5,244,948
Inventories	9	42,876,370	42,184,806	37,761,172	-	-
Other current assets	10	2,241,005	2,808,730	4,666,130	515,718	243,563
<b>Total current assets</b>		<b>77,318,092</b>	<b>75,228,241</b>	<b>55,921,026</b>	<b>8,312,167</b>	<b>6,417,053</b>
<b>Non-current assets</b>						
Investments in associates and joint ventures	11	79,345,370	82,118,052	78,579,109	-	-
Investments in subsidiaries	12	-	-	-	335,267,666	333,695,916
Other long-term investments		629,607	734,275	168,388	2,500	2,500
Long-term loans to and other receivables						
from related parties	6	149,324	130,700	107,470	6,687,763	10,671,332
Investment properties	14	1,678,107	1,715,217	1,522,947	-	-
Property, plant and equipment	15	59,737,355	60,457,810	48,531,803	96,798	168,757
Goodwill	5, 16	145,937,769	153,585,669	6,963,821	-	-
Other intangible assets	5, 17	38,182,643	40,394,808	317,545	105,611	52,782
Deferred tax assets	18	1,584,282	942,523	509,342	934,052	299,530
Other non-current assets	19	2,677,922	2,615,018	1,825,403	233,820	242,475
<b>Total non-current assets</b>		<b>329,922,379</b>	<b>342,694,072</b>	<b>138,525,828</b>	<b>343,328,210</b>	<b>345,133,292</b>
<b>Total assets</b>		<b>407,240,471</b>	<b>417,922,313</b>	<b>194,446,854</b>	<b>351,640,377</b>	<b>351,550,345</b>

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

**Thai Beverage Public Company Limited and its Subsidiaries**  
**Statement of financial position**

	Note	Consolidated financial statements			Separate financial statements	
		30 September	1 October	30 September		
		2019	2018 (Restated)	2017 (Restated)	2019	2018
<i>(in thousand Baht)</i>						
<b>Liabilities and equity</b>						
<b>Current liabilities</b>						
Bank overdrafts and short-term loans from financial institutions	20	11,911,922	4,765,853	5,703,438	9,450,000	2,000,000
Trade accounts payable	6, 21	7,706,071	7,903,243	4,797,456	-	-
Other payables	22	12,764,455	8,390,830	6,467,508	658,622	484,881
Current portion of debentures	20	9,689,394	1,700,700	-	9,689,394	-
Current portion of bill of exchanges and long-term loans from financial institutions	20	6,660	8,016,237	24,950,451	-	8,000,000
Short-term loans from and other payables to related parties	6, 20	348,489	628,515	384,157	5,541,362	9,179,071
Other short-term loan		-	-	4,500	-	-
Income tax payable		2,069,419	2,267,816	3,453,496	-	-
Other current liabilities	23	4,053,633	3,786,206	1,909,713	161,408	47,403
<b>Total current liabilities</b>		<b>48,550,043</b>	<b>37,459,400</b>	<b>47,670,719</b>	<b>25,500,786</b>	<b>19,711,355</b>
<b>Non-current liabilities</b>						
Long-term loans from and other payables to related parties	6, 20	2,366	812	221	38,359,494	27,794,779
Debentures	20	170,173,292	126,909,756	2,000,000	170,173,292	126,909,756
Bill of exchanges and long-term loans from financial institutions	20	27,801,411	89,893,784	8,000,000	27,790,291	89,862,129
Deferred tax liabilities	18	4,445,520	4,519,668	868,303	-	-
Employee benefit obligations	24	4,783,469	3,436,930	3,088,932	295,610	265,292
Other non-current liabilities		1,159,664	228,946	99,192	880,299	148
<b>Total non-current liabilities</b>		<b>208,365,722</b>	<b>224,989,896</b>	<b>14,056,648</b>	<b>237,498,986</b>	<b>244,832,104</b>
<b>Total liabilities</b>		<b>256,915,765</b>	<b>262,449,296</b>	<b>61,727,367</b>	<b>262,999,772</b>	<b>264,543,459</b>
<b>Equity</b>						
Share capital:	25					
Authorized share capital		25,155,025	25,155,025	25,155,025	25,155,025	25,155,025
Issued and paid-up share capital		25,113,533	25,111,321	25,110,025	25,113,533	25,111,321
Difference arising from common control transactions		(19,718,440)	(19,718,440)	(19,718,440)	31,035	31,035
Premium on ordinary shares	25	17,285,426	17,241,995	17,215,737	17,285,426	17,241,995
Retained earnings:						
Appropriated - legal reserve	26	2,900,000	2,900,000	2,900,000	2,900,000	2,900,000
Unappropriated		120,219,545	108,864,728	106,511,717	44,119,596	41,664,409
Other components of equity	27	(29,941,004)	(13,447,882)	(3,032,549)	(808,985)	58,126
<b>Equity attributable to owners of the Company</b>		<b>115,859,060</b>	<b>120,951,722</b>	<b>128,986,490</b>	<b>88,640,605</b>	<b>87,006,886</b>
Non-controlling interests	13	34,465,646	34,521,295	3,732,997	-	-
<b>Total equity</b>		<b>150,324,706</b>	<b>155,473,017</b>	<b>132,719,487</b>	<b>88,640,605</b>	<b>87,006,886</b>
<b>Total liabilities and equity</b>		<b>407,240,471</b>	<b>417,922,313</b>	<b>194,446,854</b>	<b>351,640,377</b>	<b>351,550,345</b>

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



**Thai Beverage Public Company Limited and its Subsidiaries**  
**Statement of income**

		<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
		For the year ended		For the year ended	
		30 September		30 September	
<i>Note</i>		2019	2018	2019	2018
			(Restated)		
		<i>(in thousand Baht)</i>			
<b>Income</b>	28				
Revenue from sale of goods	6, 35	267,356,561	229,695,094	-	-
Management fees	6	-	-	11,679,843	6,934,766
Dividend income	6, 12	15,266	23,144	11,341,192	17,932,804
Interest income	6	1,144,591	703,867	838,727	799,682
Net gain on foreign exchange		10,636	84,235	8,060	14,570
Other income	6	738,080	2,092,089	35,738	72,284
<b>Total income</b>		<b>269,265,134</b>	<b>232,598,429</b>	<b>23,903,560</b>	<b>25,754,106</b>
<b>Expenses</b>	28				
Cost of sale of goods	6, 9	189,966,059	162,893,247	-	-
Cost of rendering of services	6	-	-	3,077,918	3,139,887
Distribution costs	6, 29	28,713,250	26,541,251	-	-
Administrative expenses	6, 30	16,170,599	15,455,795	615,717	593,341
Past service cost for employee benefits from amendment of the Labor Protection Act	24	798,457	-	42,906	-
Finance costs	6, 33	7,150,398	4,964,770	8,217,341	4,992,820
<b>Total expenses</b>		<b>242,798,763</b>	<b>209,855,063</b>	<b>11,953,882</b>	<b>8,726,048</b>
Share of profit of investment in associates and joint ventures, net of tax	11	4,845,162	3,818,028	-	-
<b>Profit before income tax expense and non-operating items</b>		<b>31,311,533</b>	<b>26,561,394</b>	<b>11,949,678</b>	<b>17,028,058</b>
<b>Non-operating items:</b>					
Cost relating to business acquisition	5	-	(2,458,196)	-	-
<b>Profit before income tax expense</b>		<b>31,311,533</b>	<b>24,103,198</b>	<b>11,949,678</b>	<b>17,028,058</b>
Income tax (expense) benefit	34	(5,228,792)	(4,494,424)	331,176	233,272
<b>Profit for the year</b>		<b>26,082,741</b>	<b>19,608,774</b>	<b>12,280,854</b>	<b>17,261,330</b>
<b>Profit attributable to:</b>					
Owners of the Company		23,272,394	17,942,878	12,280,854	17,261,330
Non-controlling interests	13	2,810,347	1,665,896	-	-
<b>Profit for the year</b>		<b>26,082,741</b>	<b>19,608,774</b>	<b>12,280,854</b>	<b>17,261,330</b>
<b>Earnings per share (Baht)</b>	36				
Basic earnings per share		<b>0.93</b>	<b>0.71</b>	<b>0.49</b>	<b>0.69</b>
Diluted earnings per share		<b>0.93</b>	<b>0.71</b>	<b>0.49</b>	<b>0.69</b>

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

**Thai Beverage Public Company Limited and its Subsidiaries**  
**Statement of comprehensive income**

	Note	Consolidated financial statements		Separate financial statements	
		For the year ended 30 September		For the year ended 30 September	
		2019	2018 (Restated)	2019	2018
<i>(in thousand Baht)</i>					
<b>Profit for the year</b>		<b>26,082,741</b>	<b>19,608,774</b>	<b>12,280,854</b>	<b>17,261,330</b>
<b>Other comprehensive income</b>					
<i>Items that will not be reclassified to profit or loss</i>					
Revaluation of land	15	870,420	-	-	-
Defined employee benefit plan actuarial losses	24	(506,228)	(30,676)	(33,238)	(18,227)
Income tax relating to items that will not be reclassified	34	(76,627)	44,702	1,849	5,798
		<u>287,565</u>	<u>14,026</u>	<u>(31,389)</u>	<u>(12,429)</u>
<i>Items that will be reclassified subsequently to profit or loss</i>					
Cash flow hedges-effective portion of changes in fair value		(1,070,495)	-	(1,070,495)	-
Share of other comprehensive income of					
investment in associates and joint ventures	11	(1,462,767)	(1,037,546)	-	-
Exchange differences on translating foreign operations		(16,281,370)	(9,907,627)	-	-
Gains on remeasurements of available-for-sale					
investments		23,296	15,963	-	-
Income tax relating to items that will be reclassified	34	213,517	2,327	214,099	-
		<u>(18,577,819)</u>	<u>(10,926,883)</u>	<u>(856,396)</u>	<u>-</u>
<b>Other comprehensive income for the year, net of income tax</b>		<b>(18,290,254)</b>	<b>(10,912,857)</b>	<b>(887,785)</b>	<b>(12,429)</b>
<b>Total comprehensive income for the year</b>		<b>7,792,487</b>	<b>8,695,917</b>	<b>11,393,069</b>	<b>17,248,901</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		6,404,748	7,482,049	11,393,069	17,248,901
Non-controlling interests	13	1,387,739	1,213,868	-	-
<b>Total comprehensive income for the year</b>		<b>7,792,487</b>	<b>8,695,917</b>	<b>11,393,069</b>	<b>17,248,901</b>

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

**Thai Beverage Public Company Limited and its Subsidiaries**
**Statement of changes in equity**

		Consolidated financial statements													
		Retained earnings					Other components of equity								
		Issued and paid-up share capital	Difference arising from common control transactions	Premium on ordinary shares	Legal reserve	Unappropriated	Other capital reserves- share-based payment	Currency translation differences	Revaluation surplus	Fair value changes in available-for-sale investments	Share of other comprehensive income of investment in associates and joint ventures	Total other components of equity	Equity attributable to owners of the Company	Non-controlling interests	Total equity
Note															
		<i>(in thousand Baht)</i>													
<b>For the year ended 30 September 2018</b>															
	<b>Balance at 1 October 2017 - As previously reported</b>	25,110,025	(19,718,440)	17,215,737	2,900,000	106,085,610	33,541	(3,132,810)	5,002,515	9,678	(4,725,850)	(2,812,926)	128,780,006	3,732,997	132,513,003
3	Impact of change in accounting policy	-	-	-	-	426,107	-	22,464	-	-	(242,087)	(219,623)	206,484	-	206,484
	<b>Balance at 1 October 2017 - As restated</b>	<u>25,110,025</u>	<u>(19,718,440)</u>	<u>17,215,737</u>	<u>2,900,000</u>	<u>106,511,717</u>	<u>33,541</u>	<u>(3,110,346)</u>	<u>5,002,515</u>	<u>9,678</u>	<u>(4,967,937)</u>	<u>(3,032,549)</u>	<u>128,986,490</u>	<u>3,732,997</u>	<u>132,719,487</u>
<b>Transactions with owners, recorded directly in equity</b>															
<i>Distributions to owners of the Company</i>															
	Transactions in relation to long-term incentive plan	27 1,296	-	26,258	-	-	24,585	-	-	-	-	24,585	52,139	-	52,139
	Dividends to owners of the Company	37 -	-	-	-	(15,569,019)	-	-	-	-	-	-	(15,569,019)	(565,311)	(16,134,330)
	<b>Total distributions to owners of the Company</b>	<u>1,296</u>	<u>-</u>	<u>26,258</u>	<u>-</u>	<u>(15,569,019)</u>	<u>24,585</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,585</u>	<u>(15,516,880)</u>	<u>(565,311)</u>	<u>(16,082,191)</u>
<i>Changes in ownership interests in subsidiaries</i>															
	Acquisition of non-controlling interests without a change in control	-	-	-	-	63	-	-	-	-	-	-	63	618,999	619,062
	Acquisition of non-controlling interests through business combination - Restated	5 -	-	-	-	-	-	-	-	-	-	-	-	29,520,742	29,520,742
	<b>Total changes in ownership interests in subsidiaries</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>63</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>63</u>	<u>30,139,741</u>	<u>30,139,804</u>
	<b>Total transactions with owners, recorded directly in equity</b>	<u>1,296</u>	<u>-</u>	<u>26,258</u>	<u>-</u>	<u>(15,568,956)</u>	<u>24,585</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,585</u>	<u>(15,516,817)</u>	<u>29,574,430</u>	<u>14,057,613</u>
<b>Comprehensive income for the year - Restated</b>															
	Profit	-	-	-	-	17,942,878	-	-	-	-	-	-	17,942,878	1,665,896	19,608,774
	Other comprehensive income	-	-	-	-	(20,911)	-	(9,403,599)	-	1,227	(1,037,546)	(10,439,918)	(10,460,829)	(452,028)	(10,912,857)
	<b>Total comprehensive income for the year - Restated</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,921,967</u>	<u>-</u>	<u>(9,403,599)</u>	<u>-</u>	<u>1,227</u>	<u>(1,037,546)</u>	<u>(10,439,918)</u>	<u>7,482,049</u>	<u>1,213,868</u>	<u>8,695,917</u>
	<b>Balance at 30 September 2018</b>	<u>25,111,321</u>	<u>(19,718,440)</u>	<u>17,241,995</u>	<u>2,900,000</u>	<u>108,864,728</u>	<u>58,126</u>	<u>(12,513,945)</u>	<u>5,002,515</u>	<u>10,905</u>	<u>(6,005,483)</u>	<u>(13,447,882)</u>	<u>120,951,722</u>	<u>34,521,295</u>	<u>155,473,017</u>

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

**Thai Beverage Public Company Limited and its Subsidiaries**  
**Statement of changes in equity**

		Consolidated financial statements														
		Retained earnings					Other components of equity									
		Issued and paid-up share capital	Difference arising from common control transactions	Premium on ordinary shares	Legal reserve	Unappropriated	Other capital reserves- share-based payment	Currency translation differences	Revaluation surplus	Fair value changes in available-for-sale investments	Cash flow hedges reserves	Share of other comprehensive income of investment in associates and joint ventures	Total other components of equity	Equity attributable to owners of the Company	Non-controlling interests	Total equity
Note																
(in thousand Baht)																
<b>For the year ended 30 September 2019</b>																
	Balance at 1 October 2018 - As previously reported	25,111,321	(19,718,440)	17,241,995	2,900,000	109,025,452	58,126	(12,539,959)	5,002,515	10,905	-	(5,946,281)	(13,414,694)	121,145,634	19,424,825	140,570,459
3	Impact of change in accounting policy	-	-	-	-	13,896	-	26,014	-	-	-	(59,202)	(33,188)	(19,292)	-	(19,292)
5	Effect from fair value assessment of acquisition of businesses	-	-	-	-	(174,620)	-	-	-	-	-	-	-	(174,620)	15,096,470	14,921,850
	<b>Balance at 1 October 2018 - As restated</b>	<b>25,111,321</b>	<b>(19,718,440)</b>	<b>17,241,995</b>	<b>2,900,000</b>	<b>108,864,728</b>	<b>58,126</b>	<b>(12,513,945)</b>	<b>5,002,515</b>	<b>10,905</b>	<b>-</b>	<b>(6,005,483)</b>	<b>(13,447,882)</b>	<b>120,951,722</b>	<b>34,521,295</b>	<b>155,473,017</b>
<b>Transactions with owners, recorded directly in equity</b>																
<i>Distributions to owners of the Company</i>																
	Transactions in relation to long-term incentive plan	2,212	-	43,431	-	-	(10,715)	-	-	-	-	-	(10,715)	34,928	-	34,928
37	Dividends to owners of the Company	-	-	-	-	(9,794,278)	-	-	-	-	-	-	-	(9,794,278)	(2,621,324)	(12,415,602)
	<b>Total distributions to owners of the Company</b>	<b>2,212</b>	<b>-</b>	<b>43,431</b>	<b>-</b>	<b>(9,794,278)</b>	<b>(10,715)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(10,715)</b>	<b>(9,759,350)</b>	<b>(2,621,324)</b>	<b>(12,380,674)</b>
<i>Changes in ownership interests in subsidiaries</i>																
	Acquisition of non-controlling interests without a change in control	-	-	-	-	(1,738,060)	-	-	-	-	-	-	-	(1,738,060)	1,177,936	(560,124)
	<b>Total changes in ownership interests in subsidiaries</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,738,060)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,738,060)</b>	<b>1,177,936</b>	<b>(560,124)</b>
	<b>Total transactions with owners, recorded directly in equity</b>	<b>2,212</b>	<b>-</b>	<b>43,431</b>	<b>-</b>	<b>(11,532,338)</b>	<b>(10,715)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(10,715)</b>	<b>(11,497,410)</b>	<b>(1,443,388)</b>	<b>(12,940,798)</b>
<b>Comprehensive income for the year</b>																
	Profit	-	-	-	-	23,272,394	-	-	-	-	-	-	-	23,272,394	2,810,347	26,082,741
	Other comprehensive income	-	-	-	-	(385,239)	-	(14,639,749)	450,301	26,204	(856,396)	(1,462,767)	(16,482,407)	(16,867,646)	(1,422,608)	(18,290,254)
	<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,887,155</b>	<b>-</b>	<b>(14,639,749)</b>	<b>450,301</b>	<b>26,204</b>	<b>(856,396)</b>	<b>(1,462,767)</b>	<b>(16,482,407)</b>	<b>6,404,748</b>	<b>1,387,739</b>	<b>7,792,487</b>
	<b>Balance at 30 September 2019</b>	<b>25,113,533</b>	<b>(19,718,440)</b>	<b>17,285,426</b>	<b>2,900,000</b>	<b>120,219,545</b>	<b>47,411</b>	<b>(27,153,694)</b>	<b>5,452,816</b>	<b>37,109</b>	<b>(856,396)</b>	<b>(7,468,250)</b>	<b>(29,941,004)</b>	<b>115,859,060</b>	<b>34,465,646</b>	<b>150,324,706</b>

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

# Thai Beverage Public Company Limited and its Subsidiaries

## Statement of changes in equity

	Note	Separate financial statements				Other Components		Total equity
		Issued and paid-up share capital	Difference arising from common control transactions	Premium on ordinary shares	Retained earnings		Other capital reserves- share-based payment	
					Legal reserve	Unappropriated		
<i>(in thousand Baht)</i>								
<b>For the year ended 30 September 2018</b>								
Balance at 1 October 2017		25,110,025	31,035	17,215,737	2,900,000	39,984,527	33,541	85,274,865
<b>Transactions with owners, recorded directly in equity</b>								
Transaction in relation to long-term incentive plan	27	1,296	-	26,258	-	-	24,585	52,139
Dividends to owners of the Company	37	-	-	-	-	(15,569,019)	-	(15,569,019)
<b>Total transactions with owners, recorded directly in equity</b>		<b>1,296</b>	<b>-</b>	<b>26,258</b>	<b>-</b>	<b>(15,569,019)</b>	<b>24,585</b>	<b>(15,516,880)</b>
<b>Comprehensive income for the year</b>								
Profit		-	-	-	-	17,261,330	-	17,261,330
Other comprehensive income		-	-	-	-	(12,429)	-	(12,429)
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,248,901</b>	<b>-</b>	<b>17,248,901</b>
<b>Balance at 30 September 2018</b>		<b>25,111,321</b>	<b>31,035</b>	<b>17,241,995</b>	<b>2,900,000</b>	<b>41,664,409</b>	<b>58,126</b>	<b>87,006,886</b>

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

**Thai Beverage Public Company Limited and its Subsidiaries**  
**Statement of changes in equity**

	Note	Separate financial statements								Total equity
		Issued and paid-up share capital	Difference arising from common control transactions	Premium on ordinary shares	Retained earnings		Other Components of equity			
					Legal reserve	Unappropriated	Other capital reserves- share-based payment	Cash flow hedges reserves	Total other components of equity	
<i>(in thousand Baht)</i>										
<b>For the year ended 30 September 2019</b>										
Balance at 1 October 2018		25,111,321	31,035	17,241,995	2,900,000	41,664,409	58,126	-	58,126	87,006,886
<b>Transactions with owners, recorded directly in equity</b>										
Transaction in relation to long-term incentive plan	27	2,212	-	43,431	-	-	(10,715)	-	(10,715)	34,928
Dividends to owners of the Company	37	-	-	-	-	(9,794,278)	-	-	-	(9,794,278)
<b>Total transactions with owners, recorded directly in equity</b>		<b>2,212</b>	<b>-</b>	<b>43,431</b>	<b>-</b>	<b>(9,794,278)</b>	<b>(10,715)</b>	<b>-</b>	<b>(10,715)</b>	<b>(9,759,350)</b>
<b>Comprehensive income for the year</b>										
Profit		-	-	-	-	12,280,854	-	-	-	12,280,854
Other comprehensive income		-	-	-	-	(31,389)	-	(856,396)	(856,396)	(887,785)
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,249,465</b>	<b>-</b>	<b>(856,396)</b>	<b>(856,396)</b>	<b>11,393,069</b>
<b>Balance at 30 September 2019</b>		<b>25,113,533</b>	<b>31,035</b>	<b>17,285,426</b>	<b>2,900,000</b>	<b>44,119,596</b>	<b>47,411</b>	<b>(856,396)</b>	<b>(808,985)</b>	<b>88,640,605</b>

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

**Thai Beverage Public Company Limited and its Subsidiaries**  
**Statement of cash flows**

	Note	Consolidated financial statements		Separate financial statements	
		For the year ended 30 September		For the year ended 30 September	
		2019	2018 (Restated)	2019	2018
<i>(in thousand Baht)</i>					
<b>Cash flows from operating activities</b>					
Profit for the year		26,082,741	19,608,774	12,280,854	17,261,330
<i>Adjustments for reconcile profit (loss) to cash receipts (payment)</i>					
Depreciation and amortisation		6,634,553	6,085,970	52,259	42,832
Interest income		(1,144,591)	(703,867)	(838,727)	(799,682)
Finance costs		7,150,398	5,071,497	8,217,341	4,992,820
Unrealised loss (gain) on exchange		(2,582)	23,229	(85)	(206)
Allowance for doubtful account	8	8,851	8,371	-	-
Amortisation of advance payments to a specialist		50,000	50,000	9,375	9,375
(Reversal of) Allowance for decline in value of inventories		151,930	(21,467)	-	-
Loss (Gain) on disposal and write-off of other long-term investments		117,894	(10,923)	-	-
Reversal of impairment loss on investment properties		-	(2,405)	-	-
Loss on disposal of investment properties		46	200	-	-
Loss (Gain) on disposal and write-off of property, plant and equipment and other intangible assets		105,231	(269,576)	9	(35)
Unrealised loss (gain) on fair value of other investments		(23,212)	100,337	-	-
Impairment loss on property, plant and equipment		41,206	672,752	-	-
Dividend income		(15,266)	(23,144)	(11,341,192)	(17,932,804)
Employee benefit expenses		361,296	273,008	43,749	24,959
Past service cost for employee benefits from amendment of the Labor Protection Act	24	798,457	-	42,906	-
Expense in relation to long-term incentive plan	27	36,120	46,305	12,863	17,532
Insurance claim from fire incident	15	(47,423)	(867,962)	-	-
Share of profit of investment in associates and joint ventures, net of income tax	6, 11	(4,845,162)	(3,818,028)	-	-
Income tax expense	34	5,228,792	4,494,424	(331,176)	(233,272)
		40,689,279	30,717,495	8,148,176	3,382,849
<b>Changes in operating assets and liabilities</b>					
Trade accounts receivable		(811,623)	188,187	(310,835)	(98,707)
Other receivables from related parties		563,974	(64,929)	(5,363)	(24,887)
Other receivables		312,605	(487,139)	11,551	(103,091)
Inventories		(610,941)	(194,185)	-	-
Other current assets		462,484	2,354,119	(359,553)	(212,494)
Trade accounts payable		(179,174)	(273,487)	-	-
Other payables to related parties		(280,827)	241,083	452,101	353,337
Other payables		4,177,752	(3,202,677)	72,864	85,045
Other current liabilities		509,331	194,661	113,934	2,786
Employee benefit paid		(314,370)	(199,610)	(89,574)	(8,933)
Other non-current liabilities		(19,127)	(27,999)	-	-
Cash generated from operating activities		44,499,363	29,245,519	8,033,301	3,375,905
Income tax paid		(6,023,842)	(6,965,318)	-	(153,841)
<b>Net cash from operating activities</b>		<b>38,475,521</b>	<b>22,280,201</b>	<b>8,033,301</b>	<b>3,222,064</b>

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

**Thai Beverage Public Company Limited and its Subsidiaries**  
**Statement of cash flows**

	Note	Consolidated financial statements For the year ended 30 September		Separate financial statements For the year ended 30 September	
		2019	2018 (Restated)	2019	2018
<i>(in thousand Baht)</i>					
<b>Cash flows from investing activities</b>					
Interest received		957,886	665,027	835,551	817,206
Dividends received		2,529,241	2,661,352	11,341,192	17,932,804
Increase in current investments		(4,494,904)	(1,831,320)	-	-
Increase in loans to related parties		-	-	(19,288,827)	(44,810,575)
Decrease in loans to related parties		-	-	21,958,877	40,496,720
Cash outflow on investments in subsidiaries		-	-	(1,571,750)	(190,632,921)
Cash inflow on investments in indirect subsidiaries		23,012	618,999	-	-
Cash outflow on investments in indirect subsidiaries		(493,294)	-	-	-
Cash outflow on investments in associates and joint ventures		(934,830)	-	-	-
Cash inflow on disposal of other long-term investment		-	29,101	-	-
Cash outflow on acquisition of other long-term investment		-	(2,500)	-	-
Sale of investment properties		30	238	-	-
Purchase of property, plant and equipment		(5,643,324)	(5,718,837)	(30,375)	(95,414)
Sale of property, plant and equipment		150,249	451,772	5	41
Purchase of other intangible assets		(171,193)	(1,718,150)	(1,180)	(6,513)
Sale of other intangible assets		222	77,916	1	-
Increase in other non-current assets		(112,904)	(393,313)	(720)	(197)
Cash outflow on acquisition of businesses	5	(255,395)	(186,937,923)	-	-
<b>Net cash from (used in) investing activities</b>		<b>(8,445,204)</b>	<b>(192,097,638)</b>	<b>13,242,774</b>	<b>(176,298,849)</b>
<b>Cash flows from financing activities</b>					
Interest paid		(6,869,858)	(4,693,483)	(7,911,362)	(4,658,836)
Deferred financing cost paid		(271,613)	(449,420)	(271,612)	(344,950)
Dividends paid to owners of the Company		(9,794,278)	(15,569,019)	(9,794,278)	(15,569,019)
Dividends paid to non-controlling interests		(2,621,324)	(565,311)	-	-
Bank overdrafts		(302,446)	483,830	-	-
Proceeds from short-term loans from financial institutions		44,635,448	84,170,281	40,000,000	80,600,000
Repayment of short-term loans from financial institutions		(36,992,468)	(86,558,312)	(32,550,000)	(82,600,000)
Repayment of other short-term loan		-	(4,500)	-	-
Proceeds from short-term loans from related parties		-	-	80,958,768	75,549,311
Repayment of short-term loans from related parties		-	-	(73,189,561)	(78,956,665)
Proceeds from long-term loans from related parties		-	-	-	8,142,830
Repayment of long-term loans from related parties		-	-	(1,308,879)	(7,842,050)
Proceeds from debentures	20	53,000,000	127,000,000	53,000,000	127,000,000
Repayment of debentures		(1,700,700)	(299,300)	-	-
Proceeds from long-term loans from financial institutions		18,780,400	163,866,361	18,770,400	100,000,000
Repayment of long-term loans from financial institutions		(89,039,012)	(96,311,521)	(89,000,000)	(35,000,000)
<b>Net cash from (used in) financing activities</b>		<b>(31,175,851)</b>	<b>171,069,606</b>	<b>(21,296,524)</b>	<b>166,320,621</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>(1,145,534)</b>	<b>1,252,169</b>	<b>(20,449)</b>	<b>(6,756,164)</b>
Cash and cash equivalents at 1 October		11,516,076	9,929,210	92,698	6,848,862
Foreign currency translation differences for foreign operations		(740,238)	334,697	-	-
<b>Cash and cash equivalents at 30 September</b>		<b>9,630,304</b>	<b>11,516,076</b>	<b>72,249</b>	<b>92,698</b>
Current investments		14,732,171	11,013,640	-	-
<b>Cash and cash at financial institutions</b>	7	<b>24,362,475</b>	<b>22,529,716</b>	<b>72,249</b>	<b>92,698</b>
<b>Non-cash items</b>					
Payable for acquisition of assets		1,741,529	1,741,477	4,793	4,205
Receivable from share-based payment		-	-	8,301	4,351

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



**Thai Beverage Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 30 September 2019**

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**Thai Beverage Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 30 September 2019**

These notes form an integral part of the financial statements.

The financial statements were approved and authorised for issue by the Board of Directors on 22 November 2019.

**1 General information**

Thai Beverage Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at 14 Vibhavadi Rangsit Road, Chomphon Sub-district, Chatuchak District, Bangkok, Thailand.

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

The principal businesses of the Company are investment and management services. The principal businesses of Thai Beverage Public Company Limited and its subsidiaries, the “Group”, are the production and distribution of alcoholic and non-alcoholic beverages, and food. Details of the Company’s subsidiaries and associates as at 30 September 2019 and 2018 were as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2019	2018
<i>Direct subsidiaries</i>				
1. Beer Thai (1991) Plc.	Beer brewery and production of drinking water and soda water	Thailand	100.00	100.00
2. Beer Thip Brewery (1991) Co., Ltd.	Beer brewery and production of drinking water and soda water	Thailand	100.00	100.00
3. Cosmos Brewery (Thailand) Co., Ltd.	Beer brewery and production of drinking water and soda water	Thailand	100.00	100.00
4. Sangsom Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
5. Fuengfuanant Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
6. Mongkolsamai Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
7. Thanapakdi Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
8. Kanchanasingkom Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
9. Sura Bangyikhan Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
10. Athimart Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
11. S.S. Karnsura Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
12. Kankwan Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
13. Theparunothai Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
14. Red Bull Distillery (1988) Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
15. United Winery and Distillery Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
16. Simathurakij Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
17. Nateechai Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
18. Luckchai Liquor Trading Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
19. Sura Piset Thipparat Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
20. United Products Co., Ltd.	Production and distribution of spirits	Thailand	100.00	100.00
21. Sura Piset Phatra Lanna Co., Ltd.	Holding company	Thailand	100.00	100.00
22. Pomkit Co., Ltd.	Beer, drinking water and soda water distributor	Thailand	100.00	100.00
23. Pomklung Co., Ltd.	Beer, drinking water and soda water distributor	Thailand	100.00	100.00
24. Pomchok Co., Ltd.	Beer, drinking water and soda water distributor	Thailand	100.00	100.00

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Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2019	2018
<i>Direct subsidiaries (continued)</i>				
25. Pomcharoen Co., Ltd.	Beer, drinking water and soda water distributor	Thailand	100.00	100.00
26. Pomburapa Co., Ltd.	Beer, drinking water and soda water distributor	Thailand	100.00	100.00
27. Pompalang Co., Ltd.	Beer, drinking water and soda water distributor	Thailand	100.00	100.00
28. Pomnakorn Co., Ltd.	Beer, drinking water and soda water distributor	Thailand	100.00	100.00
29. Pomthip (2012) Co., Ltd.	Beer, drinking water and soda water distributor	Thailand	100.00	100.00
30. Num Yuk Co., Ltd.	Spirits and non-alcoholic beverages distributor	Thailand	100.00	100.00
31. Num Kijjakarn Co., Ltd.	Spirits and non-alcoholic beverages distributor	Thailand	100.00	100.00
32. Num Palang Co., Ltd.	Spirits and non-alcoholic beverages distributor	Thailand	100.00	100.00
33. Num Muang Co., Ltd.	Spirits and non-alcoholic beverages distributor	Thailand	100.00	100.00
34. Num Nakorn Co., Ltd.	Spirits and non-alcoholic beverages distributor	Thailand	100.00	100.00
35. Num Thurakij Co., Ltd.	Spirits and non-alcoholic beverages distributor	Thailand	100.00	100.00
36. Numrungrad Co., Ltd.	Spirits and non-alcoholic beverages distributor	Thailand	100.00	100.00
37. Numthip Co., Ltd.	Spirits and non-alcoholic beverages distributor	Thailand	100.00	100.00
38. Modern Trade Management Co., Ltd.	Beer, spirits and non-alcoholic beverages distributor	Thailand	100.00	100.00
39. Horeca Management Co., Ltd.	Beer, spirits and non-alcoholic beverages distributor	Thailand	100.00	100.00
40. Cash Van Management Co., Ltd.	Beer, spirits and non-alcoholic beverages distributor	Thailand	100.00	100.00
41. Thipchalothorn Co., Ltd.	Beer, spirits and non-alcoholic beverages agency	Thailand	100.00	100.00
42. Krittayabun Co., Ltd.	Beer, spirits and non-alcoholic beverages agency	Thailand	100.00	100.00
43. Surathip Co., Ltd.	Beer, spirits and non-alcoholic beverages agency	Thailand	100.00	100.00
44. Sunthronpirom Co., Ltd.	Beer, spirits and non-alcoholic beverages agency	Thailand	100.00	100.00
45. Piromsurang Co., Ltd.	Beer, spirits and non-alcoholic beverages agency	Thailand	100.00	100.00
46. Thai Molasses Co., Ltd.	Trading of molasses	Thailand	99.72	99.72
47. Feed Addition Co., Ltd.	Trading of feeds and fertiliser	Thailand	100.00	100.00
48. Pan International (Thailand) Co., Ltd.	Trading of supplies and procurement	Thailand	100.00	100.00
49. Charun Business 52 Co., Ltd.	Brick producer	Thailand	100.00	100.00
50. Thai Cooperage Co., Ltd.	Oak barrel producer	Thailand	100.00	100.00
51. Thai Beverage Energy Co., Ltd.	Production and distribution of biogas	Thailand	100.00	100.00
52. Thai Beverage Recycle Co., Ltd.	Trading of bottles	Thailand	100.00	100.00
53. Thai Beverage Logistics Co., Ltd.	Transportation and distribution	Thailand	100.00	100.00

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Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2019	2018
<b>Direct subsidiaries (continued)</b>				
54. Thai Beverage Marketing Co., Ltd.	Advertising and marketing promotion	Thailand	100.00	100.00
55. Dhospaak Co., Ltd.	Advertising agency	Thailand	100.00	100.00
56. Chang International Co., Ltd.	Advertising and marketing services	Thailand	100.00	100.00
57. Thai Beverage Training Co., Ltd.	Training	Thailand	100.00	100.00
58. Thai Beverage Brands Co., Ltd.	Trademark holding	Thailand	100.00	100.00
59. Beer Chang Co., Ltd.	Trademark holding and production of beer concentrate	Thailand	100.00	100.00
60. Archa Beer Co., Ltd.	Trademark holding and production of beer concentrate	Thailand	100.00	100.00
61. Thai Drinks Co., Ltd. <sup>8</sup>	Distribution of beverages	Thailand	100.00	100.00
62. Oishi Group Plc.	Japanese restaurants and distribution of foods and beverages	Thailand	79.66	79.66
63. C A C Co., Ltd.	Management of the ASEAN Economic Community (AEC) centre	Thailand	100.00	100.00
64. International Beverage Holdings Limited	Holding company	Hong Kong	100.00	100.00
65. BevCo Limited <sup>4</sup>	Holding company	Thailand	100.00	100.00
66. Chang Corporation Company Limited <sup>4</sup>	Holding company	Thailand	100.00	100.00
67. BevTech Co., Ltd.	Production of plastic packaging and relating business	Thailand	100.00	100.00
68. Namjai ThaiBev (Social Enterprise) Co., Ltd.	Social Enterprise	Thailand	100.00	100.00
69. ASM Management Co., Ltd.	Asset management and service	Thailand	100.00	100.00
70. Traditional Trade Management Co., Ltd. (Formerly: Agent Management Co., Ltd.)	Non-alcoholic beverages distributor	Thailand	100.00	100.00
71. Foods Company Holdings Co., Ltd.	Holding company	Thailand	100.00	100.00
72. C.A.I. Co., Ltd.	Asean Economic Community's (AEC) business, art and culture knowledge exchange	Thailand	100.00	-
73. Food and Beverage Holding Co., Ltd.	Holding company	Thailand	100.00	-
74. ThaiBev Marketing Co., Ltd.	Advertising and marketing promotion	Thailand	100.00	-
<b>Indirect subsidiaries</b>				
75. Thai Thum Distillery Co., Ltd. <sup>9</sup>	Production and distribution of spirits	Thailand	99.90	99.90
76. Sura Piset Sahasan Co., Ltd. <sup>10</sup>	Trading of spirits	Thailand	100.00	100.00
77. Sura Piset Sampan Co., Ltd. <sup>11</sup>	Trading of spirits	Thailand	100.00	100.00
78. Oishi Trading Co., Ltd. <sup>2</sup>	Production and distribution of food and beverage	Thailand	79.66	79.66
79. Oishi Ramen Co., Ltd. <sup>2</sup>	Japanese restaurants	Thailand	79.66	79.66
80. Oishi Food Service Co., Ltd. <sup>2</sup>	Distribution of food	Thailand	79.66	79.66
81. Oishi International Holdings Limited <sup>2</sup>	International distribution of beverage	Hong Kong	79.66	79.66
82. Chang Beer International Co., Ltd. <sup>12</sup>	Dormant	Thailand	100.00	100.00
83. Maekhong Distillery Limited <sup>13</sup>	Consultancy service	Thailand	100.00	100.00
84. Chang Corp Co., Ltd. <sup>14</sup>	Advertising and marketing services	Thailand	100.00	100.00
85. BeerCo Limited <sup>1</sup>	Holding company	Hong Kong	100.00	100.00
86. Wellwater Limited <sup>1</sup>	Holding company	Hong Kong	100.00	100.00
87. Food of Asia Co., Ltd. <sup>5</sup>	Restaurant business	Thailand	100.00	100.00
88. InterBev (Singapore) Limited <sup>1</sup>	Marketing and trading of alcoholic beverages	Singapore	100.00	100.00

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			2019	2018
<i>Indirect subsidiaries (continued)</i>				
89. InterBev (Cambodia) Co., Ltd. <sup>1</sup>	Dormant	Cambodia	100.00	100.00
90. InterBev Malaysia Sdn. Bhd. <sup>1</sup>	Trading of beverage products and providing of marketing services	Malaysia	100.00	100.00
91. Best Spirits Company Limited <sup>1</sup>	Trading of alcoholic beverages	Hong Kong	100.00	100.00
92. International Beverage Holdings (UK) Limited <sup>1</sup>	Holding company	United Kingdom	100.00	100.00
93. International Beverage Holdings (China) Limited <sup>1</sup>	Holding company	Hong Kong	100.00	100.00
94. Beer Chang International Limited <sup>1</sup>	Dormant	Singapore	100.00	100.00
95. International Beverage Trading Limited <sup>1</sup>	Trading of alcoholic beverages	Bermuda	100.00	100.00
96. InterBev Investment Limited <sup>1</sup>	Holding company	Hong Kong	100.00	100.00
97. International Beverage Vietnam Company Limited <sup>1</sup>	Trading of alcoholic beverages	Socialist Republic of Vietnam	100.00	100.00
98. International Beverage Holdings (Singapore) Pte. Limited <sup>1</sup>	Holding company	Singapore	100.00	100.00
99. BevCo Limited <sup>1</sup>	Dormant	Hong Kong	100.00	100.00
100. International Beverage Trading (Hong Kong) Limited <sup>1</sup>	Trading of alcoholic beverages	Hong Kong	100.00	100.00
101. ASM International Limited <sup>1</sup>	Investment and assets management	Hong Kong	100.00	-
102. Chang HK Limited <sup>1</sup>	Trading of alcoholic beverages	Hong Kong	100.00	-
103. International Breweries Limited <sup>1</sup>	Holding company	Hong Kong	100.00	-
104. Havi Logistics (Thailand) Limited <sup>16</sup>	Providing supply to restaurant business	Thailand	75.00	75.00
105. Havi Food Distribution (Thailand) Co., Ltd. <sup>16</sup>	Providing transport, transfer goods and public cold storage	Thailand	75.00	75.00
106. Bangkok Art Biennale Management Co., Ltd. <sup>17</sup>	Advertising and marketing services	Thailand	100.00	99.97
107. Green Bean Co., Ltd. <sup>18</sup>	Holding company	Thailand	100.00	-
<i>Subsidiaries of indirect subsidiaries</i>				
108. International Beverage Holdings Limited USA, Inc. <sup>1</sup>	Trading of alcoholic beverages	United States of America	100.00	100.00
109. Super Brands Company Pte. Ltd. <sup>1</sup>	Trademark holding	Singapore	100.00	100.00
110. Blairnhor Limited <sup>1</sup>	Holding company	United Kingdom	100.00	100.00
111. Inver House Distillers Limited <sup>1</sup>	Production and distribution of spirits	United Kingdom	100.00	100.00
112. InterBev Trading (China) Limited <sup>1</sup>	Trading of alcoholic beverages	People's Republic of China	100.00	100.00
113. Yunnan Yulinquan Liquor Co., Ltd. <sup>1</sup>	Spirits distillery	People's Republic of China	100.00	100.00
114. InterBev Trading (Hong Kong) Limited <sup>1</sup>	Holding company and trading beverage products	Hong Kong	100.00	100.00
115. Blairnhor Distillers Limited <sup>1</sup>	Dormant	United Kingdom	100.00	100.00
116. Wee Beastie Limited <sup>1</sup>	Dormant	United Kingdom	100.00	100.00
117. Moffat & Towers Limited <sup>1</sup>	Dormant	United Kingdom	100.00	100.00

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Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2019	2018
<i>Subsidiaries of indirect subsidiaries (continued)</i>				
118. Glen Calder Blenders Limited <sup>1</sup>	Dormant	United Kingdom	100.00	100.00
119. Hankey Bannister & Company Limited <sup>1</sup>	Dormant	United Kingdom	100.00	100.00
120. R. Carmichael & Sons Limited <sup>1</sup>	Dormant	United Kingdom	100.00	100.00
121. J MacArthur Junior & Company Limited <sup>1</sup>	Dormant	United Kingdom	100.00	100.00
122. Mason & Summers Limited <sup>1</sup>	Dormant	United Kingdom	100.00	100.00
123. James Catto & Company Limited <sup>1</sup>	Dormant	United Kingdom	100.00	100.00
124. The Knockdhu Distillery Co., Ltd. <sup>1</sup>	Dormant	United Kingdom	100.00	100.00
125. Speyburn-Glenlivet Distillery Co., Ltd. <sup>1</sup>	Dormant	United Kingdom	100.00	100.00
126. The Pulteney Distillery Co., Ltd. <sup>1</sup>	Dormant	United Kingdom	100.00	100.00
127. The Balblair Distillery Co., Ltd. <sup>1</sup>	Dormant	United Kingdom	100.00	100.00
128. Interbev Timor, Unipessoal, Lda. <sup>1</sup>	Dormant	Democratic Republic of Timor-Leste	100.00	100.00
129. Chang Beer UK Limited <sup>1</sup>	Trading of alcoholic beverages	United Kingdom	100.00	-
130. Asiaeuro International Beverage (Hong Kong) Limited <sup>1</sup>	Trading of alcoholic beverages	Hong Kong	51.00	51.00
131. Asiaeuro International Beverage (Guangdong) Co., Ltd. <sup>1</sup>	Trading of alcoholic beverages	People's Republic of China	51.00	51.00
132. Dongguan LiTeng Foods Co., Ltd. <sup>1</sup>	Coffee business	People's Republic of China	51.00	-
133. Alliance Asia Investment Private Limited <sup>1</sup>	Holding company	Singapore	100.00	100.00
134. Alliance Strategic Investments Pte. Ltd. <sup>1</sup>	Holding company	Singapore	100.00	100.00
135. Myanmar Supply Chain and Marketing Services Co., Ltd. <sup>1</sup>	Logistics and marketing service	Union of Myanmar	75.00	75.00
136. Grand Royal Group International Company Limited <sup>1</sup> (Formerly : Myanmar Distillery Co., Ltd.)	Manufacturing and marketing of alcoholic beverages	Union of Myanmar	75.00	75.00
137. International Beverages Trading Company Limited <sup>15</sup>	Trading of alcoholic beverages	Union of Myanmar	-	-
138. Vietnam F&B Alliance Investment Joint Stock Company <sup>1,19</sup>	Holding company	Socialist Republic of Vietnam	99.00	49.00
139. Vietnam Beverage Company Limited <sup>1,19</sup>	Holding company	Socialist Republic of Vietnam	99.99	49.00

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Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2019	2018
<i>Subsidiaries of indirect subsidiaries (continued)</i>				
140. Saigon Beer - Alcohol - Beverage Corporation <sup>1,19</sup>	Production and distribution of beverage products, logistics, mechanical equipment manufacturing and property development	Socialist Republic of Vietnam	53.58	26.26
141. Western - Saigon Beer Joint Stock Company <sup>1</sup>	Produce and trade beer	Socialist Republic of Vietnam	27.33	13.39
142. Chuong Duong Beverages Joint Stock Company <sup>1</sup>	Produce and trade beverage, canned foods and sub-materials	Socialist Republic of Vietnam	33.25	16.30
143. Sai Gon - Quang Ngai Beer Joint Stock Company <sup>1</sup>	Produce and trade beer	Socialist Republic of Vietnam	35.67	17.48
144. Binh Tay Liquor Joint Stock Company <sup>1</sup>	Produce and trade alcohol	Socialist Republic of Vietnam	50.00	24.51
145. Sai Gon - Dong Xuan Beer Alcohol Joint Stock Company <sup>1</sup>	Produce beer and beverage, and provide transportation services	Socialist Republic of Vietnam	29.95	14.68
146. Saigon - Nghetinh Beer Joint Stock Company <sup>1</sup>	Produce and trade beverage, canned foods and sub-materials	Socialist Republic of Vietnam	29.33	14.37
147. Saigon - Songlam Beer Joint Stock Company <sup>1</sup>	Produce and trade beer and beverage, import and export related materials	Socialist Republic of Vietnam	36.85	18.06
148. Sai Gon - Ha Noi Beer Corporation <sup>1</sup>	Produce and trade beer and beverage, import and export related materials	Socialist Republic of Vietnam	27.92	13.68
149. Sai Gon Beer Trading Company Limited <sup>1</sup>	Trade beer, alcohol and beverage	Socialist Republic of Vietnam	53.58	26.26
150. Northern Sai Gon Beer Trading Joint Stock Company <sup>1</sup>	Trade alcohol and beverage, transportation and warehousing	Socialist Republic of Vietnam	50.75	24.87
151. Sai Gon Beer Bac Trung Bo Trading Joint Stock Company <sup>1</sup>	Trade alcohol, beer, beverage, warehousing and transportation	Socialist Republic of Vietnam	50.86	24.93
152. Saigon Beer Center Trading Joint Stock Company <sup>1</sup>	Trading alcohol and non-alcohol drink, trading chemical, packaging, trade transportation by car	Socialist Republic of Vietnam	50.59	24.79
153. Bia Saigon Mien Trung Trading Joint Stock Company <sup>1</sup>	Trade alcohol, beer, beverage, warehousing and transportation by car	Socialist Republic of Vietnam	48.89	23.96
154. Sai Gon Beer Tay Nguyen Trading Joint Stock Company <sup>1</sup>	Trade alcohol, beer, beverage, warehousing and transportation	Socialist Republic of Vietnam	48.23	23.63
155. Saigon Beer Nam Trung Bo Trading Joint Stock Company <sup>1</sup>	Trade alcohol, beer, beverage, warehousing and transportation	Socialist Republic of Vietnam	48.30	23.67
156. Sai Gon Beer Eastern Trading Joint Stock Company <sup>1</sup>	Trade alcohol, beer, beverage, warehousing and transportation	Socialist Republic of Vietnam	48.59	23.81

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Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2019	2018
<i>Subsidiaries of indirect subsidiaries (continued)</i>				
157. Saigon Song Tien Beer Trading Joint Stock Company <sup>1</sup>	Trade alcohol, beer, beverage, warehousing and road transportation	Socialist Republic of Vietnam	48.23	23.63
158. Saigon Song Hau Beer Trading Joint Stock Company <sup>1</sup>	Trade alcohol, beer, beverage, warehousing, road and water-way transportation	Socialist Republic of Vietnam	48.23	23.63
159. Sa Be Co Mechanical Co., Ltd. <sup>1</sup>	Manufacture equipments used in food manufacturing, installation and maintain machinery system and equipment	Socialist Republic of Vietnam	53.58	26.26
160. Saigon Soc Trang Beer One Member Limited Company <sup>1</sup>	Produce and trade beer, malt, yeast, mineral water, bottled pure water	Socialist Republic of Vietnam	27.33	13.39
161. Sai Gon Beer Northeast Trading Joint Stock Company <sup>1</sup>	Trade alcohol, beer, beverage, warehousing and transportation	Socialist Republic of Vietnam	48.47	23.75
162. Sai Gon - Ha Tinh Beer One Member Company Limited <sup>1</sup>	Produce and trade beer, malt, yeast, mineral water, bottled pure water	Socialist Republic of Vietnam	53.58	26.26
163. Sai Gon Beer Packaging Joint Stock Company <sup>1</sup>	Produce canned foods, carton and metal packaging products	Socialist Republic of Vietnam	41.16	20.17
164. Saigon Beer Company Limited <sup>1</sup>	Wholesale beverage	Socialist Republic of Vietnam	53.58	26.26
165. Saigon Beer Group Company Limited <sup>1</sup>	Wholesale beverage	Socialist Republic of Vietnam	53.58	26.26
166. Sermasuk Plc. <sup>1</sup>	Production and distribution of beverages	Thailand	64.67	64.67
167. Sermasuk Holdings Co., Ltd. <sup>1</sup>	Holding company	Thailand	64.67	64.67
168. Sermasuk Beverage Co., Ltd. <sup>1</sup>	Production and distribution of beverages	Thailand	64.67	64.67
169. Sermasuk Training Co., Ltd. <sup>1</sup>	Human resources and organisation development services	Thailand	64.67	64.67
170. Great Brands Limited <sup>1</sup>	Brands management	Hong Kong	64.67	64.67
171. Wrangyer Beverage (2008) Co., Ltd. <sup>1</sup>	Production and distribution of energy drink	Thailand	64.67	64.67
172. S.P.M. Foods & Beverages Co., Ltd. <sup>1</sup>	Production and distribution of drinking water and energy drinks and spirits agency	Thailand	99.84	99.84
173. Chang Beer Co., Ltd. <sup>1</sup>	Holding company	Thailand	100.00	100.00
174. So Water Company Limited <sup>1</sup>	Holding company	Thailand	100.00	100.00
175. Oishi F&B (Singapore) Pte. Ltd. <sup>2</sup>	Brands management and consulting services	Singapore	79.66	79.66
176. Oishi Myanmar Limited <sup>2</sup>	Japanese restaurant business	Union of Myanmar	43.81	43.81
177. Oishi Group Limited Liability Company <sup>2</sup>	Marketing management consulting services	Socialist Republic of Vietnam	79.66	79.66
178. Koykiao Co., Ltd. <sup>7</sup>	Food and beverage business	Thailand	51.00	51.00
179. Max Asia Co., Ltd. <sup>7</sup>	Bakery business	Thailand	70.00	70.00
180. Bistro Asia Co., Ltd. <sup>7</sup>	Restaurant business	Thailand	100.00	100.00



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Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2019	2018
<i>Subsidiaries of indirect subsidiaries (continued)</i>				
181. The QSR of Asia Co., Ltd. <sup>7</sup>	Restaurant business	Thailand	100.00	100.00
182. Spice of Asia Co., Ltd. <sup>7</sup>	Restaurant business	Thailand	76.00	76.00
<i>Associates of indirect subsidiaries</i>				
183. Fraser and Neave, Limited <sup>3</sup>	Manufacture and distribution of food and beverage and publishing and printing	Singapore	28.46	28.48
184. Frasers Property Limited <sup>3</sup>	Development and investment in property	Singapore	28.25	28.33
<i>Associates of subsidiary of indirect subsidiaries</i>				
185. Liquorland Limited <sup>3</sup>	Licences	United Kingdom	49.49	49.49
186. Petform (Thailand) Co., Ltd. <sup>6</sup>	Manufacture and distribution of plastic packaging	Thailand	25.87	25.87
187. Thanh Nam Consultant Investment-Engineering and Technology Transfer Joint Stock Company	Provide consulting construction and designing services	Socialist Republic of Vietnam	15.31	7.50
188. Mechanical and Industrial Contrustion Joint Stock Company	Manufacture, install machinery, bridges and roads and industrial construction products	Socialist Republic of Vietnam	13.93	6.83
189. Saigon Tay Do Beer - Beverage Joint Stock Company	Manufacture and trade alcohol, beer, beverage, soy milk, fruit juice	Socialist Republic of Vietnam	14.80	7.25
190. Saigon Binh Tay Beer Group Joint Stock Company	Produce, process and trade food, beverage, beer, alcohol, construction materials, provide industrial and civil construction services	Socialist Republic of Vietnam	11.68	5.72
191. Saigon - Baclieu Beer Joint Stock Company	Produce beer, alcohol and beverage	Socialist Republic of Vietnam	5.47	2.68
192. Truong Sa Food - Food Business Joint Stock Company	Produce argicultural products and foods	Socialist Republic of Vietnam	20.70	10.14
193. Saigon - Phutho Beer Joint Stock Company	Produce beer, alcohol and beverage	Socialist Republic of Vietnam	16.53	8.10
194. Sai Gon - Mien Trung Beer Joint Stock Company	Produce and trade beer, alcohol, beverages and spare parts	Socialist Republic of Vietnam	17.36	8.51
195. Tan Thanh Investment Trading Company Limited	Construction and real estates	Socialist Republic of Vietnam	15.54	7.62
196. Sai Gon - Vinh Long Beer Joint Stock Company	Produce beer, alcohol and beverage	Socialist Republic of Vietnam	10.72	5.25
197. Sai Gon - Kien Giang Beer Joint Stock Company	Produce and trade beer, alcohol, beverages and spare parts	Socialist Republic of Vietnam	10.72	5.25

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Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2019	2018
<i>Associates of subsidiary of indirect subsidiaries</i>				
<i>(continued)</i>				
198. Sai Gon - Khanh Hoa Beer Joint Stock Company	Produce and trade beer, alcohol, beverages and spare parts	Socialist Republic of Vietnam	13.93	6.83
199. Saigon - Bentre Beer Joint Stock Company	Produce beer, alcohol and beverage	Socialist Republic of Vietnam	10.72	5.25
200. Saigon - Lamdong Beer Joint Stock Company	Produce beer, alcohol and beverage	Socialist Republic of Vietnam	10.72	5.25
<i>Joint Ventures of indirect subsidiaries</i>				
201. Me Linh Point Limited	Real estate managements and office leasing	Socialist Republic of Vietnam	18.75	9.19
202. Crown Beverage Cans Saigon Limited	Manufacture aluminium cans	Socialist Republic of Vietnam	16.10	7.89
203. Malaya - Vietnam Glass Limited	Manufacture glass products	Socialist Republic of Vietnam	16.08	7.88
204. San Miguel Yamamura Phu Tho Packaging Company Limited	Manufacture and trade metal packaging	Socialist Republic of Vietnam	18.75	9.19
205. Vietnam Spirits and Wine Ltd.	Produce and trade alcohol and alcohol-related products	Socialist Republic of Vietnam	24.11	11.82
206. F&N International Holding Co., Ltd.	Holding Company	Thailand	51.00	-

<sup>1</sup> Direct or indirect subsidiaries of International Beverage Holdings Limited

<sup>2</sup> Direct or indirect subsidiaries of Oishi Group Plc.

<sup>3</sup> Indirect associates of International Beverage Holdings Limited

<sup>4</sup> 51% direct and 49% indirect share holding held by the Company

<sup>5</sup> 25% direct and 75% indirect share holding held by the Company

<sup>6</sup> Direct associates of Sermasuk Plc.

<sup>7</sup> Direct subsidiaries of Food of Asia Co., Ltd.

<sup>8</sup> 95% direct and 5% indirect share holding held by the Company

<sup>9</sup> Direct subsidiary of Thai Cooperage Co., Ltd.

<sup>10</sup> 41.45% share holding held by Thai Cooperage Co., Ltd., 40% share holding held by Thai Thum Distillery Co., Ltd. and 18.55% share holding held by Sura Piset Phatra Lanna Co., Ltd.

<sup>11</sup> Direct subsidiary of Sura Piset Sahasan Co., Ltd.

<sup>12</sup> Direct subsidiary of Beer Chang Co., Ltd.

<sup>13</sup> Direct subsidiary of Sura Bangyikhan Co., Ltd.

<sup>14</sup> Direct subsidiary of Thai Beverage Marketing Co., Ltd.

<sup>15</sup> Control by virtue of an agreement with its shareholders

<sup>16</sup> Direct and indirect subsidiary of Thai Beverage Logistics Co., Ltd.

<sup>17</sup> Direct subsidiary of CAC Co., Ltd.

<sup>18</sup> Direct subsidiary of Food and Beverage Holding Co., Ltd.

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<sup>19</sup> BeerCo has acquired shares in Vietnam F&B and completed debt conversion with Vietnam Beverage Company Limited of Baht 493 million. The transaction is legally effective on 2 January 2019. Consequently, the Group has ownership interest in SABECO of 53.58% and recognised the change in ownership interests in subsidiaries without a change in control in an equity component.

**2 Basis of preparation of the financial statements**

**(a) Statement of compliance**

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRSs); guidelines promulgated by the Federation of Accounting Professions (“FAP”); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The FAP has issued new and revised TFRSs effective for annual accounting periods beginning on or after 1 January 2018. The initial application of these new and revised TFRSs has resulted in changes in certain of the Group’s accounting policies. These changes have no material effect on the financial statements.

In addition to the above new and revised TFRSs, the FAP has issued a number of new and revised TFRSs which are not yet effective for current periods. The Group has not early adopted these standards in preparing these financial statements. Those new and revised TFRSs that are relevant to the Group’s operations are disclosed in note 41.

**(b) Basis of measurement**

The financial statements have been prepared on the historical cost basis except for the following items, which are measured on an alternative basis on each reporting date.

<i>Items</i>	<i>Measurement bases</i>
Contingent consideration assumed in a business combination	Fair value
Available-for-sale financial assets	Fair value
Land	Fair value
Employee benefit obligations	Present value of the defined benefit obligation, as explained in Note 4 (p)
Derivatives	Fair value

**(c) Functional and presentation currency**

The financial statements are prepared and presented in Thai Baht, which is the Company’s functional currency. All financial information has been rounded in the financial statements and in the notes to the financial statements to the nearest thousand and million unless otherwise stated.

**(d) Use of judgements and estimates**

The preparation of financial statements in conformity with TFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

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*Assumptions and estimation uncertainties*

Information about assumption and estimation uncertainties that have a significant risk of resulting in a material adjustments to the carrying amounts of assets and liabilities within the year ending 30 September 2019 is included in the following notes:

Note 4 (w)	Current and deferred taxation
Note 5 (c)	Acquisition of businesses: fair value of the consideration transferred (including contingent consideration)
Note 11	Impairment test key assumptions underlying recoverable amount of investments in associates and joint ventures
Note 15	Impairment test key assumptions underlying recoverable amount of property, plant and equipment
Note 16	Impairment test key assumptions underlying recoverable amount of goodwill
Note 18	Utilisation of tax losses and temporary differences
Note 24	Measurement of employee benefit obligations
Note 27	Measurement of share-based payments - Long-term incentive plan
Note 38	Valuation of financial instruments

*Measurement of fair values*

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief finance officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of TFRSs, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Group Audit Committee.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognised transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

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Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 5 Acquisition of businesses and restatement
- Note 14 Investment properties
- Note 15 Property, plant and equipment
- Note 38 Financial instruments

**3 Changes in accounting policies**

From 1 January 2019, the Group changed accounting policy for *derivative financial instruments and hedge accounting* (see accounting policy note 4 (c) and (d)). The changes have been applied retrospectively.

A consolidated statement of financial position as at the beginning of the earliest comparative period (1 October 2017) is included in the financial statements because the Group has applied an accounting policy retrospectively and made a retrospective restatement of items in its consolidated financial statements. The separate statement of financial position as at the beginning of the earliest comparative period was not affected by the new accounting policy and therefore was not included.

The impacts to financial statements are summary as follows:

	<b>Consolidated financial statements</b>			
	As previously reported	Adjustment <i>(in million Baht)</i>	Restated from business acquisition <i>(Note 5)</i>	As restated
<b><i>Statement of financial position</i></b>				
<b><i>At 1 October 2017</i></b>				
<b><i>Assets</i></b>				
Investments in associates and joint ventures	78,373	206	-	78,579
<b>Total</b>		<u>206</u>		
<b><i>Equity</i></b>				
Retained earnings - unappropriated	106,086	426	-	106,512
Other components of equity				
- Currency translation differences	(3,132)	22	-	(3,110)
- Share of other comprehensive income of investment in associates and joint ventures	(4,726)	(242)	-	(4,968)
<b>Total</b>		<u>(220)</u> <u>206</u>		
<b><i>At 30 September 2018</i></b>				
<b><i>Assets</i></b>				
Investments in associates and joint ventures	78,870	(19)	3,267	82,118
<b>Total</b>		<u>(19)</u>		

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<b>Consolidated financial statements</b>				
	As previously reported	Adjustment (in million Baht)	Restated from business acquisition (Note 5)	As restated
<b>Equity</b>				
Retained earnings - unappropriated	109,026	14	(175)	108,865
Other components of equity				
- Currency translation differences	(12,540)	26	-	(12,514)
- Share of other comprehensive income of investment in associates and joint ventures	(5,946)	(59)	-	(6,005)
		<u>(33)</u>		
<b>Total</b>		<u>(19)</u>		
<b>Statement of income</b>				
<i>For the year ended 30 September 2018</i>				
Share of profit of investment in associates and joint ventures	4,230	(412)	-	3,818
<b>Profit for the year</b>		<u>(412)</u>	<u>(705)</u>	
<b>Profit attributable to :</b>				
Owner of the Company	18,530	(412)	(175)	17,943
Non-controlling interests	2,196	-	(530)	1,666
<b>Earnings per share (Baht)</b>				
Basic earnings per share	<u>0.74</u>	<u>(0.02)</u>	<u>(0.01)</u>	<u>0.71</u>
Diluted earnings per share	<u>0.74</u>	<u>(0.02)</u>	<u>(0.01)</u>	<u>0.71</u>
<b>Statement of comprehensive income</b>				
<i>For the year ended 30 September 2018</i>				
Share of other comprehensive income of investment in associates and joint ventures	(1,221)	183	-	(1,038)
Exchange differences on translating foreign operations	(9,912)	4	-	(9,908)
<b>Total items that will be reclassified subsequently to profit or loss</b>		<u>187</u>	<u>-</u>	
<b>Other comprehensive income for the year, net of tax</b>		<u>187</u>	<u>-</u>	
<b>Total comprehensive income for the year</b>		<u>(225)</u>	<u>(705)</u>	
<b>Total comprehensive income attribution to:</b>				
Owners of the company	7,882	(225)	(175)	7,482
Non-controlling interests	1,744	-	(530)	1,214
<b>Statement of cash flows</b>				
<i>For the year ended 30 September 2018</i>				
<b>Cash flows from operating activities</b>				
Profit for the year	20,726	(412)	(705)	19,609
Share of profit of investment in associates and joint ventures	(4,230)	412	-	(3,818)

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**4 Significant accounting policies**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except as explained in Note 3, which addresses changes in accounting policies.

**(a) Basis of consolidation**

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

*Business combinations*

The Group applies the acquisition method for all business combinations when control is transferred to the Group as describe in subsidiaries section, other than those with entities under common control.

The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another.

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. Any gain on bargain purchase is recognised in profit or loss immediately.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration and share-based payment awards of the acquiree that are replaced mandatorily in the business combination. If a business combination results in the termination of pre-existing relationships between the Group and the acquiree, then the lower of the termination amount, as contained in the agreement, and the value of the off-market element is deducted from the consideration transferred and recognised in other expenses.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

Transaction costs that the Group incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are expensed as incurred.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

*Acquisitions from entities under common control*

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are revised. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder’s consolidated financial statements. The components of equity of the acquired entities are added to the same components within the Group’s equity except that any share capital of the acquired entities is recognised as part of share premium. Any cash paid for the acquisition is recognised directly in equity.

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*Subsidiaries*

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

*Non-controlling interests*

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

*Loss of control*

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

*Interests in equity-accounted investees*

The Group's interests in equity-accounted investees comprise interests in associates and joint ventures.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint ventures are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

*Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated on consolidation. Unrealised gains arising from transactions with equity-accounted investee are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

**(b) Foreign currencies**

*Foreign currency transactions*

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at exchange rate at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rates at the reporting date.



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Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

Foreign currency differences are generally recognised in profit or loss.

*Foreign operations*

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Thai Baht at the exchange rates at the reporting date.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are stated at exchange rates at the reporting date.

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

Foreign currency differences are recognised in other comprehensive income and accumulated in the translation reserve in equity until disposal of the investment, except to extent that the translation difference is allocated to non-controlling interest.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity until disposal of the investment.

**(c) *Derivative***

Derivative are used to manage exposure to foreign exchange and interest rate risks arising from operational, financing and investment activities. Derivative are not used for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, they are remeasured at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged (see accounting policy 4 (d)).

The fair value of interest rate swaps is based on broker quotes at the reporting date. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the reporting date.

The fair value of forward exchange contracts is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price at the reporting date for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

Forward exchange contracts and forward commodity price contracts are treated as off-statements of financial position items and accounted for on a cash settlement basis.

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**(d) Hedging**

*Cash flow hedges*

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value of the derivative financial instrument is recognised in other comprehensive income and presented in the hedging reserve in equity. Any ineffective portion is recognised immediately in profit or loss.

When a hedged forecast transaction occurs and results in the recognition of a financial asset or financial liability, the gain or loss recognised in other comprehensive income does not adjust the initial carrying amount of the asset or liability but remains in equity and is reclassified from equity to profit or loss consistently with the recognition of gains and losses on the asset or liability as a reclassification adjustment.

For hedges of forecast transactions that result in the recognition of a non-financial asset or non-financial liability, the gain or loss recognised in other comprehensive income is reclassified from equity to profit or loss consistently with the recognition of gains and losses on the asset or liability as a reclassification adjustment.

*Discontinuing hedge accounting*

Hedge accounting is discontinued prospectively when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. Any cumulative gain or loss on the hedging instrument existing in equity is retained in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is recognised in profit or loss immediately.

**(e) 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.

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

Trade and other accounts receivable 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.

**(g) Inventories**

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

Cost 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 production overheads based on normal operating capacity and is calculated using standard cost adjusted to approximate average cost.

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.

# Thai Beverage Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 30 September 2019

### (h) *Non-current assets classified as held for sale*

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets, or disposal group, are measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets and investment properties. Impairment losses on initial classification as held for sale or held for distribution and subsequent gains and losses on remeasurement are recognised in profit or loss.

Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

### (i) *Investments*

#### *Investments in associates, subsidiaries and joint ventures*

Investments in associates, subsidiaries and joint ventures in the separate financial statements of the Company are accounted for using the cost method. Investments in associates and joint ventures in the consolidated financial statements are accounted for using the equity method.

#### *Investments in other debt and equity securities*

Debt securities that the Group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are stated at amortised cost, less any impairment losses. The difference between the acquisition cost and redemption value of such debt securities is amortised using the effective interest rate method over the period to maturity.

Marketable equity securities are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses and foreign currency differences on available-for-sale monetary items, are recognised directly in equity. Impairment losses and foreign exchange differences are recognised in profit or loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in profit or loss.

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

The fair value of available-for-sale is determined as the quoted bid price at the reporting 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 profit or loss.

If the Group disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

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**(j) Investment properties**

Investment properties are properties which are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labor, and other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalised borrowing costs.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each property. The estimated useful lives are as follow:

Land improvement	10 to 50 years
Buildings and constructions	5 to 45 years

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

*Recognition and measurement*

*Owned assets*

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses except for land which is measured at its revalued amount. The revalued amount is the fair value determined on the basis of the property's existing use at the date of revaluation less any subsequent impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Cost also may include transfers from other comprehensive income of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gains and losses on disposal of item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in profit or loss.

*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 profit or loss.

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*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 reporting date.

Any increase in value, on revaluation, is recognised in other comprehensive income and presented in the revaluation surplus in other component of equity unless it offsets a previous decrease in value recognised in profit or loss in respect of the same asset. A decrease in value is recognised in profit or loss to the extent it exceeds an increase previously recognised in other comprehensive income in respect of the same asset. Upon disposal of a revalued asset, any related revaluation surplus is transferred directly to retained earnings and is not taken into account in calculating the gain or loss on disposal.

*Subsequent costs*

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

*Depreciation*

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

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

Land improvement	3 to 30 years
Buildings and constructions	1.5 to 40 years
Building improvements	5 to 33 years
Machinery and equipment	3 to 40 years
Oak barrels	10 to 20 years
Furniture, fixtures and office equipment	3 to 15 years
Vehicles	3 to 10 years

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

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

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**(l) Intangible assets**

*Goodwill*

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. The measurement of goodwill at initial recognition are described in Note 4 (a). Subsequent to initial recognition, goodwill are measured at cost less accumulated impairment losses. In respect of equity-accounted investees, the carrying amount of goodwill are included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted investee.

*Research and development expenditure*

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labor, overhead costs that are directly attributable to preparing the asset for its intended use, and capitalised borrowing costs. Other development expenditure is recognised in profit or loss as incurred.

Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment losses.

*Other intangible assets*

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Other intangible assets that are acquired by the Group and have indefinite useful lives i.e. trademarks are measured at cost less accumulated impairment losses. They are not amortised but tested for impairment annually or more frequently if there is any impairment indicator. The assessment of the classification of intangible assets as indefinite is reviewed annually.

*Leasehold rights*

Leasehold rights are stated at cost less accumulated amortisation and accumulated impairment losses.

*Subsequent expenditure*

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

*Amortisation*

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

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Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are as follows:

Computer software	2 to 10 years
Trademarks	8 to 20 years, indefinite
Licences	10 years, indefinite
Rights	5 to 10 years
Customer relationship	9 to 20 years
Patent	10 years

Leasehold rights amortisation is recognised in profit or loss on a straight-line basis over the agreement period.

**(m) Impairment**

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

*Calculation of recoverable amount*

The recoverable amount of held-to-maturity securities carried at amortised cost is calculated as the present value of the estimated future cash flows discounted at the original effective interest rate.

The recoverable amount of available-for-sale financial assets is calculated by reference to the fair value.

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

*Reversals of impairment*

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss. For financial assets carried at amortised cost, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised in other comprehensive income.

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An impairment loss in respect of goodwill is not reversed. Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**(n) 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 profit or loss over the period of the borrowings on an effective interest basis.

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

Trade and other accounts payable are stated at cost.

**(p) Employee benefits**

*Defined contribution plans*

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

*Defined benefit plans*

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any application minimum funding requirements.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in other comprehensive income. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

*Other long-term employee benefits*

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.



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*Termination benefits*

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

*Short-term employee benefits*

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**(q) *Share-based payments***

The grant-date fair value of equity-settled share-based payment awards granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

**(r) *Provisions***

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. 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 the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

**(s) *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 equity holder of the Group 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 Group recognises the difference arising from common control transactions under equity until disposal of the investment.

**(t) *Revenue***

Revenue excludes value added taxes and is arrived at after deduction of trade discounts and volume rebates.

*Sale of goods*

Revenue is recognised in profit or loss 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.

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*Rendering of services*

The Group recognises revenue from rendering of services in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed based on surveys of work performed.

*Commissions*

When the Group acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of commission made by the Group.

*Investments*

Revenue from investments comprises rental income from investment properties and dividend and interest income from investments and bank deposits.

*Rental income*

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income over the term of lease. Contingent rentals are recognised as income in the accounting period in which they are earned.

*Dividend income*

Dividend income is recognised in profit or loss on the date the Group's right to receive payments is established.

*Interest income*

Interest income is recognised in profit or loss as it accrues.

**(u) Finance cost**

Interest expenses and similar costs are charged to profit or loss for 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 year of time to be prepared for its intended use or sale.

**(v) Lease payments**

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

*Determining whether an arrangement contains a lease*

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfillment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

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At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

**(w) Income tax**

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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*(s) Earnings per share*

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

*(y) Segment reporting*

Segment results that are reported to the Group’s CEO (the chief operating decision marker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly net foreign exchange gain or loss, parts of loans and related finance costs and some items of investments.

**5 Acquisition of businesses and restatement**

*(a) Saigon Beer - Alcohol - Beverage Corporation*

On 29 December 2017, Vietnam Beverage Company Limited, (“Vietnam Beverage”) the Company’s indirect subsidiary, completed the acquisition of 53.59% equity interest in Saigon Beer - Alcohol - Beverage Corporation (“SABECO”) which operate beer production and distribution business in Socialist Republic of Vietnam, from third-party vendors as per the share transfer contract dated 18 December 2017 for a cash consideration of VND 109,965,627.84 million. The transaction is accounted for as a business combination. Subsequent to completion of the acquisition, SABECO became a subsidiary of indirect subsidiary of the Company.

Management believes that the acquisition will enable the expansion of business into Vietnam which has young population base, and also the largest beer market and one of the strongest growth countries in ASEAN. Also, the acquisition will lead to an extensive distribution network across Vietnam. These are the main factors that cause goodwill arising from the acquisition.

*Consideration transferred*

	<b>Fair value</b> <i>(in million Baht)</i>
Cash	159,840
Dividend received before acquisition business	<u>(1,684)</u>
	<u><b>158,156</b></u>

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*Identifiable assets acquired and liabilities assumed*

	<i>Note</i>	<b>Fair value</b> <i>(in million Baht)</i>
Cash and cash equivalents		5,976
Current investment		9,182
Accounts receivable		229
Inventories		3,203
Investments in associates and joint ventures	<i>11</i>	5,823
Property, plant and equipment	<i>15</i>	9,978
Intangible assets and leasehold rights	<i>17</i>	28,905
Deferred tax	<i>18</i>	(1,428)
Accounts payable		(2,828)
Other assets/(liabilities), net		(5,795)
<b>Net identifiable assets acquired and liabilities assumed</b>		<b>53,245</b>
NCI based on their proportionate interest in the recognised amount of net identifiable asset acquired and liabilities assumed		(25,753)
<b>Fair value of identifiable assets acquired and liabilities assumed</b>		<b>27,492</b>
Goodwill	<i>16</i>	130,664
<b>Total consideration</b>		<b>158,156</b>
Cash acquired		(5,976)
<b>Net consideration - paid</b>		<b>152,180</b>

Included in identified assets, there are land use rights estimated value of VND 735,380 million (Baht 1,030 million) which the Ministry of Industry and Trade and the Ministry of Finance in Vietnam has allowed SABECO to use these land for its principle activities. They are temporary land use rights with restrictions on ownerships and are not permitted for sale, sublease and mortgage.

On 28 December 2018, SABECO received decisions from tax authorities regarding to the enforcement and implementation of the tax administrative decisions by seizing the cash from the SABECO's bank accounts related to the late payment penalties and interest on special sales tax. Subsequently on 2 January 2019, SABECO also received decisions from tax authorities to suspend the above decisions on the enforcement. SABECO has written to the relevant authorities to resolve the above matters.

The Group engaged an independent appraiser to appraise the fair value of identifiable of assets acquired and liabilities assumed, and allocation of fair value at the acquisition date. The process of appraisement of the fair value and allocation had been completed during the year ended 30 September 2019.

**(b) Havi Logistic (Thailand) Co., Ltd.**

On 28 February 2018, Thai Beverage logistic Co., Ltd., the Company's direct subsidiary, completed the acquisition of 75% equity interest in Havi Logistic (Thailand) Co., Ltd. ("Havi") which operates logistic businesses for food services in Thailand from third-party vendors as per the sale and purchase of share agreement dated 14 February 2018 for a cash consideration of Baht 240 million. The transaction is accounted for as a business combination. Subsequent to completion of the acquisition, Havi became an indirect subsidiary of the Company.

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Management believes that the acquisition will enable the expansion of logistics business to cold chain logistics and multi-temperature food distribution, as well as build a strong platform for food business expansion. These are the main factors that cause goodwill arises from acquisition.

*Identifiable assets acquired and liabilities assumed*

	<i>Note</i>	<b>Fair value</b> <i>(in million Baht)</i>
Cash and cash equivalents		203
Accounts receivable		195
Inventories		67
Property, plant and equipment	15	156
Other intangible assets	17	15
Deferred tax	18	(21)
Accounts payable		(382)
Other assets/(liabilities), net		(26)
<b>Net identifiable assets acquired and liabilities assumed</b>		<b>207</b>
NCI based on their proportionate interest in the recognised amount of net identifiable asset acquired and liabilities assumed		(52)
<b>Fair value of identifiable assets acquired and liabilities assumed</b>		<b>155</b>
Goodwill	16	85
<b>Total consideration</b>		<b>240</b>
Cash acquired		(203)
<b>Net consideration - paid</b>		<b>37</b>

The Group engaged an independent appraiser to appraise the fair value of identifiable of assets acquired and liabilities assumed, and allocation of fair value at the acquisition date. The process of appraisement of the fair value and allocation had been completed during the year ended 30 September 2019.

(c) *Asiaeuro International Beverage (Hong Kong) Limited and Asiaeuro International Beverage (Guangdong) Co., Ltd.*

International Beverage Holdings (China) Limited, an indirect subsidiary of the Company, entered into Joint-Venture agreements with Asia Group Corporate Limited on 1 June 2018 in relation to the establishment of Asiaeuro International Beverage (Hong Kong) Limited (“AIB HK”) which incorporated on 26 June 2018 and with Asiaeuro Wines & Spirits (Shenzhen) Co., Ltd. in relation to the establishment of Asiaeuro International Beverage (Guangdong) Co., Ltd. (“AIB GD”) which incorporated on 24 July 2018. AIB HK and AIB GD have become indirect subsidiaries of the Company and entered into Asset Purchase agreements in September 2018 with Asia Euro Wines & Spirits (H.K.) Limited and Asiaeuro Wines & Spirits (Shenzhen) Co., Ltd. respectively. Total consideration is Baht 291 million including VAT. The transaction is accounted for as a business combination.

Management has considered the acquisition date as 1 October 2018. Management believes that the acquisition will accelerate the expansion of spirit business in China as well as provide an access to large customer base. These are the main factors that cause goodwill arising from the acquisition.

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*Consideration transferred*

	<b>Fair Value</b> <i>(in million Baht)</i>
Cash	253
Contingent consideration	38
	<u><b>291</b></u>

*Identifiable assets acquired and liabilities assumed*

	<i>Note</i>	<b>Fair Value</b> <i>(in million Baht)</i>
Inventories		233
Property, plant and equipment	15	2
Other intangible assets	17	39
Deferred tax	18	(17)
Other assets/(liabilities), net		(5)
Net identifiable assets acquired and liabilities assumed		<u><b>252</b></u>
Goodwill	16	39
<b>Total consideration</b>		<u><b>291</b></u>

The Group engaged an independent appraiser to appraise the fair value of identifiable of assets acquired and liabilities assumed, and allocation of fair value at the acquisition date. The process of appraisement of the fair value and allocation had been completed during the year ended 30 September 2019.

During the year ended 30 September 2018, the Group incurred acquisition-related cost of Baht 2,458.20 million, respectively. This amount has been presented separately in the consolidated Statement of income for the year ended 30 September 2018.

The valuation techniques use for measuring the fair value of material assets acquired of Saigon Beer - Alcohol - Beverage Corporation, Havi Logistic (Thailand) Co., Ltd. and Asiaeuro International Beverage (Hong Kong) Limited and Asiaeuro International Beverage (Guangdong) Co., Ltd. were as follows

<b>Assets acquired</b>	<b>Valuation technique</b>
Investments in associates and joint ventures	<i>Quote market price, market comparison and income approach:</i> The valuation model consider quote share price for listed entities, fair value of the equity of business based on the application of earnings multiples to the company operating result and present value of estimated future cash flow that the business can be expected to generated.
Property, plant and equipment	<i>Market comparison technique and cost technique:</i> The valuation model considers market prices for similar items when they are available, and depreciated replacement cost when appropriate. Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolescence.

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<b>Assets acquired</b>	<b>Valuation technique</b>
Intangible assets	<p><i>Trademarks;</i>  <i>Relief-from-royalty method:</i> The relief-from-royalty method considers the discounted estimated royalty payments that are expected to be avoided as a result of the patents being owned.</p> <p><i>Customer relationship;</i>  <i>Multi-Period Excess Earnings Method:</i> The customer relationship is estimated from the residual earnings after fair return on all other assets employed have been deducted from the business's after-tax operating earnings.</p> <p><i>Leasehold rights;</i>  <i>Market comparison technique and cost technique:</i> The method using current market price multiplied by the remaining lease period. For prepaid lease, the method determined by multiplying the actual rent area by using publish market adjustment price.</p>

**Goodwill**

Additional goodwill which are arising from business acquisition during the year recognised in consolidated statement of financial position as at 30 September 2019 and 2018 are as following:

	<i>Note</i>	<b>2019</b>	<b>2018</b>
		<i>(in million Baht)</i>	
Spice of Asia Co., Ltd.		-	64
Grand Royal group		-	16,456
KFC stores		-	7,730
Saigon Beer - Alcohol - Beverage Corporation	5(a)	-	130,664
Havi Logistic (Thailand) Co., Ltd.	5(b)	-	85
Asiaeuro International Beverage (Hong Kong) Limited and Asiaeuro International Beverage (Guangdong) Co., Ltd.	5(c)	39	-
<b>Total goodwill</b>		<b>39</b>	<b>154,999</b>

The Group has applied TFRS No.3 (revised 2017) *Business Combinations* in recognised the purchase of these businesses. In accordance with TFRS No. 3, management is required to make a preliminary assessment of the fair values of businesses acquired as at the acquisition date. During the measurement period, which must not exceed one year from the acquisition date, the acquirer shall retrospectively adjust the provisional amounts recognised at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date.

The changes in fair value adjustment of net assets (liabilities) acquired at the acquisition date is mainly from updated information during the preparation of purchase price allocated. TFRS allow not later than one year period of remeasurement the fair value from the acquisition date. Therefore, it was resulted to recognise the difference between the considerations paid and fair value of net identified assets and liabilities determined by an independent appraiser as the goodwill of Baht 17,646 million, included in the consolidated statement of financial position.



# Thai Beverage Public Company Limited and its Subsidiaries

## Notes to the financial statements

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The consolidated financial statements as at 30 September 2018 included in these financial statements have been restated to reflect new information obtained about facts and circumstances that existed as of the acquisition date and the subsequently recognised adjustments following the finalisation of the valuation of the net assets of SABECO and Havi which were completed in 2019. The subsequently recognised adjustments are as follow;

### *The impacts to the consolidated statement of financial position as at 30 September 2018:*

	<b>Increase/(Decrease)</b> <i>(in million Baht)</i>
<b>Assets</b>	
Trade accounts receivable	(3)
Other receivables	143
Other current assets	(8)
Investment in associates and joint ventures	3,267
Investment properties	117
Property, plant and equipment	3,399
Goodwill	(17,646)
Other intangible assets	27,237
Other non-current assets	27
<b>Total</b>	<b>16,533</b>
<b>Liabilities</b>	
Deferred tax liabilities	1,504
Provision for employee benefit	107
<b>Total</b>	<b>1,611</b>
<b>Equity</b>	
Retained earnings - Unappropriated	(175)
Non-controlling interests	15,097
<b>Total</b>	<b>14,922</b>

### *The impacts to the consolidated statement of income for the year ended 30 September 2018:*

	<i>(in million Baht)</i>
Cost of sale of goods increased	(417)
Distribution costs increased	(235)
Administrative expenses increased	(168)
Income tax expenses decreased	115
<b>Profit for the year decreased</b>	<b>(705)</b>
<b>Profit attributable to :</b>	
Owners of the company	(175)
Non-controlling interests	(530)
	<b>(705)</b>
<b>Earnings per share (Baht)</b>	
Basic earnings per share	(0.01)
Diluted earnings per share	(0.01)

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*The impacts to the consolidated statement of cash flows for the year ended 30 September 2018:*

	<b>Increase/(Decrease)</b> <i>(in million Baht)</i>
<b>Cash flows from operating activities</b>	
Profit for the year	(705)
<i>Adjustments for</i>	
Depreciation and amortisation	326
Loss (Gain) on disposal and write-off of property, plant and equipment and other intangible assets	9
Unrealised loss (gain) on fair value of other investment	137
Employee benefit expenses	1
Income tax expenses	(115)
Inventories	347
<b>Net change in cash flows</b>	<b>-</b>

**6 Related parties**

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with related parties other than direct subsidiaries, indirect subsidiaries, subsidiaries of indirect subsidiaries, associates of indirect subsidiaries and associates of subsidiary of indirect subsidiaries (as presented in Note 1) were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
1. Thai Alcohol Plc.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
2. Sint Ek Panich Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
3. Banglen Agriculture Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
4. Pisetkij Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
5. Thip Sugar Kamphaengphet Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
6. The Chonburi Sugar Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
7. Thai Agro Products Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
8. Thip Sugar Sukhothai Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
9. The Suphanburi Sugar Industry Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
10. The Southeast Insurance Plc.	Thailand	Directors and controlling equity holders hold substantial shares indirectly

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<b>Name of entities</b>	<b>Country of incorporation/ nationality</b>	<b>Nature of relationships</b>
11. The Southeast Life Insurance Plc.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
12. Southeast Capital Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
13. T.C.C. Technology Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
14. Thai Glass Industries Plc.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
15. Bang-Na Glass Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
16. TCC Hotel Collection Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
17. Terragro Bio-Tech Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
18. BJC Industrial and Trading Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
19. North Park Real Estate Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
20. TCC PD 11 Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
21. Thippatana Arcade Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
22. Siam Food Products Plc.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
23. BJC Healthcare Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
24. Wattanapat Trading Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
25. Silvercord Capital (Singapore) Limited	Singapore	Directors and controlling equity holders hold substantial shares indirectly
26. Plantheon Trading Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
27. Eastern Chemical Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
28. Mosho Entertainment Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
29. Commercial Solution Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
30. TCCCL Ladphao Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
31. F&B International Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
32. Sub Permpoon 8 Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
33. The Street Retail Development Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
34. Sub Mahakij 8 Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
35. Waste Recycling Management Center Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly

# Thai Beverage Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 30 September 2019

Name of entities	Country of incorporation/ nationality	Nature of relationships
36. Gaewsarnsiri Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
37. TCC Land Development Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
38. P.I.T. Factory Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
39. Lake View Golf And Yacht Club Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
40. Excellent Energy International Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
41. Thai Retail Investment Fund	Thailand	Directors and controlling equity holders are the indirect principle unit holder
42. TCC Land Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
43. Thai Malaya Glass Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
44. Berli Jucker Foods Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
45. Dhanasindhi Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
46. Business Process Outsourcing Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
47. Berli Jucker Plc.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
48. Gaew Grung Thai Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
49. Phatra Leasing Plc.	Thailand	Common directors with an indirect subsidiary
50. N.C.C. Management and Development Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
51. InterContinental Singapore	Singapore	Directors and controlling equity holders hold substantial shares indirectly
52. TCC Hotel Asset Management Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
53. TCC Logistics & Warehouse Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
54. Riverside Homes Development Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
55. SMJC Real Estate Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
56. Big C Supercenter Plc.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
57. CW Towers Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
58. BJC Specialties Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
59. Phu Thai Group Joint Stock Company	Specialist Republic of Vietnam	Directors and controlling equity holders hold substantial shares indirectly
60. Asset World Retail Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly

# Thai Beverage Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 30 September 2019

Name of entities	Country of incorporation/ nationality	Nature of relationships
61. Lertrattakarn Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
62. Golden Ventures Leasehold Real Estate Investment Trust	Thailand	Directors and controlling equity holders hold principle unit indirectly
63. New Noble Property and Loan Fund	Thailand	Directors and controlling equity holders are the indirect principle unit holder
64. Best Fortune Property and Loan Fund	Thailand	Directors and controlling equity holders are the indirect principle unit holder
65. Regent Gold Property Fund	Thailand	Directors and controlling equity holders are the indirect principle unit holder
66. Thai Commercial Investment Freehold and Leasehold Fund	Thailand	Directors and controlling equity holders are the indirect principle unit holder
67. Plaza Athenee Hotel (Thailand) Co., Ltd.	Thailand	Directors and controlling equity holders are the directors and hold substantial shares indirectly
68. North Park Golf And Sports Club Co., Ltd.	Thailand	Directors and controlling equity holders are the directors and hold substantial shares indirectly
69. Thai Beverage Can Co., Ltd.	Thailand	Directors and controlling equity holders hold 50% shares indirectly
70. Dhamma Land Property Development Co., Ltd.	Thailand	Directors and controlling equity holders are relatives of indirect substantial shares holders
71. PS Recycle Co., Ltd.	Thailand	Directors and controlling equity holders are relatives of controlling person
72. T.C.C. International Limited	Hong Kong	Controlling equity holders hold substantial shares indirectly
73. Best Wishes Co., Ltd.	Hong Kong	Controlling equity holders hold substantial shares indirectly
74. Bangkok Glass Co., Ltd.	Thailand	A subsidiary holds shares
75. The Pet Co., Ltd.	Thailand	A subsidiary holds shares
76. Crown Seal Plc.	Thailand	A subsidiary holds shares
77. TCC Holding Co., Ltd.	Thailand	Having common controlling equity holders
78. TCC Assets Ltd.	British Virgin Islands	Directors and controlling equity holders hold substantial shares directly
79. Golden Land Property Development Public Co., Ltd.	Thailand	Directors hold substantial shares indirectly
80. Pacific Leisure (Thailand) Limited	Thailand	Directors and controlling equity holders hold substantial shares indirectly
81. F&N Group and related parties of F&N Group	Singapore	A indirect subsidiary holds 28.46% share in Fraser and Neave, Limited
82. FPL Group and related parties of FPL Group	Singapore	An indirect subsidiary holds 28.25% shares in Frasers Property Limited
83. SABECO Group and related parties of SABECO Group	Specialist Republic of Vietnam	An indirect subsidiary of indirect subsidiaries holds 53.58% share in Saigon Beer-Alcohol Beverage Corporation.

# Thai Beverage Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 30 September 2019

Name of entities	Country of incorporation/ nationality	Nature of relationships
84. Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly including any director (whether executive or otherwise) of the Group/ Company.

The pricing policies for transactions with related parties are explained further below:

Transactions	Pricing policies
Revenue from sale of goods	Agreed prices which approximate market prices
Revenue from rendering of services	Contractual prices
Purchase of goods/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 interest expense	Rate as mutually agreed with reference interest rates quoted by financial institutions

Significant transactions for the year ended 30 September with related parties were as follows:

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
<i>(in million Baht)</i>					
<b>Subsidiaries</b>					
Management fees		-	-	11,680	6,935
Cost of rendering of services		-	-	877	818
Interest income		-	-	809	760
Interest expense		-	-	1,150	1,351
Dividend income	12	-	-	11,341	17,933
Other income		-	-	15	60
Administrative expenses		-	-	56	43
<b>Associates</b>					
Dividend income	11	2,514	2,638	-	-
<b>Key management personnel</b>					
Key management personnel compensation					
Short-term employee benefits		430	434	391	392
Post-employment benefits		15	18	15	18
Expenses in relation to long-term incentive plan		13	18	13	18
<b>Total key management personnel compensation</b>		<b>458</b>	<b>470</b>	<b>419</b>	<b>428</b>

**Thai Beverage Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 30 September 2019**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
<b>Other related parties</b>				
Revenue from sale of goods	9,582	8,812	-	-
Purchases of raw materials and packaging	31,091	14,665	-	-
Overhead costs	443	382	-	-
Cost of rendering of services	-	-	423	387
Dividend income	4	4	-	-
Other income	198	206	19	10
Distribution costs and administrative expenses	2,270	3,779	27	20
Purchases of plant and equipment	406	493	4	59
Prepaid leasehold right	-	1,543	-	-
Purchase of other intangible asset	9	-	-	-

Balances as at 30 September with related parties were as follows:

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
<b>Trade accounts receivable from related parties</b>				
Subsidiaries	-	-	979	668
Associates	109	110	-	-
Joint ventures	2	-	-	-
Other related parties	254	279	-	-
<b>Total</b>	<b>365</b>	<b>389</b>	<b>979</b>	<b>668</b>

**Thai Beverage Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 30 September 2019**

*Short-term loans to and other receivables from related parties*

	Consolidated financial statements					Separate financial statements						
	Short-term loans to	2019 Other receivables	Total	Short-term loans to	2018 Other receivables	Total	Short-term loans to	2019 Other receivables	Total	Short-term loans to	2018 Other receivables	Total
	<i>(in million Baht)</i>											
Subsidiaries	-	-	-	-	-	-	6,358	120	6,478	5,043	123	5,166
Associates	-	590	590	-	423	423	-	-	-	-	-	-
Joint ventures	-	104	104	-	80	80	-	-	-	-	-	-
Other related parties	-	385	385	-	1,118	1,118	-	111	111	-	79	79
<b>Total</b>	<b>-</b>	<b>1,079</b>	<b>1,079</b>	<b>-</b>	<b>1,621</b>	<b>1,621</b>	<b>6,358</b>	<b>231</b>	<b>6,589</b>	<b>5,043</b>	<b>202</b>	<b>5,245</b>

*Long-term loans to and other receivables from related parties*

	Consolidated financial statements					Separate financial statements						
	Long-term loans to	2019 Other receivables	Total	Long-term loans to	2018 Other receivables	Total	Long-term loans to	2019 Other receivables	Total	Long-term loans to	2018 Other receivables	Total
	<i>(in million Baht)</i>											
Subsidiaries	-	-	-	-	-	-	6,637	35	6,672	10,622	33	10,655
Other related parties	-	149	149	-	131	131	-	15	15	-	16	16
<b>Total</b>	<b>-</b>	<b>149</b>	<b>149</b>	<b>-</b>	<b>131</b>	<b>131</b>	<b>6,637</b>	<b>50</b>	<b>6,687</b>	<b>10,622</b>	<b>49</b>	<b>10,671</b>



**Thai Beverage Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 30 September 2019**

Movements during the year ended 30 September of loans to related parties were as follows:

<i>Loans to related parties</i>	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
<b>Short-term loans</b>				
<b>Subsidiaries</b>				
At 1 October	-	-	5,043	11,351
Increase	-	-	21,696	34,189
Decrease	-	-	(20,381)	(40,497)
<b>At 30 September</b>	<b>-</b>	<b>-</b>	<b>6,358</b>	<b>5,043</b>
<b>Long-term loans</b>				
<b>Subsidiaries</b>				
At 1 October	-	-	10,622	-
Increase	-	-	-	10,622
Decrease	-	-	(3,985)	-
<b>At 30 September</b>	<b>-</b>	<b>-</b>	<b>6,637</b>	<b>10,622</b>
<i>Trade accounts payable to related parties</i>	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Associates	214	712	-	-
Joint ventures	270	320	-	-
Other related parties	2,067	1,354	-	-
<b>Total</b>	<b>2,551</b>	<b>2,386</b>	<b>-</b>	<b>-</b>

**Thai Beverage Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 30 September 2019**

***Short-term loans from and other payables to related parties***

	Consolidated financial statements					Separate financial statements						
	Short-term loans from	2019 Other payables	Total	Short-term loans from	2018 Other payables	Total	Short-term loans from	2019 Other payables	Total	Short-term loans from	2018 Other payables	Total
Subsidiaries	-	-	-	-	-	-	4,091	1,374	5,465	8,195	902	9,097
Associates	-	40	40	-	330	330	-	-	-	-	-	-
Other related parties	-	308	308	-	299	299	-	76	76	-	82	82
<b>Total</b>	<b>-</b>	<b>348</b>	<b>348</b>	<b>-</b>	<b>629</b>	<b>629</b>	<b>4,091</b>	<b>1,450</b>	<b>5,541</b>	<b>8,195</b>	<b>984</b>	<b>9,179</b>

***Long-term loans from and other payables to related parties***

	Consolidated financial statements					Separate financial statements						
	Long-term loans from	2019 Other payables	Total	Long-term loans from	2018 Other payables	Total	Long-term loans from	2019 Other payables	Total	Long-term loans from	2018 Other payables	Total
Subsidiaries	-	-	-	-	-	-	38,359	-	38,359	27,795	-	27,795
Other related parties	-	2	2	-	1	1	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>2</b>	<b>2</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>38,359</b>	<b>-</b>	<b>38,359</b>	<b>27,795</b>	<b>-</b>	<b>27,795</b>

**Thai Beverage Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 30 September 2019**

<i>Summary of loans from related parties</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
			<i>(in million Baht)</i>	
Short-term loans	-	-	4,091	8,195
Long-term loans	-	-	38,359	27,795
<b>Total</b>	<b>-</b>	<b>-</b>	<b>42,450</b>	<b>35,990</b>

Movements during the year ended 30 September of loans from related parties were as follows:

<i>Loans from related parties</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
			<i>(in million Baht)</i>	
<b>Short-term loans</b>				
<b>Subsidiaries</b>				
At 1 October	-	-	8,195	11,602
Increase	-	-	80,959	75,549
Decrease	-	-	(85,063)	(78,956)
<b>At 30 September</b>	<b>-</b>	<b>-</b>	<b>4,091</b>	<b>8,195</b>
<b>Long-term loans</b>				
<b>Subsidiaries</b>				
At 1 October	-	-	27,795	27,494
Increase	-	-	11,873	8,143
Decrease	-	-	(1,309)	(7,842)
<b>At 30 September</b>	<b>-</b>	<b>-</b>	<b>38,359</b>	<b>27,795</b>

**Significant agreements with related parties**

*Supporting service agreements*

The Company entered into supporting service agreements with subsidiaries for supporting service such as human resource, administration, accounting, finance, public relations, public co-ordination, technology, law, secretary and share register and internal audit for a period of one year from 1 January 2004 to 31 December 2004. Unless there are notifications to terminate the agreement not later than 30 days prior to 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 as stipulated in the agreements.

Subsequently on 14 September 2018 and 19 April 2019, addendum to the above supporting service agreement was issued to revise the service fee with effective date from 1 May 2018 and 1 January 2019, respectively.

*Application service provisioning agreement*

The Company entered into the application service provisioning agreement with T.C.C. Technology Co., Ltd., a related company, for the provision of ongoing maintenance and development of the application. The Company is committed to pay the rental fee of system, computer hardware, software license and service fee on a monthly basis throughout the contract period for five years, effective from 1 January 2019, under the fees and conditions stipulated in the agreement. Subsequently, the Company entered into additional agreements according to the additional number of users.

**Thai Beverage Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 30 September 2019**

*Molasses purchase and sale agreements*

Thai Molasses Co., Ltd., the Company's subsidiary, entered into molasses purchase and sale agreements with various related companies in order to sell molasses to other subsidiaries within the Group, under the prices and conditions stipulated in the agreements.

*Glass bottle purchase and sale agreement*

Thai Beverage Recycle Co., Ltd., the Company's subsidiary, entered into the glass bottle purchase and sale agreement with Berli Jucker Plc., a related company, in order to sell glass bottle to other subsidiaries within the Group, for a period of six years, effective from 1 January 2016 to 31 December 2021, under the prices and conditions stipulated in the agreement.

*Revolving loan agreement*

The Company entered into loan agreement with subsidiaries for lending the loans with joint credit limit not exceeding Baht 25,000 million, bearing interest at the rate of 5% per annum and entered into another revolving loan agreement with a subsidiary to lend loans with credit limit of Baht 15,000 million, bearing interest at the rate of 5% per annum.

The Company entered into revolving loan agreements with subsidiaries for proceeding the loans with total credit limit of Baht 115,200 million, bearing interest at the rate of 2.5% per annum.

*Property sublease agreements*

In 2017, a subsidiary and indirect subsidiaries of the Company entered into the sublease agreements to lease furnished office space and service agreement with a related company. Under the agreement, which effective for a period of 3 years, starting from the agreement dated in 2017, the said subsidiary and indirect subsidiaries are committed to pay rental and service fee on the rates as stipulated in the agreement. This agreement shall be renewed period by notify in advance at least 90 days and will be effected for another one year each from the expiration of the initial term or any renewal principal.

In May 2018, the Company's subsidiary entered into two sublease agreements to lease office building and car park building with a related company. Under the agreements, which effective for the total period of approximately 32 years, starting from the agreement dated in May 2018, the said subsidiary is committed to pay rental in one lump sum amount within 30 days on the rates as stipulated in the agreements. In this connection, Baht 1,542.56 million has been paid and amortised over the agreement period on a straight-line basis.

*Consultancy services agreement*

The Company's subsidiary entered into a software licensing with a related company to manage the permission and maintenance the system. The agreement is for a period of 3 years ends on 31 August 2018 with service fee in amount of Baht 1.23 million per month. On 1 September 2018, the agreement was extended for a period of two years ends on to 31 August 2020.

*Trademark sub-license agreement*

A subsidiary of indirect subsidiary entered into a trademark sub-license agreement with Emerald Brewery Myanmar Limited ("Emerald Brewery"), a joint venture under F&N Group, to grant a license for use of the trademark. Effective from 28 September 2019 to 27 September 2029, Emerald Brewery committed to pay license fees at the rate of 2% of the net sales revenue in respect of all sales of the products by or on behalf of Emerald Brewery, including other conditions as stipulated in the agreement. The agreement is currently being reviewed and signed by the company and the party.

# Thai Beverage Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 30 September 2019

### Commitments with related parties

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
<b>Capital commitments</b>				
Buildings and other constructions	11	-	-	-
Machinery and equipment	4	35	-	-
<b>Total</b>	<b>15</b>	<b>35</b>	<b>-</b>	<b>-</b>
<b>Non-cancellable operating lease commitments</b>				
Within one year	654	659	54	54
After one year but within five years	1,177	1,341	47	53
After five years	336	327	-	-
<b>Total</b>	<b>2,167</b>	<b>2,327</b>	<b>101</b>	<b>107</b>
<b>Other commitments</b>				
Purchase of raw material agreements	7,693	6,121	-	-
Application service provisioning agreements	415	10	415	10
Purchase of molasses agreements	308	132	-	-
Brewing supervision agreement	12	14	-	-
Sale of molasses agreements	5	5	-	-
Other service agreements	153	140	80	70
<b>Total</b>	<b>8,586</b>	<b>6,422</b>	<b>495</b>	<b>80</b>

### 7 Cash and cash at financial institutions

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Cash on hand	115	170	-	-
Cash at banks - current accounts	2,552	3,336	7	1
Cash at banks - savings accounts	2,860	2,615	65	92
Highly liquid short-term investments	4,103	5,395	-	-
<b>Cash and cash equivalents</b>	<b>9,630</b>	<b>11,516</b>	<b>72</b>	<b>93</b>
Current investments	14,732	11,014	-	-
<b>Total</b>	<b>24,362</b>	<b>22,530</b>	<b>72</b>	<b>93</b>

Current investments represent short-term deposit at financial institutions with maturity period more than 3 months but less than 12 months.

**Thai Beverage Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 30 September 2019**

**8 Trade accounts receivable**

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018 (Restated)	2019	2018
			(in million Baht)		
Related parties	6	365	389	979	668
Other parties		4,786	3,974	-	-
<b>Total</b>		<b>5,151</b>	<b>4,363</b>	<b>979</b>	<b>668</b>
Less allowance for doubtful accounts		(57)	(69)	-	-
<b>Net</b>		<b>5,094</b>	<b>4,294</b>	<b>979</b>	<b>668</b>
Bad and doubtful debts expenses (reversal of) for the year		13	11	-	-

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018 (Restated)	2019	2018
		(in million Baht)		
<b>Related parties</b>				
Within credit terms	297	318	979	668
Overdue:				
Less than 3 months	68	70	-	-
6-12 months	-	1	-	-
	<b>365</b>	<b>389</b>	<b>979</b>	<b>668</b>
<b>Other parties</b>				
Within credit terms	3,921	3,116	-	-
Overdue:				
Less than 3 months	747	774	-	-
3-6 months	75	32	-	-
6-12 months	12	23	-	-
Over 12 months	31	29	-	-
	<b>4,786</b>	<b>3,974</b>	-	-
Less allowance for doubtful accounts	(57)	(69)	-	-
<b>Net</b>	<b>4,729</b>	<b>3,905</b>	-	-
	<b>5,094</b>	<b>4,294</b>	<b>979</b>	<b>668</b>

The normal credit term granted by the Group ranges from 7 days to 150 days.

# Thai Beverage Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 30 September 2019

### 9 Inventories

	Consolidated financial statements		Separate financial statements	
	2019	2018 (Restated)	2019	2018
	<i>(in million Baht)</i>			
Finished goods	15,882	14,991	-	-
Maturing spirits	13,280	13,564	-	-
Work in progress	4,461	4,887	-	-
Raw materials	4,676	4,200	-	-
Packaging materials	3,632	3,404	-	-
Spare parts	857	1,064	-	-
Others	790	625	-	-
	<u>43,578</u>	<u>42,735</u>	<u>-</u>	<u>-</u>
Less allowance for decline in value	(702)	(550)	-	-
<b>Net</b>	<b><u>42,876</u></b>	<b><u>42,185</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
Inventories recognised as an expense in 'Cost of sale of goods':				
- Cost	189,814	162,904	-	-
- Write-down to net realisable value	372	142	-	-
- Reversal of write-down	(220)	(153)	-	-
<b>Net</b>	<b><u>189,966</u></b>	<b><u>162,893</u></b>	<b><u>-</u></b>	<b><u>-</u></b>

### 10 Other current assets

	Consolidated financial statements		Separate financial statements	
	2019	2018 (Restated)	2019	2018
	<i>(in million Baht)</i>			
Refundable value added tax	642	1,268	88	63
Withholding tax receivable	630	380	427	181
Prepaid excise tax	449	524	-	-
Deposits	54	68	1	-
Refundable excise tax	50	94	-	-
Others	416	475	-	-
<b>Total</b>	<b><u>2,241</u></b>	<b><u>2,809</u></b>	<b><u>516</u></b>	<b><u>244</u></b>

**Thai Beverage Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 30 September 2019**

**11 Investments in associates and joint ventures**

	<i>Note</i>	<b>Consolidated financial statements</b>	
		2019	2018 (Restated)
<i>(in million Baht)</i>			
<b>Associates</b>			
At 1 October		78,502	78,579
Share of net profit of investment in associates, net of income tax		4,533	3,602
Share of other comprehensive income of investment in associates		(1,463)	(1,038)
Additions		-	32
Addition from acquisition of businesses	5	-	2,184
Dividend income from associates		(2,282)	(2,398)
Allowance for impairment losses		-	(137)
Effect of foreign currency exchange differences		(4,366)	(2,322)
<b>At 30 September</b>		<b>74,924</b>	<b>78,502</b>
<b>Joint ventures</b>			
At 1 October		3,616	-
Share of net profit of investment in joint ventures, net of income tax		312	216
Additions		935	-
Addition from acquisition of businesses	5	-	3,639
Dividend income from joint ventures		(232)	(240)
Effect of foreign currency exchange differences		(210)	1
<b>At 30 September</b>		<b>4,421</b>	<b>3,616</b>
<b>Total</b>			
At 1 October		82,118	78,579
Share of net profit of investment in associates and joint ventures, net of income tax		4,845	3,818
Share of other comprehensive income of investment in associates		(1,463)	(1,038)
Additions		935	32
Addition from acquisition of businesses	5	-	5,823
Dividend income from associates and joint ventures		(2,514)	(2,638)
Allowance for impairment losses		-	(137)
Effect of foreign currency exchange differences		(4,576)	(2,321)
<b>At 30 September</b>		<b>79,345</b>	<b>82,118</b>

In May 2019, Green Bean Co., Ltd., the Group's indirect subsidiary, invested in F&N International Holding Co., Ltd., the Group's joint venture, amounting to THB 935 million for the purpose of investment in Starbucks (Thailand) project and Genki Sushi (Thailand) project.



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Investments in associates and joint ventures as at 30 September 2019 and 2018, and dividend income from those investments for the years then ended, were as follows:

	Ownership interest		Paid-up capital		Consolidated financial statements				Dividend income	
	2019	2018	2019	2018	Cost		Equity		2019	2018
	( <i>%</i> )				2019	2018	2019	2018		
					<i>(Restated)</i>		<i>(Restated)</i>			
					<i>(in million Baht)</i>					
<i>Associates</i>										
<i>Held by indirect subsidiaries</i>										
Fraser and Neave, Limited	28.46	28.48	SGD 852 million	SGD 852 million	13,122	14,964	35,996	37,306	427	443
Frasers Property Limited	28.25	28.33	SGD 1,795 million	SGD 1,783 million	27,765	31,640	36,219	38,476	1,631	1,692
<i>Held by subsidiary of indirect subsidiaries</i>										
Liquorland Limited	49.49	49.49	GBP 0.5 million	GBP 0.5 million	10	10	98	111	1	-
Petform (Thailand) Co., Ltd.	25.87	25.87	Baht 75 million	Baht 75 million	30	30	638	537	75	97
Thanh Nam Consultant Investment - Engineering And Technology Transfer Joint Stock Company	15.31	7.50	VND 1,400 million	VND 1,400 million	1	1	-	-	-	-
Mechanical and Industrial Construction Joint Stock Company	13.93	6.83	VND 35,999 million	VND 35,999 million	46	49	48	51	-	2
Saigon Tay Do Beer Beverage Joint Stock Company	14.80	7.25	VND 200,000 million	VND 200,000 million	180	192	260	273	19	24
Saigon - Binh Tay Beer Joint Stock Company	11.68	5.72	VND 875,245 million	VND 875,245 million	220	234	626	685	26	45
Saigon - Baclieu Beer Joint Stock Company	5.47	2.68	VND 120,120 million	VND 120,120 million	47	50	89	95	8	7

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	<b>Consolidated financial statements</b>									
	Ownership interest		Paid-up capital		Cost		Equity		Dividend income	
	2019	2018	2019	2018	2019	2018 (Restated)	2019	2018 (Restated)	2019	2018
	(%)						(in million Baht)			
<i>Associates</i>										
<i>Held by subsidiary of indirect subsidiaries (continued)</i>										
Truong Sa Food - Food Business Joint Stock Company	20.70	10.14	VND 17,700 million	VND 17,700 million	10	10	9	10	-	-
Saigon - Phutho Beer Joint Stock Company	16.53	8.10	VND 125,000 million	VND 125,000 million	99	105	150	156	19	18
Sai Gon - Mien Trung Beer Joint Stock Company	17.36	8.51	VND 298,466 million	VND 298,466 million	343	364	413	421	53	41
Tan Thanh Investment Trading Company Limited	15.54	7.62	VND 250,000 million	VND 250,000 million	96	102	92	98	-	-
Sai Gon - Vinh Long Beer Joint Stock Company	10.72	5.25	VND 150,000 million	VND 150,000 million	75	79	100	102	12	17
Sai Gon - Kien Giang Beer Joint Stock Company	10.72	5.25	VND 115,000 million	VND 115,000 million	35	37	43	43	6	8
Sai Gon - Khanh Hoa Beer Joint Stock Company	13.93	6.83	VND 100,000 million	VND 100,000 million	57	61	85	82	5	4
Saigon - Bentre Beer Joint Stock Company	10.72	5.25	VND 100,000 million	VND 100,000 million	26	28	31	28	-	-
Saigon - Lamdong Beer Joint Stock Company	10.72	5.25	VND 100,000 million	VND 100,000 million	26	28	27	28	-	-

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	Ownership interest		Paid-up capital		Cost		Equity		Dividend income	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	( <i>%</i> )				<i>(Restated)</i>		<i>(Restated)</i>			
<i>Joint Ventures</i>										
<i>Held by subsidiary of indirect subsidiaries</i>										
Me Linh Point Limited	18.75	9.19	VND 221,066 million	VND 221,066 million	716	760	818	862	40	38
Crown Beverage Cans Saigon Company Limited	16.10	7.89	VND 519,590 million	VND 519,590 million	1,769	1,878	1,912	2,021	181	202
Malaya - Vietnam Glass Limited Company	16.08	7.88	VND 322,209 million	VND 322,209 million	359	381	561	541	-	-
San Miguel Yamamura Phu Tho Packaging Company Limited	18.75	9.19	VND 51,883 million	VND 51,883 million	109	116	150	164	11	-
Vietnam Spirits and Wine Ltd.	24.11	11.82	VND 65,462 million	VND 65,462 million	68	72	26	28	-	-
F&N International Holding Co., Ltd.	64.95	-	Baht 1,833 million	-	935	-	954	-	-	-
<b>Total</b>					<b>46,144</b>	<b>51,191</b>	<b>79,345</b>	<b>82,118</b>	<b>2,514</b>	<b>2,638</b>

The Group has investment in associates, Fraser and Neave, Limited (“F&N”) and Frasers Property Limited (“FPL”), which are listed on the Singapore Exchange Securities Trading Limited (“SGX”) with the closing price as at 30 September 2019 of SGD 1.74 per share and SGD 1.75 per share, respectively (30 September 2018: SGD 1.92 per share and SGD 1.69 per share, respectively). The market value calculated from the above mentioned closing price of the Group’s investments in F&N and FPL are Baht 15,892 million and Baht 31,967 million, respectively (30 September 2018: Baht 18,768 million and Baht 33,040 million, respectively).

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*Associates*

The following table summarises the financial information of the associates and joint ventures as included in their own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies.

<b>For the year ended 30 September</b> <i>Statement of comprehensive income</i>	Fraser and Neave, Limited		Frasers Property Limited	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Revenue	44,089	46,380	100,133	103,800
Profit from continuing operations	4,954	4,303	17,083	13,443
Other comprehensive income	1,094	(1,087)	(10,005)	(8,946)
<b>Total comprehensive income (100%)</b>	<b>6,048</b>	<b>3,216</b>	<b>7,078</b>	<b>4,497</b>
Attributable to non-controlling interests	1,468	1,577	3,328	3,168
Attributable to investee's shareholders	4,580	1,639	3,750	1,329
<b>As at 30 September</b> <i>Statement of financial position</i>				
Current assets	22,655	26,229	208,893	172,467
Non-current assets	81,605	80,210	602,226	595,965
Current liabilities	(10,738)	(18,389)	(127,361)	(113,454)
Non-current liabilities	(19,607)	(12,919)	(343,562)	(308,267)
<b>Net assets (100%)</b>	<b>73,915</b>	<b>75,131</b>	<b>340,196</b>	<b>346,711</b>
Attributable to non-controlling interests	8,835	8,263	188,158	172,217
Attributable to investee's shareholders	65,080	66,868	152,038	174,494
	Fraser and Neave, Limited		Frasers Property Limited	
	2019	2018	2019	2018
		(Restated)		(Restated)
	<i>(in million Baht)</i>			
<i>Carrying amount of interest in associates</i>				
Group's interest in net assets of investee at 1 October	37,306	37,465	38,476	40,283
Total comprehensive income attributable to the Group	1,295	1,446	1,425	1,016
Dividends received during the year	(411)	(440)	(1,571)	(1,681)
Effect of foreign currency exchange differenced	(2,194)	(1,165)	(2,111)	(1,142)
<b>Carrying amount of interest in investee at 30 September</b>	<b>35,996</b>	<b>37,306</b>	<b>36,219</b>	<b>38,476</b>

# Thai Beverage Public Company Limited and its Subsidiaries

## Notes to the financial statements

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### *Immaterial associates and joint ventures*

The following is summarised financial information for the Group's interest in immaterial associates and joint ventures based on the amounts reported in the Group's consolidated financial statements:

	Immaterial associates		Immaterial joint ventures	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Carrying amount of interests in immaterial associates and joint ventures				
Group's share of:				
- Profit for the year	357	298	293	216
- Total comprehensive income	<u>357</u>	<u>298</u>	<u>293</u>	<u>216</u>

## 12 Investments in subsidiaries

	Separate financial statements	
	2019	2018
	<i>(in million Baht)</i>	
At 1 October	333,696	168,015
Increase in share capital of subsidiary	605	165,681
Acquisitions	966	-
<b>At 30 September</b>	<b><u>335,267</u></b>	<b><u>333,696</u></b>

On 28 February 2019, the Company invested in a new investment in 100% of Food and Beverage Holding Co., Ltd. the Company's subsidiary, which was incorporated in Thailand. Food and Beverage Holding Co., Ltd. has issued and paid-up share capital of Baht 10 million (1 million ordinary shares with a Baht 10 par value). Subsequently, on 10 May 2019, the Company made an additional investment of Baht 926.50 million (92.65 million ordinary shares with a Baht 10 par value) for the purpose of investment in F&N International Holding Co., Ltd., the Company's indirect joint venture. Consequently, total investment in Food and Beverage Holding Co., Ltd. was Baht 936.50 million.

On 27 February 2019, the Company invested in a new investment in 100% of ThaiBev Marketing Co., Ltd. the Company's subsidiary, which was incorporated in Thailand. ThaiBev Marketing Co., Ltd. has issued and paid-up share capital of Baht 25 million (10 million ordinary shares with a Baht 10 par value, paid-up Baht 2.50 per share).

On 23 January 2019, the Company invested in a new investment in 100% of C.A.I. Co., Ltd. the Company's subsidiary, which was incorporated in Thailand. C.A.I. Co., Ltd. has issued and paid-up share capital of Baht 1.25 million (0.5 million ordinary shares with a Baht 10 par value, paid-up Baht 2.50 per share). Subsequently, on 17 May 2019, the Company made an additional investment of Baht 3.75 million (0.5 million ordinary shares with a Baht 10 par value, paid-up Baht 7.50 per share). Consequently, total investment in C.A.I. was Baht 5 million.

On 26 October 2018, the Company made an additional investment in ASM Management Co., Ltd. the Company's direct subsidiary, for a consideration of Baht 605.25 million (269 million ordinary shares with a Baht 2.25 per value).

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Investments in subsidiaries as at 30 September 2019 and 2018, and dividend income from those investments for the year ended were as follows:

	Ownership interest		Separate financial statements				Dividend income			
	2019	2018	Paid-up capital		Cost method		2019	2018		
	(%)		2019	2018	2019	2018				
			(in million Baht)							
<b>Subsidiaries</b>										
Beer Thai (1991) Plc.	100.00	100.00	5,550	5,550	12,500	12,500	444	844		
Beer Thip Brewery (1991) Co., Ltd.	100.00	100.00	6,600	6,600	12,500	12,500	350	521		
Sangsom Co., Ltd.	100.00	100.00	7,500	7,500	7,500	7,500	187	510		
Fuengfuanant Co., Ltd.	100.00	100.00	900	900	900	900	67	138		
Mongkolsamai Co., Ltd.	100.00	100.00	700	700	691	691	-	10		
Thanapakdi Co., Ltd.	100.00	100.00	700	700	697	697	5	31		
Kanchanasingkorn Co., Ltd.	100.00	100.00	700	700	700	700	13	54		
Sura Bangyikhan Co., Ltd.	100.00	100.00	4,000	4,000	4,000	4,000	268	640		
Athimart Co., Ltd.	100.00	100.00	900	900	900	900	120	173		
S.S. Karnsura Co., Ltd.	100.00	100.00	800	800	800	800	70	144		
Kankwan Co., Ltd.	100.00	100.00	800	800	800	800	102	176		
Theparunothai Co., Ltd.	100.00	100.00	700	700	700	700	59	116		
Red Bull Distillery (1988) Co., Ltd.	100.00	100.00	5,000	5,000	5,000	5,000	40	75		
United Winery and Distillery Co., Ltd.	100.00	100.00	1,800	1,800	1,800	1,800	29	47		
Simathurakij Co., Ltd.	100.00	100.00	900	900	888	888	76	182		
Nateechai Co., Ltd.	100.00	100.00	800	800	800	800	-	18		
Luckchai Liquor Trading Co., Ltd.	100.00	100.00	800	800	766	766	12	53		
Sura Piset Thipparat Co., Ltd.	100.00	100.00	1,000	1,000	1,010	1,010	4	3		
Modern Trade Management Co., Ltd.	100.00	100.00	10	10	10	10	79	662		
Horeca Management Co., Ltd.	100.00	100.00	10	10	10	10	13	12		
Pomkit Co., Ltd.	100.00	100.00	10	10	10	10	15	109		
Pomklung Co., Ltd.	100.00	100.00	10	10	10	10	11	71		
Pomchok Co., Ltd.	100.00	100.00	10	10	10	10	6	33		
Pomcharoen Co., Ltd.	100.00	100.00	10	10	10	10	-	4		
Pomburapa Co., Ltd.	100.00	100.00	10	10	10	10	14	73		
Pompalang Co., Ltd.	100.00	100.00	10	10	10	10	22	79		
Pomnakorn Co., Ltd.	100.00	100.00	10	10	10	10	-	14		
Pomthip (2012) Co., Ltd.	100.00	100.00	10	10	10	10	7	43		
Num Yuk Co., Ltd.	100.00	100.00	10	10	10	10	127	645		
Num Kijjakarn Co., Ltd.	100.00	100.00	10	10	10	10	353	844		
Num Palang Co., Ltd.	100.00	100.00	10	10	10	10	56	321		

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	Separate financial statements							
	Ownership interest		Paid-up capital		Cost method		Dividend income	
	2019	2018	2019	2018	2019	2018	2019	2018
		(%)			(in million Baht)			
<i>Subsidiaries (continued)</i>								
Num Muang Co., Ltd.	100.00	100.00	10	10	10	10	172	562
Num Nakorn Co., Ltd.	100.00	100.00	10	10	10	10	81	373
Num Thurakij Co., Ltd.	100.00	100.00	10	10	10	10	204	682
Numrungrud Co., Ltd.	100.00	100.00	10	10	10	10	257	605
Numthip Co., Ltd.	100.00	100.00	10	10	10	10	138	495
Thipchalothorn Co., Ltd.	100.00	100.00	1	1	3	3	619	739
Krittayabun Co., Ltd.	100.00	100.00	5	5	27	27	623	1,758
Surathip Co., Ltd.	100.00	100.00	1	1	7	7	496	847
Sunthronpirom Co., Ltd.	100.00	100.00	5	5	25	25	489	716
Piromsurang Co., Ltd.	100.00	100.00	5	5	24	24	364	442
Thai Beverage Energy Co., Ltd.	100.00	100.00	860	860	864	864	-	-
Thai Molasses Co., Ltd.	99.72	99.72	40	40	35	35	98	127
Feed Addition Co., Ltd.	100.00	100.00	1	1	32	32	26	43
Pan International (Thailand) Co., Ltd.	100.00	100.00	1	1	34	34	9	25
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	2	-
Thai Beverage Recycle Co., Ltd.	100.00	100.00	123	123	134	134	23	186
Thai Beverage Logistics Co., Ltd.	100.00	100.00	1,012	1,012	1,012	1,012	-	13
Thai Beverage Marketing Co., Ltd.	100.00	100.00	300	300	300	300	153	104
United Products Co., Ltd.	100.00	100.00	350	350	376	376	-	-
Dhospaak Co., Ltd.	100.00	100.00	25	25	61	61	69	94
Thai Beverage Training Co., Ltd.	100.00	100.00	2	2	2	2	20	15
C A C Co., Ltd.	100.00	100.00	30	30	30	30	-	-
International Beverage Holdings Limited	100.00	100.00	250,298	250,298	250,298	250,298	3,475	1,512
Cosmos Brewery (Thailand) Co., Ltd.	100.00	100.00	1,667	1,667	4,139	4,139	222	-
Thai Beverage Brands Co., Ltd.	100.00	100.00	5	5	39	39	-	2
Beer Chang Co., Ltd.	100.00	100.00	1	1	4,318	4,318	140	230

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	<b>Separate financial statements</b>							
	Ownership interest		Paid-up capital		Cost method		Dividend income	
	2019	2018	2019	2018	2019	2018	2019	2018
	(%)				(in million Baht)			
<b><i>Subsidiaries (continued)</i></b>								
Archa beer Co., Ltd.	100.00	100.00	1	1	130	130	3	6
Sura Piset Phatra Lanna Co., Ltd.	100.00	100.00	1,000	1,000	1,015	1,015	70	28
Oishi Group Plc.	79.66	79.66	375	375	5,540	5,540	448	478
Thai Drinks Co., Ltd.	95.05	95.05	1,500	1,500	438	438	-	-
Chang International Co., Ltd.	100.00	100.00	10	10	10	10	157	66
Cash Van Management Co., Ltd.	100.00	100.00	10	10	10	10	370	1,130
Food of Asia Co., Ltd.	25.00	25.00	10	10	2	2	-	-
Chang Corporation Co., Ltd.	50.99	50.99	1	1	1	1	-	-
BevCo Co., Ltd.	50.99	50.99	5,436	5,436	2,772	2,772	-	-
Bev Tech Co., Ltd.	100.00	100.00	200	200	200	200	64	10
Namjai Thai Bev (Social Enterprise) Co., Ltd.	100.00	100.00	1	1	1	1	-	-
ASM Management Co., Ltd.	100.00	100.00	2,700	2,095	2,700	2,095	-	-
Traditional Trade Management Co., Ltd. (Formerly: Agent Management Co., Ltd)	100.00	100.00	10	10	10	10	-	-
Foods Company Holdings Co., Ltd.	100.00	100.00	6,200	6,200	6,200	6,200	-	-
C.A.I. Co., Ltd.	100.00	-	5	-	5	-	-	-
Thaibev Marketing Co., Ltd.	100.00	-	25	-	25	-	-	-
Food and Beverage Holding Co., Ltd.	100.00	-	936	-	936	-	-	-
<b>Total</b>					<b><u>335,267</u></b>	<b><u>333,696</u></b>	<b><u>11,341</u></b>	<b><u>17,933</u></b>

None of the Company's direct subsidiaries are publicly listed and consequently do not have published price quotations, except for Oishi Group Plc. which is listed on the Stock Exchange of Thailand. Based on the closing price of Baht 118 per share at 30 September 2019 (30 September 2018: Baht 92.75 per share), the market price of the Company's investment in Oishi Group Plc. is Baht 17,625 million (30 September 2018: Baht 13,853 million).

All subsidiaries were incorporated in Thailand, except International Beverage Holdings Limited which was incorporated in Hong Kong.



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**13 Non-controlling interests**

The following table summarises the information relating to each of the Group's subsidiaries that has a material non-controlling interest, before any intra-group eliminations:

	<b>Consolidated financial statements</b>					<b>Intra-group eliminations</b>	<b>Total</b>
	<b>Oishi Group Public Company Limited and its subsidiaries</b>	<b>Sermasuk Public Company Limited and its subsidiaries</b>	<b>Grand Royal Group</b>	<b>SABECO</b>	<b>Other</b>		
	<i>(in million Baht)</i>						
Non-controlling interest percentage	20.34%	35.33%	25.00%	46.42%			
Current assets	2,136	2,369	4,152	23,218			
Non-current assets	6,272	10,031	10,307	40,996			
Current liabilities	(1,575)	(2,017)	(855)	(7,367)			
Non-current liabilities	(193)	(1,649)	(2,074)	(1,789)			
<b>Net assets</b>	<b>6,640</b>	<b>8,734</b>	<b>11,530</b>	<b>55,058</b>			
Non-controlling interest in subsidiaries' financial statement	4	-	1,055	1,954			
Carrying amount of non-controlling interest	1,354	3,086	3,674	26,603	81	(332)	<b>34,466</b>
Revenue	13,631	11,763	7,597	62,648			
Profit (Loss)	1,229	(453)	1,816	5,875			
Other comprehensive income	(22)	646	(341)	(3,334)			
<b>Total comprehensive income</b>	<b>1,207</b>	<b>193</b>	<b>1,475</b>	<b>2,541</b>			

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**Consolidated financial statements**  
**30 September 2019**

	<b>Oishi Group Public Company Limited and its subsidiaries</b>	<b>Sermsuk Public Company Limited and its subsidiaries</b>	<b>Grand Royal Group</b>	<b>SABECO</b> <i>(in million Baht)</i>	<b>Other</b>	<b>Intra-group eliminations</b>	<b>Total</b>
Profit (Loss) allocated to non-controlling interest	<u>250</u>	<u>(160)</u>	<u>454</u>	<u>2,727</u>	(67)	(394)	<b>2,810</b>
Other comprehensive income allocated to non-controlling Interest	<u>(4)</u>	<u>228</u>	<u>(85)</u>	<u>(1,547)</u>	-	(14)	<b>(1,422)</b>
Cash flows from operating activities	2,610	483	1,476	7,761			
Cash flows from investing activities	(898)	(116)	(414)	(3,779)			
Cash flows from financing activities	<u>(2,290)</u>	<u>-</u>	<u>(839)</u>	<u>(4,854)</u>			
<b>Net decrease in cash and cash equivalents</b>	<b><u>(578)</u></b>	<b><u>367</u></b>	<b><u>223</u></b>	<b><u>(872)</u></b>			

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	<b>Oishi Group Public Company Limited and its subsidiaries</b>	<b>Sermsuk Public Company Limited and its subsidiaries</b>	<b>Vietnam F&amp;B Alliance Investment Joint Company and Veitnam Beverage Company Limited</b>	<b>Grand Royal Group</b>	<b>SABECO (Restated)</b>	<b>Other (Restated)</b>	<b>Intra-group eliminations (Restated)</b>	<b>Total (Restated)</b>
				<i>(in million Baht)</i>				
Non-controlling interest percentage	20.34%	35.33%	51.00%	25.00%	73.74%			
Current assets	3,396	2,208	535	3,338	21,298			
Non-current assets	6,284	9,451	156,918	10,314	44,849			
Current liabilities	(3,573)	(2,134)	(3,732)	(591)	(7,102)			
Non-current liabilities	(117)	(984)	(151,075)	(2,138)	(1,904)			
<b>Net assets</b>	<b>5,990</b>	<b>8,541</b>	<b>2,646</b>	<b>10,923</b>	<b>57,141</b>			
Non-controlling interest in subsidiaries' financial statement	5	-	-	1,076	1,920			
Carrying amount of non- controlling interest	1,223	3,018	1,349	3,537	42,641	86	(17,333)	34,521
Revenue	12,596	11,159	-	7,328	42,715			
Profit (Loss)	1,008	(278)	(2,657)	2,090	4,073			
Other comprehensive income	(8)	94	-	(2,018)	28			
<b>Total comprehensive income</b>	<b>1,000</b>	<b>(184)</b>	<b>(2,657)</b>	<b>72</b>	<b>4,101</b>			

**Thai Beverage Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 30 September 2019**

**Consolidated financial statements**  
**30 September 2018**

	<b>Oishi Group Public Company Limited and its subsidiaries</b>	<b>Sermsuk Public Company Limited and its subsidiaries</b>	<b>Vietnam F&amp;B Alliance Investment Joint Company and Veitnam Beverage Company Limited</b>	<b>Grand Royal Group</b>	<b>SABECO (Restated)</b>	<b>Other (Restated)</b>	<b>Intra-group elimination (Restated)</b>	<b>Total (Restated)</b>
				<i>(in million Baht)</i>				
Profit (Loss) allocated to non-controlling interest	<u>205</u>	<u>(98)</u>	<u>(1,355)</u>	<u>522</u>	<u>3,003</u>	(9)	(602)	<b>1,666</b>
Other comprehensive income allocated to non-controlling interest	<u>(2)</u>	<u>33</u>	<u>-</u>	<u>(504)</u>	<u>21</u>	-	-	<b>(452)</b>
Cash flows from operating activities	1,561	18	(259)	2,211	3,744			
Cash flows from investing activities	(758)	42	(151,309)	(489)	(1,470)			
Cash flows from financing activities	<u>(960)</u>	<u>-</u>	<u>152,107</u>	<u>(1,030)</u>	<u>(2,330)</u>			
<b>Net decrease in cash and cash equivalents</b>	<u><b>(157)</b></u>	<u><b>60</b></u>	<u><b>539</b></u>	<u><b>692</b></u>	<u><b>(56)</b></u>			

**Thai Beverage Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 30 September 2019**

**14 Investment properties**

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018 (Restated) (in million Baht)	2018	2018
<b>Cost</b>					
At 1 October		1,842	1,644	-	-
Addition from acquisition of business		-	215	-	-
Disposals		-	(1)	-	-
Transfer from (to) property, plant and equipment	15	71	(16)	-	-
Effect of foreign currency exchange		(13)	-	-	-
<b>At 30 September</b>		<b>1,900</b>	<b>1,842</b>	<b>-</b>	<b>-</b>
<b>Accumulated depreciation and impairment losses</b>					
At 1 October		127	121	-	-
Depreciation charge for the year		10	9	-	-
Disposals		-	-	-	-
Transfer from (to) property, plant and equipment	15	87	(1)	-	-
Effect of foreign currency exchange		(2)	-	-	-
Allowance for impairment losses		-	(2)	-	-
<b>At 30 September</b>		<b>222</b>	<b>127</b>	<b>-</b>	<b>-</b>
<b>Net book value</b>					
At 1 October		1,715	1,523	-	-
<b>At 30 September</b>		<b>1,678</b>	<b>1,715</b>	<b>-</b>	<b>-</b>

The Group's investment properties were revalued by independent property valuers, which considered valuation using the market comparison approach and cost approach. As at 30 September 2019, the appraised value of investment properties was Baht 2,592 million (30 September 2018: Baht 2,365 million).

Investment properties comprise of a number of commercial land that are leased to third parties and unused land and buildings and constructions.

**Measurement of fair value**

*Fair value hierarchy*

The fair value of investment property was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuers provide the fair value of the Group's investment property portfolio on an annual basis.

The fair value measurement for investment property of Baht 2,592 million has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

**Thai Beverage Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 30 September 2019**

*Valuation technique and significant unobservable inputs*

The following table shows the valuation technique used in measuring the fair value of investment property, as well as the significant unobservable inputs used.

<b>Valuation technique</b>	<b>Significant unobservable inputs</b>	<b>Inter-relationship between key unobservable inputs and fair value measurement</b>
Land		
- Market comparison approach	Recent adjusted sales and listings of comparable lands	The estimated fair value increase (decrease) if the market transactions are higher (lower).
Buildings and constructions		
- Cost approach	Current replacement cost	The estimated fair value increase (decrease) if the replacement cost increase (decrease).

**Thai Beverage Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 30 September 2019**

**15 Property, plant and equipment**

		<b>Consolidated financial statements</b>								
	<i>Note</i>	Land	Land improvement	Building, buildings and leasehold improvements	Machinery and equipment	Oak barrels <i>(in million Baht)</i>	Furniture, fixtures and office equipment	Vehicles	Assets under construction and installation	Total
<b>Cost/ revaluation</b>										
At 1 October 2017		17,983	1,830	27,170	60,805	2,930	2,159	4,278	2,444	119,599
Additions		-	9	264	1,187	28	262	118	3,920	5,788
Addition from acquisition of businesses - Restated	5	126	-	4,006	7,722	105	338	248	497	13,042
Transfer from (to) intangible assets	17	-	-	20	-	-	-	-	(181)	(161)
Transfer from (to) investment properties	14	(1)	-	17	-	-	-	-	-	16
Transfer		-	268	1,160	1,575	37	75	173	(3,304)	(16)
Disposals		-	-	(274)	(1,323)	(7)	(145)	(358)	(1)	(2,108)
Effect of foreign currency exchange differences		(12)	-	(157)	(150)	(45)	(7)	(17)	(57)	(445)
<b>At 30 September 2018 /</b>										
<b>1 October 2018 - Restated</b>		<b>18,096</b>	<b>2,107</b>	<b>32,206</b>	<b>69,816</b>	<b>3,048</b>	<b>2,682</b>	<b>4,442</b>	<b>3,318</b>	<b>135,715</b>
Additions		-	8	883	1,059	20	254	68	3,239	5,531
Addition from acquisition of businesses	5	-	-	-	2	-	-	-	-	2
Surplus on revaluation of land		870	-	-	-	-	-	-	-	870
Transfer from (to) intangible assets	17	-	-	38	-	-	(2)	-	(83)	(47)
Transfer from (to) investment properties	14	29	-	(100)	-	-	-	-	-	(71)
Transfer		-	31	1,669	2,992	14	101	7	(4,814)	-
Disposals		-	-	(292)	(804)	(13)	(90)	(154)	(11)	(1,364)
Effect of foreign currency exchange differences		(12)	-	(450)	(919)	(46)	(15)	(24)	(24)	(1,490)
<b>At 30 September 2019</b>		<b>18,983</b>	<b>2,146</b>	<b>33,954</b>	<b>72,146</b>	<b>3,023</b>	<b>2,930</b>	<b>4,339</b>	<b>1,625</b>	<b>139,146</b>

**Thai Beverage Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 30 September 2019**

	Note	Consolidated financial statements								Total
		Land	Land improvement	Building, buildings and leasehold improvements	Machinery and equipment	Oak barrels (in million Baht)	Furniture, fixtures and office equipment	Vehicles	Assets under construction and installation	
<b>Accumulated depreciation and impairment losses</b>										
At 1 October 2017		105	1,335	15,839	46,355	2,603	1,511	3,286	33	71,067
Depreciation charge for the year										
- Restated		-	76	1,550	3,260	66	340	262	-	5,554
Impairment losses		-	-	122	545	-	1	-	5	673
Transfers		-	-	1	(4)	-	3	-	-	-
Transfer from investment properties		-	-	1	-	-	-	-	-	1
Disposals - Restated		-	-	(187)	(1,198)	(7)	(136)	(350)	-	(1,878)
Effect of foreign currency exchange differences		-	-	(60)	(64)	(20)	(4)	(12)	-	(160)
<b>At 30 September 2018 /</b>										
<b>1 October 2018 - Restated</b>		<b>105</b>	<b>1,411</b>	<b>17,266</b>	<b>48,894</b>	<b>2,642</b>	<b>1,715</b>	<b>3,186</b>	<b>38</b>	<b>75,257</b>
Depreciation charge for the year		-	80	1,720	3,651	57	326	249	-	6,083
Impairment losses		-	-	-	30	-	11	-	-	41
Transfers		-	-	4	(3)	-	(1)	-	-	-
Transfer to investment properties	14	-	-	(87)	-	-	-	-	-	(87)
Disposals		-	-	(234)	(624)	(12)	(82)	(151)	(5)	(1,108)
Effect of foreign currency exchange differences		-	-	(215)	(506)	(35)	(8)	(13)	-	(777)
<b>At 30 September 2019</b>		<b>105</b>	<b>1,491</b>	<b>18,454</b>	<b>51,442</b>	<b>2,652</b>	<b>1,961</b>	<b>3,271</b>	<b>33</b>	<b>79,409</b>
<b>Net book value</b>										
At 1 October 2017		17,878	495	11,331	14,450	327	648	992	2,411	48,532
At 30 September 2018 /										
<b>1 October 2018 - Restated</b>		<b>17,991</b>	<b>696</b>	<b>14,940</b>	<b>20,922</b>	<b>406</b>	<b>967</b>	<b>1,256</b>	<b>3,280</b>	<b>60,458</b>
At 30 September 2019		18,878	655	15,500	20,704	371	969	1,068	1,592	59,737



**Thai Beverage Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 30 September 2019**

In 2019, the Group reviewed the recoverable amount of property, plant and equipment in accordance with Thai Financial Reporting Standard and found that the recoverable amount of property, plant and equipment as at 30 September 2019 exceeded its carrying amount.

The gross amount of the Group's fully depreciated property, plant and equipment that was still in use as at 30 September 2019 amounted to Baht 48,263 million (*30 September 2018: Baht 46,557 million*).

On 27 November 2017, Oishi Trading Co., Ltd., the Company's indirect subsidiary, have been affected by the fire incident at the UHT production line at Navanakorn Industrial Estate plant in Pathumthani Province. As a result, the UHT production line has stopped and has resumed its operation in December 2018. The other production lines were not affected and still operating normally. The allowance for impairment building and equipment of Baht 673 million was recognised during the year end 30 September 2018. The damage was covered by insurance. During the year 2019, the said indirect subsidiary partially received the insurance reimbursement from the insurance company of Baht 750 million.

**Thai Beverage Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 30 September 2019**

	<b>Separate financial statements</b>				Total
	Leasehold improvements	Furniture, fixtures and office equipment	Vehicles  <i>(in million Baht)</i>	Assets under construction and installation	
<i>Cost</i>					
At 1 October 2017	15	258	42	15	330
Additions	-	40	-	58	98
Disposals	-	(2)	-	(6)	(8)
<b>At 30 September 2018 /</b>					
<b>1 October 2018</b>	<b>15</b>	<b>296</b>	<b>42</b>	<b>67</b>	<b>420</b>
Additions	-	23	4	6	33
Disposals	-	(1)	-	(68)	(69)
<b>At 30 September 2019</b>	<b>15</b>	<b>318</b>	<b>46</b>	<b>5</b>	<b>384</b>
<i>Accumulated depreciation and impairment losses</i>					
At 1 October 2017	13	182	23	-	218
Depreciation charge for the year	-	29	6	-	35
Disposals	-	(2)	-	-	(2)
<b>At 30 September 2018 /</b>					
<b>1 October 2018</b>	<b>13</b>	<b>209</b>	<b>29</b>	<b>-</b>	<b>251</b>
Depreciation charge for the year	1	31	5	-	37
Disposals	-	(1)	-	-	(1)
<b>At 30 September 2019</b>	<b>14</b>	<b>239</b>	<b>34</b>	<b>-</b>	<b>287</b>
<i>Net book value</i>					
At 1 October 2017	2	76	19	15	112
<b>At 30 September 2018 /</b>					
<b>1 October 2018</b>	<b>2</b>	<b>87</b>	<b>13</b>	<b>67</b>	<b>169</b>
<b>At 30 September 2019</b>	<b>1</b>	<b>79</b>	<b>12</b>	<b>5</b>	<b>97</b>

The gross amount of the Company's fully depreciated leasehold improvements and equipment that was still in use as at 30 September 2019 amounted to Baht 186 million (30 September 2018: Baht 167 million).

**Thai Beverage Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 30 September 2019**

**Measurement of fair value**

*Fair value hierarchy*

The fair value of land was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

As at 30 September 2019, the fair value measurement for land of Baht 18,878 million has been categorised as a Level 3 fair value based on the inputs to the valuation technique used (30 September 2018: Baht 17,991 million).

*Level 3 fair value*

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values.

	<b>Consolidated financial statements</b>	
	2019	2018
	<i>(in million Baht)</i>	
Balance at 1 October	17,991	17,878
Additions	-	-
Addition from acquisition of businesses	-	126
Acquisitions and transfer from investment properties	29	-
Transfer to investment properties	-	(1)
Reversal of surplus on revaluation of land	870	-
Translation differences on consolidation	(12)	(12)
<b>Balance at 30 September</b>	<b>18,878</b>	<b>17,991</b>

*Valuation technique and significant unobservable inputs*

The following table shows the valuation technique used in measuring the fair value of land, as well as the significant unobservable inputs used.

<b>Valuation technique</b>	<b>Significant unobservable inputs</b>	<b>Inter-relationship between key unobservable inputs and fair value measurement</b>
Market comparison approach	Recent adjusted sales and listings of comparable lands	The estimated fair value increase (decrease) if the market transactions are higher (lower).

**Thai Beverage Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 30 September 2019**

**16 Goodwill**

	<i>Note</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		2019	2018 (Restated)	2019	2018
<i>(in million Baht)</i>					
<b>Cost</b>					
At 1 October		153,789	7,173	-	-
Addition from acquisition of businesses	5	39	154,999	-	-
Effect of foreign currency exchange differences		(7,700)	(8,383)	-	-
<b>At 30 September</b>		<b>146,128</b>	<b>153,789</b>	<b>-</b>	<b>-</b>
<b>Impairment losses</b>					
At 1 October		203	209	-	-
Impairment losses		-	-	-	-
Effect of foreign currency exchange differences		(13)	(6)	-	-
<b>At 30 September</b>		<b>190</b>	<b>203</b>	<b>-</b>	<b>-</b>
<b>Net book value</b>					
At 1 October		153,586	6,964	-	-
<b>At 30 September</b>		<b>145,938</b>	<b>153,586</b>	<b>-</b>	<b>-</b>

Goodwill as at 30 September 2019 and 2018 was consisted of:

	<b>Consolidated financial statements</b>	
	2019	2018 (Restated)
<i>(in million Baht)</i>		
Beer business (SABECO) - Restated	117,512	124,776
Spirit business (Grand Royal Group)	13,567	13,974
Food business (KFC stores)	7,730	7,730
Non-alcohol beverage	5,504	5,504
Other food business - Restated	768	768
Multiple units (Not individually significant)	857	834
<b>Total</b>	<b>145,938</b>	<b>153,586</b>

**Thai Beverage Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 30 September 2019**

In 2019, the Group reviewed the recoverable amount of goodwill and found that the recoverable amount of goodwill as at 30 September 2019 exceeded its carrying amount. Goodwill is allocated for impairment testing purposes to the individual cash generated unit. (“CGU”).

The recoverable amount of each CGU was based on value-in-use. The value-in-use calculations apply a discounted cash flow model using cash flow projections based on financial budgets and forecasts approved by management covering 4 to 6 years period. Cash flow beyond these periods are extrapolated using the estimated growth rates of 1.00% to 8.25%. The terminal growth rate used does not exceed the long term average growth rate of the respective industry of the CGU. The discount rate of 6.78% to 16.31% applied to the cash flow projections reflect management’s estimates of the risks specific to the respective cash generating units at the date of the assessment. The values assigned to the key assumptions represent management’s assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

**Thai Beverage Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 30 September 2019**

**17 Other intangible assets**

	Note	Consolidated financial statements				Total
		Trademarks	Leasehold rights	Customer Relationship	Other intangible assets	
<i>Cost</i>						
At 1 October 2017		400	243	-	426	1,069
Additions		18	1,646	-	53	1,717
Addition from acquisition of businesses - Restated	5	31,061	3,088	6,292	61	40,502
Disposals		-	(44)	-	(3)	(47)
Transfer from property, plant and equipment	15	-	158	-	3	161
Effect of foreign currency exchange differences		(1,650)	(117)	-	(13)	(1,780)
<b>At 30 September 2018 / 1 October 2018 - Restated</b>		<b>29,829</b>	<b>4,974</b>	<b>6,292</b>	<b>527</b>	<b>41,622</b>
Additions		25	78	-	67	170
Addition from acquisition of businesses		-	-	39	-	39
Disposals		-	-	-	(2)	(2)
Transfer from (to) property, plant and equipment		-	(23)	-	70	47
Effect of foreign currency exchange differences		(1,443)	(152)	(368)	(8)	(1,971)
<b>At 30 September 2019</b>		<b>28,411</b>	<b>4,877</b>	<b>5,963</b>	<b>654</b>	<b>39,905</b>
<i>Accumulated amortisation and impairment losses</i>						
At 1 October 2017		379	118	-	254	751
Amortisation for the year - Restated		31	193	236	63	523
Disposals		-	(17)	-	(2)	(19)
Effect of foreign currency exchange differences		26	(17)	-	(37)	(28)
<b>At 30 September 2018 / 1 October 2018 - Restated</b>		<b>436</b>	<b>277</b>	<b>236</b>	<b>278</b>	<b>1,227</b>
Amortisation for the year		48	119	307	67	541
Disposals		-	-	-	(1)	(1)
Effect of foreign currency exchange differences		(9)	(7)	(23)	(6)	(45)
<b>At 30 September 2019</b>		<b>475</b>	<b>389</b>	<b>520</b>	<b>338</b>	<b>1,722</b>
<i>Net book value</i>						
At 1 October 2017		21	125	-	172	318
At 30 September 2018 / 1 October 2018 - Restated		29,393	4,697	6,056	249	40,395
At 30 September 2019		27,936	4,488	5,443	316	38,183

**Thai Beverage Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 30 September 2019**

	<b>Separate financial statements</b>	
	2019	2018
	<i>(in million Baht)</i>	
<b>Cost</b>		
At 1 October	130	124
Additions	69	6
<b>At 30 September</b>	<u>199</u>	<u>130</u>
<b>Accumulated amortisation and impairment losses</b>		
At 1 October	77	70
Amortisation for the year	16	7
<b>At 30 September</b>	<u>93</u>	<u>77</u>
<b>Net book value</b>		
At 1 October	<u>53</u>	<u>54</u>
At 30 September	<u>106</u>	<u>53</u>

**18 Deferred tax**

Deferred tax assets and liabilities as at 30 September 2019 and 2018 were as follows:

	<b>Consolidated financial statements</b>			
	<b>Assets</b>		<b>Liabilities</b>	
	2019	2018 (Restated)	2019	2018 (Restated)
	<i>(in million Baht)</i>			
Total	3,161	2,485	(6,023)	(6,062)
Set off of tax	(1,577)	(1,542)	1,577	1,542
<b>Net deferred tax assets (liabilities)</b>	<u>1,584</u>	<u>943</u>	<u>(4,446)</u>	<u>(4,520)</u>
	<b>Separate financial statements</b>			
	<b>Assets</b>		<b>Liabilities</b>	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Total	939	300	(5)	-
<b>Net deferred tax assets</b>	<u>939</u>	<u>300</u>	<u>(5)</u>	<u>-</u>

**Thai Beverage Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 30 September 2019**

Movements in total deferred tax assets and liabilities during the year were as follows:

	<b>Consolidated financial statements</b>				<b>At 30 September 2019</b>
	<b>At 1 October 2018</b>	<b>(Charged) / Credited to:</b>		<b>Addition from acquisition of businesses (Note 5)</b>	
		Profit or loss (Note 34)	Other comprehensive income <i>(in million Baht)</i>		
<b><i>Deferred tax assets</i></b>					
Inventories	323	29	-	-	352
Property, plant and equipment	295	7	-	-	302
Long-term investments	32	47	-	-	79
Cash flow hedges - effective portion of changes in fair value	-	-	214	-	214
Provisions	1	23	-	-	24
Employee benefit obligations	596	117	97	-	810
Loss carry forward	1,207	91	-	-	1,298
Others	31	51	-	-	82
<b>Total</b>	<b>2,485</b>	<b>365</b>	<b>311</b>	<b>-</b>	<b>3,161</b>
<b><i>Deferred tax liabilities</i></b>					
Property, plant and equipment	(3,149)	30	(174)	-	(3,293)
Others	(2,913)	201	(1)	(17)	(2,730)
<b>Total</b>	<b>(6,062)</b>	<b>231</b>	<b>(175)</b>	<b>(17)</b>	<b>(6,023)</b>
<b>Net</b>	<b>(3,577)</b>	<b>596</b>	<b>136</b>	<b>(17)</b>	<b>(2,862)</b>



# Thai Beverage Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 30 September 2019

### Consolidated financial statements (Charged) / Credited to:

	At 1 October 2017	Profit or loss (Note 34)	Other comprehensive income <i>(in million Baht)</i>	Addition from acquisition of businesses (Note 5)	At 30 September 2018
<b>Deferred tax assets</b>					
Inventories	259	(105)	-	169	323
Property, plant and equipment	296	(5)	-	4	295
Long-term investments	1	1	-	30	32
Provisions	6	(5)	-	-	1
Employee benefit obligations	502	8	45	41	596
Loss carry forward	849	358	-	-	1,207
Others	24	(6)	-	13	31
<b>Total</b>	<b>1,937</b>	<b>246</b>	<b>45</b>	<b>257</b>	<b>2,485</b>
<b>Deferred tax liabilities</b>					
Property, plant and equipment	(2,270)	321	-	(1,200)	(3,149)
Others	(26)	145	2	(3,034)	(2,913)
<b>Total</b>	<b>(2,296)</b>	<b>466</b>	<b>2</b>	<b>(4,234)</b>	<b>(6,062)</b>
<b>Net</b>	<b>(359)</b>	<b>712</b>	<b>47</b>	<b>(3,977)</b>	<b>(3,577)</b>

### Separate financial statements (Charged) / Credited to:

	At 1 October 2018	Profit or loss (Note 34)	Other comprehensive income <i>(in million Baht)</i>	At 30 September 2019
<b>Deferred tax assets</b>				
Employee benefit obligations	49	(42)	2	9
Cash flow hedge	-	-	214	214
Loss carry forward	296	420	-	716
<b>Total</b>	<b>345</b>	<b>378</b>	<b>216</b>	<b>939</b>
<b>Deferred tax liabilities</b>				
Financing cost	(45)	40	-	(5)
<b>Total</b>	<b>(45)</b>	<b>40</b>	<b>-</b>	<b>(5)</b>
<b>Net</b>	<b>300</b>	<b>418</b>	<b>216</b>	<b>934</b>

# Thai Beverage Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 30 September 2019

	At 1 October 2017	Separate financial statements (Charged) / Credited to:		At 30 September 2018
		Profit or loss (Note 34) <i>(in million Baht)</i>	Other comprehensive income	
<i>Deferred tax assets</i>				
Intangible assets	1	(1)	-	-
Employee benefit obligations	38	5	6	49
Loss carry forward	-	296	-	296
<b>Total</b>	<b>39</b>	<b>300</b>	<b>6</b>	<b>345</b>
<i>Deferred tax liabilities</i>				
Financing cost	-	(45)	-	(45)
<b>Total</b>	<b>-</b>	<b>(45)</b>	<b>-</b>	<b>(45)</b>
<b>Net</b>	<b>39</b>	<b>255</b>	<b>6</b>	<b>300</b>

### 19 Other non-current assets

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018 (Restated)	2019	2018
<i>(in million Baht)</i>					
Advance payments to a specialist	39	1,242	1,292	233	242
Deposits		487	493	1	-
Income tax receivable		437	317	-	-
Others		512	513	-	-
<b>Total</b>		<b>2,678</b>	<b>2,615</b>	<b>234</b>	<b>242</b>

**Thai Beverage Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 30 September 2019**

**20 Interest-bearing liabilities**

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
<i>(in million Baht)</i>					
<b>Current</b>					
Bank overdrafts					
Unsecured with letters of comfort		182	484	-	-
Short-term loans from financial institutions					
Promissory notes					
Secured		2,046	2,093	-	-
Unsecured with letters of comfort		109	64	-	-
Unsecured		9,575	2,125	9,450	2,000
Bank overdrafts and short-term loans from financial institutions		11,912	4,766	9,450	2,000
Current portion of debentures unsecured (net of deferred financing cost)		9,689	1,701	9,689	-
Current portion of bill of exchanges and long-term loans from financial institutions					
Secured		-	14	-	-
Unsecured		7	8,002	-	8,000
		7	8,016	-	8,000
Short-term loans from related parties					
Unsecured	6	-	-	4,091	8,195
<b>Total current</b>		<b>21,608</b>	<b>14,483</b>	<b>23,230</b>	<b>18,195</b>
<b>Non-current</b>					
Long-term loans from related parties					
Unsecured	6	-	-	38,359	27,795
Debentures					
Unsecured (net of deferred financing cost)		170,173	126,910	170,173	126,910
Long-term loans from financial institutions					
Secured		-	24	-	-
Unsecured (net of deferred financing cost)		27,802	89,870	27,790	89,862
		27,802	89,894	27,790	89,862
<b>Total non-current</b>		<b>197,975</b>	<b>216,804</b>	<b>236,322</b>	<b>244,567</b>
<b>Grand total</b>		<b>219,583</b>	<b>231,287</b>	<b>259,552</b>	<b>262,762</b>

**Thai Beverage Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
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The periods to maturity of interest-bearing liabilities as at 30 September 2019 and 2018 were as follows:

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Within one year	21,608	14,483	23,230	18,195
After one year but within five years	142,546	171,463	180,893	199,226
After five years	55,429	45,341	55,429	45,341
<b>Total</b>	<b>219,583</b>	<b>231,287</b>	<b>259,552</b>	<b>262,762</b>

The principal features and detail of the borrowings were as follows:

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
<b>The Company</b>				
<b>Bank overdrafts and short-term loans</b>				
Short-term promissory notes	9,450	2,000	9,450	2,000
Short-term loans from related parties	-	-	4,091	8,195
<b>Long-term loans from financial institutions (included current portion)</b>				
1) The principal Baht 8,000 million payable in six instalments commencing from October 2018 - March 2019 <sup>1</sup>	-	8,000	-	8,000
2) The principal Baht 100,000 million payable in one lump sum amount in December 2019 <sup>1,6</sup>	-	81,000	-	81,000
3) The principal Baht 9,000 million payable in four instalments commencing from September 2021 - March 2023 <sup>1</sup>	9,000	9,000	9,000	9,000
4) The principal Yen 66,000 million payable in one lump sum amount in February 2024 <sup>1,7</sup>	18,960	-	18,960	-
Less deferred financing cost	(170)	(138)	(170)	(138)
Total long-term loan from financial Institutions	27,790	97,862	27,790	97,862
<b>Debentures (include current portion)</b>				
<i>Debentures issuance No.1</i>				
1.1) The principal Baht 5,000 million payable in one lump sum amount in March 2020 <sup>3</sup>	5,000	5,000	5,000	5,000
1.2) The principal Baht 11,200 million payable in one lump sum amount in March 2021 <sup>3</sup>	11,200	11,200	11,200	11,200
1.3) The principal Baht 10,000 million payable in one lump sum amount in March 2023 <sup>3</sup>	10,000	10,000	10,000	10,000

**Thai Beverage Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 30 September 2019**

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
<b>Debentures (include current portion) (continued)</b>				
1.4) The principal Baht 9,300 million payable in March 2025 <sup>3,4</sup>	9,300	9,300	9,300	9,300
1.5) The principal Baht 14,500 million payable in March 2028 <sup>3,4</sup>	14,500	14,500	14,500	14,500
<i>Debentures issuance No.2</i>				
2.1) The principal Baht 2,452 million payable in one lump sum amount in January 2021 <sup>3</sup>	2,452	2,452	2,452	2,452
2.2) The principal Baht 43,895 million payable in one lump sum amount in March 2022 <sup>3</sup>	43,895	43,895	43,895	43,895
2.3) The principal Baht 4,387 million payable in one lump sum amount in September 2023 <sup>3</sup>	4,387	4,387	4,387	4,387
2.4) The principal Baht 941 million payable in one lump sum amount in September 2025 <sup>3</sup>	941	941	941	941
2.5) The principal Baht 13,719 million payable in September 2028 <sup>3,5</sup>	13,719	13,719	13,719	13,719
<i>Debentures issuance No.3</i>				
3.1) The principal Baht 4,692 million payable in one lump sum amount in September 2020 <sup>3</sup>	4,692	4,692	4,692	4,692
3.2) The principal Baht 6,914 million payable in one lump sum amount in September 2028 <sup>3</sup>	6,914	6,914	6,914	6,914
<i>Debentures issuance No.4</i>				
4.1) The principal Baht 31,600 million payable in one lump sum amount in March 2021 <sup>3</sup>	31,600	-	31,600	-
4.2) The principal Baht 11,300 million payable in one lump sum amount in March 2024 <sup>3</sup>	11,300	-	11,300	-
4.3) The principal Baht 10,100 million payable in one lump sum amount in March 2029 <sup>3</sup>	10,100	-	10,100	-
Less deferred financing cost	(138)	(90)	(138)	(90)
Total debentures	179,862	126,910	179,862	126,910
Long-term loan from related parties	-	-	38,359	27,795

**Thai Beverage Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
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	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
<b>Subsidiaries</b>				
<b>Bank overdrafts and short-term loans</b>				
Bank overdrafts	182	484	-	-
Promissory notes <sup>2</sup>	2,280	2,282	-	-
Total bank overdrafts and short-term loans	<u>2,462</u>	<u>2,766</u>	-	-
<b>Debentures (include current portion)</b>				
1) The principal Baht 1,000 million payable in one lump sum amount in December 2018 <sup>3</sup>	-	701	-	-
2) The principal Baht 1,000 million payable in one lump sum amount in July 2019 <sup>3</sup>	-	1,000	-	-
Total Debentures	<u>-</u>	<u>1,701</u>	-	-
<b>Long-term loans (include current portion)</b>				
Promissory notes				
1) The principal Baht 20 million payable in every month instalment commencing in June 2019 – May 2022	19	10	-	-
2) The principal VND 32,000 million payable in every three month instalment commencing in June 2018 - July 2021	-	38	-	-
Net	<u>19</u>	<u>48</u>	<u>-</u>	<u>-</u>
<b>Total interest-bearing liabilities</b>	<u><b>219,583</b></u>	<u><b>231,287</b></u>	<u><b>259,552</b></u>	<u><b>262,762</b></u>

<sup>1</sup> The Group and the Company must comply with the conditions and requirements as stipulated in the loan agreement.

<sup>2</sup> An overseas indirect subsidiary had partial short-term loans from the foreign financial institution in the credit facilities totalling GBP 45 million with the inventory secured and the inventory value must be not less than the outstanding loan.

<sup>3</sup> The Group and the Company must comply with the conditions and maintain the interest-bearing debt to the equity ratios over the term of the debentures.

<sup>4</sup> The Company has an early redemption right starting from the 5<sup>th</sup> anniversary of their issuance.

<sup>5</sup> The Company has an early redemption right starting from the 7<sup>th</sup> anniversary of their issuance.

<sup>6</sup> The Company made repayment amounted to Baht 81,000 million during the year. Under the term of agreement, the Company can made voluntary prepayment by giving advanced written notice to the bank without prepayment fee.

**Thai Beverage Public Company Limited and its Subsidiaries**  
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<sup>7</sup> The Company entered into a cross currency and interest rate swap contracts to manage exposure of fluctuations in interest rates and foreign currency risk on borrowings (refer to note 38).

As at 30 September 2019, the Group and the Company have interest rate of bank overdrafts and short-term loans from financial institutions at the rate of 1.45% to 6.50% and 1.64% to 1.95% per annum, respectively (30 September 2018: 1.47% to 5.50% and 1.55% to 1.65% per annum). The interest rate of long-term loans from financial institution 2.97% to 3.75% and 2.97% to 3.39% per annum, respectively (30 September 2018: 2.40% to 8.00% and 2.40% to 3.00% per annum). In addition, the interest rate of debentures of the Group and the Company are 1.79% to 4.16% per annum (30 September 2018: 1.79% to 4.16% per annum).

As at 30 September 2019, the Group and the Company had remaining approved debentures facilities of Baht 23,000 million and Baht 20,000 million, respectively (30 September 2018: Baht 74,299 million and Baht 73,000 million, respectively).

As at 30 September 2019, the Group and the Company had unutilised credit facilities totalling Baht 142,160 million and Baht 112,058 million, respectively (30 September 2018: Baht 200,678 million and Baht 171,448 million, respectively).

**21 Trade accounts payable**

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
			<i>(in million Baht)</i>		
Related parties	6	2,551	2,386	-	-
Other parties		5,155	5,517	-	-
<b>Total</b>		<b>7,706</b>	<b>7,903</b>	<b>-</b>	<b>-</b>

**22 Other payables**

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
			<i>(in million Baht)</i>	
Accrued expenses	5,495	3,506	647	424
Other account payable	3,986	776	6	55
Accounts payable for purchase of assets	1,547	1,741	6	4
Accrued promotion expenses	1,161	1,604	-	-
Advanced payments from customers for purchase of goods	215	462	-	-
Others	360	302	-	2
<b>Total</b>	<b>12,764</b>	<b>8,391</b>	<b>659</b>	<b>485</b>

**Thai Beverage Public Company Limited and its Subsidiaries**  
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**23 Other current liabilities**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Excise tax payable	1,370	680	-	-
Value added tax payable	1,047	1,706	47	23
Deposits and retention	908	831	-	-
Withholding tax payable	482	387	111	21
Others	247	182	3	4
<b>Total</b>	<b>4,054</b>	<b>3,786</b>	<b>161</b>	<b>48</b>

**24 Employee benefit obligations**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
	2019	2018	2019	2018
	<i>(Restated)</i>			
	<i>(in million Baht)</i>			
<b>Statement of financial position</b>				
<b>Obligations for:</b>				
Long-term employee benefits				
- long service award	42	35	-	-
Post-employment benefits				
- compensation plan based on Labor law of each country	3,943	3,402	254	265
Past service cost for employee benefits from amendment of the Labor Protection Act	798	-	42	-
<b>Total</b>	<b>4,783</b>	<b>3,437</b>	<b>296</b>	<b>265</b>
<b>Statement of comprehensive income</b>				
<b>Recognised in statement of income:</b>				
Compensation plan based on Labor law of each country	475	276	34	25
Actuarial losses (gains) recognised during the year	(113)	(4)	-	-
Past service cost for employee benefits from amendment of the Labor Protection Act	798	-	43	-
	<b>1,160</b>	<b>272</b>	<b>77</b>	<b>25</b>
<b>Recognised in statement of other comprehensive income:</b>				
Actuarial losses recognised during the year	506	31	33	18
Cumulative actuarial losses (gains) recognised	708	202	18	(15)



**Thai Beverage Public Company Limited and its Subsidiaries**  
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***Compensation plan based on each country Labor law***

The Group and the Company operate a defined benefit pension plan based on the Labor law requirements of each country to provide retirement benefits to employees based on pensionable remuneration and length of service.

The defined benefit plans expose the Group to actuarial risks, such as longevity risk, interest rate risk and market (investment) risk.

Movement in the present value of the defined benefit obligations:

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018 (Restated)	2019	2018
<i>(in million Baht)</i>					
Defined benefit obligations at 1 October		3,437	3,089	265	231
<b>Recognised in statement of income:</b>	<b>31</b>				
Current service cost		368	202	25	19
Interest on obligation		107	74	9	6
Actuarial gains		(113)	(4)	-	-
Past service cost for employee benefits from amendment of the Labor Protection Act		798	-	43	-
		<u>1,160</u>	<u>272</u>	<u>77</u>	<u>25</u>
<b>Recognised in statement of other comprehensive income</b>					
Actuarial losses		506	31	33	18
		<u>506</u>	<u>31</u>	<u>33</u>	<u>18</u>
<b>Other</b>					
Benefit paid		(320)	(200)	(79)	(9)
Defined benefit obligation assumed upon acquisition of subsidiaries		-	245	-	-
		<u>(320)</u>	<u>(45)</u>	<u>(79)</u>	<u>(9)</u>
<b>Defined benefit obligations at 30 September</b>		<u>4,783</u>	<u>3,437</u>	<u>296</u>	<u>265</u>

Actuarial gains and losses recognised in other comprehensive income arising from:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<i>(in million Baht)</i>				
Demographic assumptions	(6)	30	-	3
Financial assumptions	343	(75)	23	3
Experience adjustment	169	76	10	12
<b>Total</b>	<u>506</u>	<u>31</u>	<u>33</u>	<u>18</u>

**Thai Beverage Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
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*Actuarial assumptions*

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(% per year)</i>			
Discount rate	1.50 - 1.60	2.75 - 2.80	1.60	2.80
Future salary growth	4.00 - 5.50	4.00 - 5.50	5.50	5.50

Assumptions regarding future mortality have been based on published statistics and mortality tables.

At 30 September 2019, the weighted-average duration of the defined benefit obligation was 10 years (30 September 2018: 9 years).

*Sensitivity analysis*

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<i>(in million Baht)</i>			
<b>Defined benefit obligation 30 September 2019</b>	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(204)	273	(13)	13
Future salary growth (0.5% movement)	166	(156)	13	(13)
Future salary growth (1% movement)	111	(89)	-	-

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

*Past service cost for employee benefits from amendment of the Labor Protection Act*

On 5 April 2019, the Labor Protection Act was amended to include a requirement that an employee who is terminated after having been employed by the same employer for an uninterrupted period of twenty years or more, receives severance payment of 400 days of wages at the most recent rate. The Group has therefore amended its retirement plan in accordance with the changes in the Labor Protection Act in 2019. As a result of this change, the provision for retirement benefits as at 30 September 2019 as well as past service cost recognised during the year then ended in the consolidated and separate financial statements increased by an amount of Baht 798.46 million and Baht 42.91 million, respectively.

In the consolidated statement of income, the past service cost of Baht 798.46 million is presented separately. For analysis of expenses by function, the amount would be allocated to cost of sale of goods amounting to Baht 224.23 million, distribution costs amounting to Baht 260.37 million and administrative expenses amounting to Baht 313.86 million. In the separate statement of income, the past service cost of Baht 42.91 million would be allocated to cost of rendering of services amounting to Baht 40.34 million and administrative expenses amounting to Baht 2.57 million.

**Thai Beverage Public Company Limited and its Subsidiaries**  
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**25 Share capital**

	Par value per share (in Baht)	Consolidated / Separate financial statements			
		2019		2018	
		Number	Baht	Number	Baht
<i>Authorised</i>					
At 1 October					
- ordinary shares	1	25,155	25,155	25,155	25,155
<b>At 30 September</b>					
<b>- ordinary shares</b>	<b>1</b>	<b>25,155</b>	<b>25,155</b>	<b>25,155</b>	<b>25,155</b>
<i>Issued and paid-up</i>					
At 1 October					
- ordinary shares	1	25,111	25,111	25,110	25,110
- Issue of new share to employees	1	3	3	1	1
<b>At 30 September</b>					
<b>- ordinary shares</b>	<b>1</b>	<b>25,114</b>	<b>25,114</b>	<b>25,111</b>	<b>25,111</b>

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

**Share premium**

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("Share premium"). Share premium is not available for dividend distribution.

**26 Reserves**

Reserves comprise:

**Appropriations of profit and/or retained earnings**

**Legal reserve**

Section 116 of the Public Companies Act B.E. 2535 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, if any, to a reserve account ("Legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

**Other components of equity**

**Currency translation differences**

The currency translation differences account within equity comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

**Fair value changes in available-for-sale investments**

The fair value changes in available-for-sale investments account within equity comprise the cumulative net change in the fair value of available-for-sale investments until the investments are derecognised or impaired.

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**Cash flow hedges**

The cash flow hedges account within equity comprises the cumulative net change in the fair value of cash flow hedges related to hedged transactions that have not yet occurred.

**Valuation surplus**

The valuation surplus account within equity comprises the cumulative net change in the valuation of property, plant and equipment included in the financial statements at valuation until such property, plant and equipment is sold or otherwise disposed of.

**Movements in reserves**

Movements in reserves are shown in the statements of changes in equity.

**27 Share-based payments - Long-term incentive plan**

*Information regarding the Long-term incentive plan*

On 28 April 2016, the General Meeting of the Shareholders approved the ThaiBev Long-term incentive plan (LTIP 2016) which will offer newly issued ordinary shares of the Company in addition to the existing benefit to its qualified employees in accordance with the LTIP 2016 criteria.

1. LTIP 2016

<b>Items</b>	<b>Description</b>
Award date	31 January 2017
Participant's qualification	Thai Beverage Public Company Limited and its subsidiaries' employee level 12 and above who meet the conditions specified by the ThaiBev LTIP Committee.
Preliminary award	A preliminary number of awarded shares will be notified in the award letter. This number shall be subject to Group performance and individual participant's performance during the relevance period.
Final award	The final award to be released to the employee, depends on : 1. Personal performance rating (KPI) from 1 October 2016 to 30 September 2017. 2. Group performance levels from 1 October 2016 to 30 September 2017 with 2 performance conditions: 1) Net profit less non-controlling interest (75% weightage) 2) Dow Jones Sustainability Indices (DJSI) score (25% weightage)
Vesting and releasing schedule of final award	Shares will be vested and released to the participants subject to a 3 year multiple vesting periods.
The award-date fair value	The volume-weighted average market price of the ThaiBev's share on the Singapore Exchange Securities Trading Limited (SGX-ST) over the 3 days prior to the award-date.

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2. LTIP 2017/2018

<b>Items</b>	<b>Description</b>
Award date	27 February 2018
Participant's qualification	Thai Beverage Public Company Limited and its subsidiaries's employee level 12 and above who meet the conditions specified by the ThaiBev LTIP Committee.
Preliminary award	A preliminary number of awarded shares will be notified in the award letter. This number shall be subject to Group performance and individual participant's performance during the relevance period.
Final award	The final award to be released to the employee, depends on : 1. Personal performance rating (KPI) from 1 October 2017 to 30 September 2018. 2. Group performance levels from 1 October 2017 to 30 September 2018 with 2 performance conditions: 1) Net profit less non-controlling interest (75% weightage) 2) Dow Jones Sustainability Indices (DJSI) score (25% weightage)
Vesting and releasing schedule of final award	Shares will be vested and released to the participants subject to a 3 year multiple vesting periods.
The award-date fair value	The volume-weighted average market price of the ThaiBev's share on the Singapore Exchange Securities Trading Limited (SGX-ST) over the 3 days prior to the award-date.

For the year ended 30 September 2019, the Group and the Company recorded expenses in relation to long-term incentive plan of Baht 34.93 million and Baht 12.86 million, respectively (2018: Baht 52.14 million and Baht 17.53 million, respectively).

**The offering of new ordinary shares**

The offering of new ordinary shares	Par value	Offering Price	The offering of new ordinary shares	Ordinary shares issued to employees <sup>(1)</sup>	Ordinary shares (not to be issued)/to be issued	Balance of new ordinary shares unissued as at 30 September 2019
	(Baht/share)			(shares)		
LTIP 2016	1.00	21.27	3,999,310	(2,546,800)	(238,403)	1,214,107
LTIP 2017/2018	1.00	19.79	2,713,000	(961,600)	118,684	1,870,084
<b>Total</b>			<b>6,712,310</b>	<b>(3,508,400)</b>	<b>(119,719)</b>	<b>3,084,191</b>

<sup>(1)</sup> The shares will be gradually issued on an annual basis over three years since the offering of such ordinary shares.

# Thai Beverage Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 30 September 2019

Reconciliation of issued and paid-up ordinary share capital, share premium and other capital reserves - share-based payments for the year ended 30 September 2019.

### Consolidated / Separate financial statements

2019

	Issued and paid-up ordinary share capital (No. of million shares)	share capital (in million Baht)	Share premium (in million Baht)	Other capital reserves - share-based payments
At 1 October	25,111	25,111	17,242	58
Issue ordinary share to employees	3	3	43	(46)
Expenses in relation to long-term incentive plan	-	-	-	35
<b>At 30 September</b>	<b>25,114</b>	<b>25,114</b>	<b>17,285</b>	<b>47</b>

### Consolidated / Separate financial statements

2018

	Issued and paid-up ordinary share capital (No. of million shares)	share capital (in million Baht)	Share premium (in million Baht)	Other capital reserves - share-based payments
At 1 October	25,110	25,110	17,216	33
Issue ordinary share to employees	1	1	26	(27)
Expenses in relation to long-term incentive plan	-	-	-	52
<b>At 30 September</b>	<b>25,111</b>	<b>25,111</b>	<b>17,242</b>	<b>58</b>

## 28 Operating segment

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.

Inter-segment pricing is determined on mutually agreed terms.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise net foreign exchange gain or loss, parts loans and related finance costs, and some items of investments.

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.

**Thai Beverage Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 30 September 2019**

*Business segments*

The Group comprises the following main business segments:

<i>Spirits</i>	Production and sales of branded spirits products and soda;
<i>Beer</i>	Production and sales of raw materials and branded beer products;
<i>Non-alcoholic beverages</i>	Production and sales of branded water, ready-to-drink coffee, energy drink, green tea and fruit flavoured drinks; and
<i>Food</i>	Restaurants and distribution of foods and beverages.

*Geographical information*

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 information, revenue is based on the geographical location of customers. Assets are based on the geographical location of the assets.

**Thai Beverage Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 30 September 2019**

*Business segment results*

	Spirits		Beer		Non-alcoholic beverages		Food		Elimination		Total	
	2019	2018	2019	2018 (Restated)	2019	2018	2019	2018 (Restated)	2019	2018	2019	2018 (Restated)
	<i>(in million Baht)</i>											
Revenue from sale to external customers	115,003	105,874	119,532	94,475	17,292	16,117	15,530	13,229	-	-	267,357	229,695
Inter-segment revenue	33	26	66	11	98	67	31	36	(228)	(140)	-	-
Interest income	60	45	1,065	632	15	11	5	16	-	-	1,145	704
Other income	248	426	306	501	260	1,345	73	53	(124)	(126)	763	2,199
<b>Total allocated income</b>	<b>115,344</b>	<b>106,371</b>	<b>120,969</b>	<b>95,619</b>	<b>17,665</b>	<b>17,540</b>	<b>15,639</b>	<b>13,334</b>	<b>(352)</b>	<b>(266)</b>	<b>269,265</b>	<b>232,598</b>
Cost of sale of goods	76,658	70,774	93,212	73,890	11,437	10,916	8,730	7,411	(71)	(98)	189,966	162,893
Distribution costs	6,837	6,450	13,350	11,662	5,156	5,628	3,511	2,886	(141)	(85)	28,713	26,541
Administrative expenses	6,950	6,788	4,990	4,025	1,917	2,611	2,454	2,115	(140)	(83)	16,171	15,456
Past service cost for employee benefits from amendment of the Labor Protection Act	391	-	170	-	204	-	33	-	-	-	798	-
Finance costs	1,162	816	5,141	3,349	259	231	321	241	-	-	6,883	4,637
<b>Total allocated expenses</b>	<b>91,998</b>	<b>84,828</b>	<b>116,863</b>	<b>92,926</b>	<b>18,973</b>	<b>19,386</b>	<b>15,049</b>	<b>12,653</b>	<b>(352)</b>	<b>(266)</b>	<b>242,531</b>	<b>209,527</b>
Share of profit of investment in associates and joint ventures	-	-	466	375	177	127	19	-	-	-	662	502
<b>Profit (Loss) before income tax expense</b>	<b>23,346</b>	<b>21,543</b>	<b>4,572</b>	<b>3,068</b>	<b>(1,131)</b>	<b>(1,719)</b>	<b>609</b>	<b>681</b>	<b>-</b>	<b>-</b>	<b>27,396</b>	<b>23,573</b>
Income tax (expense) income	(3,778)	(3,823)	(1,418)	(965)	104	474	(137)	(129)	-	-	(5,229)	(4,443)
<b>Allocated profit (loss) for the year</b>	<b>19,568</b>	<b>17,720</b>	<b>3,154</b>	<b>2,103</b>	<b>(1,027)</b>	<b>(1,245)</b>	<b>472</b>	<b>552</b>	<b>-</b>	<b>-</b>	<b>22,167</b>	<b>19,130</b>



**Thai Beverage Public Company Limited and its Subsidiaries**  
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	<b>Total</b>	
	2019	2018 (Restated)
	<i>(in million Baht)</i>	
Cost relating to business acquisition	-	(2,352)
Finance cost relating to SABECO acquisition before contribution from its profit	-	(107)
Deferred tax utilisation from food business restructuring	-	(51)
<i>Unallocated items</i>		
- Share of profit of associates	4,183	3,316
- Finance costs	<u>(267)</u>	<u>(327)</u>
<b>Total unallocated items</b>	<b><u>3,916</u></b>	<b><u>2,989</u></b>
<b>Profit for the year</b>	<b><u>26,083</u></b>	<b><u>19,609</u></b>

	<b>Spirits</b>		<b>Beer</b>		<b>Non-alcoholic beverages</b>		<b>Food</b>		<b>Total</b>	
	2019	2018	2019	2018 (Restated)	2019	2018	2019	2018 (Restated)	2019	2018 (Restated)
	<i>(in million Baht)</i>									
Allocate profit (loss) attributable to owner of the Company	19,161	16,978	826	1,291	(1,048)	(1,324)	418	519	19,357	17,464
Cost relating to business acquisition									-	(2,352)
Finance cost relating to SABECO acquisition before contribution from its profit									-	(107)
Deferred tax utilisation from food business restructuring									-	(51)
<i>Unallocated items:</i>										
- Share of profit of associates									4,183	3,316
- Finance costs									<u>(267)</u>	<u>(327)</u>
<b>Total unallocated items</b>									<b><u>3,916</u></b>	<b><u>2,989</u></b>
<b>Profit attributable to owner of the Company</b>									<b><u>23,273</u></b>	<b><u>17,943</u></b>

**Thai Beverage Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 30 September 2019**

***Business segment financial position***

	Spirits		Beer		Non-alcoholic beverages		Food		Total	
	2019	2018	2019	2018 (Restated)	2019	2018	2019	2018 (Restated)	2019	2018 (Restated)
	<i>(in million Baht)</i>									
Inventories	34,237	33,326	6,717	7,396	1,360	981	562	482	42,876	42,185
Property, plant and equipment	20,946	21,237	17,435	19,469	16,763	15,144	4,593	4,608	59,737	60,458
Goodwill	14,424	14,808	117,512	124,776	5,504	5,504	8,498	8,498	145,938	153,586
Other assets	19,172	17,977	56,874	57,948	6,995	5,837	3,433	4,149	86,474	85,911
<b>Total allocated assets</b>	<b>88,779</b>	<b>87,348</b>	<b>198,538</b>	<b>209,589</b>	<b>30,622</b>	<b>27,466</b>	<b>17,086</b>	<b>17,737</b>	<b>335,025</b>	<b>342,140</b>
<i>Unallocated items:</i>										
- Investments in associates									72,215	75,782
<b>Total assets</b>									<b>407,240</b>	<b>417,922</b>
Interest-bearing liabilities	39,927	37,073	152,111	164,106	7,414	9,500	11,131	11,608	210,583	222,287
Other liabilities	13,933	11,340	15,605	12,746	5,392	4,406	2,403	2,670	37,333	31,162
<b>Total allocated liabilities</b>	<b>53,860</b>	<b>48,413</b>	<b>167,716</b>	<b>176,852</b>	<b>12,806</b>	<b>13,906</b>	<b>13,534</b>	<b>14,278</b>	<b>247,916</b>	<b>253,449</b>
<i>Unallocated items:</i>										
- Loans from financial institutions									9,000	9,000
<b>Total liabilities</b>									<b>256,916</b>	<b>262,449</b>

**Thai Beverage Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 30 September 2019**

Capital expenditure, depreciation, amortisation, and gain (loss) on disposal of assets for the year ended 30 September 2019 and 2018 were as follows:

	Spirits		Beer		Non-alcoholic beverages		Food		Total	
	2019	2018	2019	2018 (Restated)	2019	2018	2019	2018 (Restated)	2019	2018 (Restated)
	<i>(in million Baht)</i>									
Capital expenditure	1,840	2,350	851	1,419	1,848	2,007	1,245	1,730	5,784	7,506
Depreciation	1,681	1,589	2,319	1,961	1,407	1,373	686	640	6,093	5,563
Amortisation	67	63	375	387	20	20	79	53	541	523
Gain (Loss) on disposal of assets	24	57	23	65	35	187	(44)	5	38	314
Capital expenditure were as follows:										
Property, plant and equipment	1,709	2,293	841	1,368	1,772	765	1,211	1,362	5,533	5,788
Intangible assets	127	22	4	11	8	15	34	24	173	72
Leasehold right	4	35	6	40	68	1,227	-	344	78	1,646

**Thai Beverage Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 30 September 2019**

*Geographical information*

The geographical financial information of the Group in the consolidated financial statements as at 30 September and for the year ended 30 September as follows:

	<b>Consolidated financial statements</b>			
	Revenue		Property, plant and equipment	
	2019	2018	2019	2018
				(Restated)
	<i>(in million Baht)</i>			
Thailand	191,161	175,465	49,214	48,488
Socialist Republic of Vietnam	63,814	43,442	7,747	9,336
Overseas	14,290	13,691	2,776	2,634
<b>Total</b>	<b>269,265</b>	<b>232,598</b>	<b>59,737</b>	<b>60,458</b>

**29 Distribution costs**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
		(Restated)		
	<i>(in million Baht)</i>			
Marketing and advertising expenses	9,430	9,082	-	-
Personnel expenses	7,267	6,395	-	-
Transportation expenses	3,781	3,433	-	-
Rental fee	2,060	1,821	-	-
Depreciation and amortisation charges	1,571	1,616	-	-
Travelling expenses	1,283	1,328	-	-
Utilities expenses	553	395	-	-
Commission expenses	34	46	-	-
Others	2,734	2,425	-	-
<b>Total</b>	<b>28,713</b>	<b>26,541</b>	<b>-</b>	<b>-</b>

**Thai Beverage Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 30 September 2019**

**30 Administrative expenses**

	<i>Note</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		2019	2018 (Restated)	2019	2018
<i>(in million Baht)</i>					
Personnel expenses		7,611	6,435	63	47
Depreciation and amortisation charges		977	932	3	2
Hire and service fees		870	776	7	7
Donation		864	833	11	10
Idle capacity		642	783	-	-
Rental fee		642	505	2	1
Consultant and professional fee		539	248	6	4
Utilities expenses		485	428	1	5
Management personnel compensation		474	470	419	428
Travelling expenses		457	372	4	3
Marketing and advertising expenses		414	849	71	72
System development		296	173	16	8
Other tax & Fee		226	313	2	1
Office Supplies expenses		205	219	7	-
Impairment loss on assets from fire incident	15	-	680	-	-
Others		1,469	1,440	4	5
<b>Total</b>		<b>16,171</b>	<b>15,456</b>	<b>616</b>	<b>593</b>

**31 Employee benefit expenses**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
<i>(in million Baht)</i>				
<b>Management</b>				
Salaries and wages	231	237	231	236
Bonus	142	138	142	138
Pension costs - defined benefit plans	10	10	10	10
Pension costs - defined contribution plans	6	8	6	8
Expenses in relation to long-term incentive plan	13	17	13	11
Others	33	3	17	25
	<b>435</b>	<b>413</b>	<b>419</b>	<b>428</b>
<b>Other employees</b>				
Salaries and wages	13,575	12,058	653	599
Bonus	2,049	1,746	158	146
Overtime and per diem allowance	1,044	858	31	26
Pension costs - defined benefit plans	1,150	262	67	15
Pension costs - defined contribution plans	263	243	20	18
Expenses in relation to long-term incentive plan	23	29	1	6
Commission	693	546	-	-
Others	2,648	2,110	142	127
	<b>21,445</b>	<b>17,852</b>	<b>1,072</b>	<b>937</b>
<b>Total employee benefit expenses</b>	<b>21,880</b>	<b>18,265</b>	<b>1,491</b>	<b>1,365</b>

**Thai Beverage Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 30 September 2019**

*Defined benefit plans*

Details of the defined benefit plans are given in Note 24

*Defined contribution plans*

The defined contribution plans comprise provident funds established by the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 2% to 5% of their basic salaries and by the Group at rates ranging from 2% to 5% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by a licensed Fund Manager.

**32 Expenses by nature**

The statements of income include an analysis of expenses by function. Expenses by nature disclosed in accordance with the requirements of various TFRSs were as follows:

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2019	2018	2019	2018
		(Restated)		
	<i>(in million Baht)</i>			
<b><i>Included in cost of sales of goods and cost of rendering of services:</i></b>				
Changes in inventories of finished goods and work in progress	(849)	628	-	-
Raw materials, consumables and excise tax used	154,299	128,188	-	-
Employee benefit expenses	5,978	5,022	1,007	880
Depreciation and amortisation	4,087	3,538	49	41
<b><i>Included in distribution costs:</i></b>				
Advertising and public relations	3,685	3,993	-	-
Employee benefit expenses	7,527	6,395	-	-
Marketing and sales promotion expenses	5,745	5,088	-	-
<b><i>Included in administrative expenses:</i></b>				
Employee benefit expenses	8,375	6,848	484	475
Depreciation and amortisation	977	932	3	2
Rental fee	642	505	2	1

# Thai Beverage Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 30 September 2019

### 33 Finance costs

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
<i>(in million Baht)</i>					
<b>Interest expense:</b>					
Related parties	6	-	-	1,150	1,351
Financial institutions		7,152	5,016	7,067	3,642
<b>Total interest expense</b>		<b>7,152</b>	<b>5,016</b>	<b>8,217</b>	<b>4,993</b>
Less amounts included in the cost of assets		(2)	(51)	-	-
<b>Net</b>		<b>7,150</b>	<b>4,965</b>	<b>8,217</b>	<b>4,993</b>

### 34 Income tax expense

*Income tax recognised in profit or loss*

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
<i>(Restated)</i>					
<i>(in million Baht)</i>					
<b>Current tax expense</b>					
Current year		5,821	5,213	87	22
Adjustment for prior years		4	(7)	-	(1)
		<b>5,825</b>	<b>5,206</b>	<b>87</b>	<b>21</b>
<b>Deferred tax expense</b>					
Movements in temporary differences	18	(505)	(354)	1	42
Recognition of previously unrecognised tax losses		(91)	(358)	(419)	(296)
		<b>(596)</b>	<b>(712)</b>	<b>(418)</b>	<b>(254)</b>
<b>Total income tax expense</b>		<b>5,229</b>	<b>4,494</b>	<b>(331)</b>	<b>(233)</b>

**Thai Beverage Public Company Limited and its Subsidiaries**  
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*Income tax recognised in other comprehensive income*

	<b>Consolidated financial statements</b>					
	2019	2018	(Restated)			
	Before tax	Tax benefit	Net of tax <i>(in million Baht)</i>	Before tax	Tax benefit	Net of tax
Cash flow hedges-effective portion of changes in fair value	(1,070)	214	(856)	-	-	-
Share of other comprehensive income of associates	(1,463)	-	(1,463)	(1,037)	-	(1,037)
Foreign currency translation differences for foreign operations	(16,281)	-	(16,281)	(9,908)	-	(9,908)
Revaluation of property	871	(174)	697	-	-	-
Defined benefit plan actuarial (losses) gains	(506)	97	(409)	(31)	45	14
Net change in fair value of available-for-sale investments	23	(1)	22	16	2	18
<b>Total</b>	<b>(18,426)</b>	<b>136</b>	<b>(18,290)</b>	<b>(10,960)</b>	<b>47</b>	<b>(10,913)</b>

	<b>Separate financial statements</b>					
	2019	2018	(Restated)			
	Before tax	Tax expense	Net of tax <i>(in million Baht)</i>	Before tax	Tax benefit	Net of tax
Cash flow hedges-effective portion of changes in fair value	(1,070)	214	(856)	-	-	-
Defined benefit plan actuarial (losses) gains	(33)	1	(32)	(18)	6	(12)
<b>Total</b>	<b>(1,103)</b>	<b>215</b>	<b>(888)</b>	<b>(18)</b>	<b>6</b>	<b>(12)</b>



**Thai Beverage Public Company Limited and its Subsidiaries**  
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**For the year ended 30 September 2019**

*Reconciliation of effective tax rate*

	<b>Consolidated financial statements</b>			
	2019		2018 (Restated)	
	<i>Rate (%)</i>	<i>(in million Baht)</i>	<i>Rate (%)</i>	<i>(in million Baht)</i>
Profit before income tax expense		31,312		24,103
Income tax using the Thai corporation tax rate	20.00	6,262	20.00	4,820
Effect of different tax rates in foreign jurisdictions		(24)		105
Income not subject to tax		(1,866)		(1,541)
Expenses not deductible for tax purposes		458		1,012
Current year losses for which no deferred tax asset was recognised		369		9
Recognition of previously unrecognized tax losses		5		87
Others		25		2
<b>Total</b>	<b>16.70</b>	<b>5,229</b>	<b>18.65</b>	<b>4,494</b>

  

	<b>Separate financial statements</b>			
	2019		2018	
	<i>Rate (%)</i>	<i>(in million Baht)</i>	<i>Rate (%)</i>	<i>(in million Baht)</i>
Profit before income tax expense		11,950		17,028
Income tax using the Thai corporation tax rate	20.00	2,390	20.00	3,406
Income not subject to tax		(2,733)		(3,623)
Expenses not deductible for tax purposes		12		(16)
<b>Total</b>	<b>(2.77)</b>	<b>(331)</b>	<b>1.37</b>	<b>(233)</b>

*Income tax reduction*

Revenue Code Amendment Act no. 42 B.E. 2559 dated 3 March 2016 grants a reduction of the corporate income tax rate to 20% of net taxable profit for accounting periods which begin on or after 1 January 2016.

**35 Promotional privileges**

By virtue of the provisions of the Industrial Investment Promotion Act of B.E. 2520, two subsidiaries have been granted privileges by the Board of Investment relating to the production of bio-gas and the production of beverage. The privileges granted include:

**Thai Beverage Public Company Limited and its Subsidiaries**  
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*The production of bio-gas*

- (a) exemption from payment of import duty on machinery approved by the Board;
- (b) exemption from payment of income tax for certain operations for a period of eight years from the date on which the income is first derived from such operations;
- (c) a reduction in the normal tax rate on the net profit derived from certain operations for a period of five years, commencing from the expiry date in (b) above; and
- (d) exemption from income tax on dividend income derived from certain promoted operations for a period of eight years.

*The production of beverage*

- (a) exemption from payment of import duty on machinery approved by the Board;
- (b) exemption from payment of income tax for certain operations for a period of eight years from the date on which the income is first derived from such operations; and
- (c) exemption from income tax on dividend income derived from certain promoted operations for a period of eight years.

As promoted companies, the aforementioned subsidiaries must comply with certain terms and conditions prescribed in the promotional certificates.

Summary of revenue from promoted and non-promoted businesses:

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Promoted businesses	6,195	5,401	-	-
Non-promoted businesses	261,162	224,294	-	-
<b>Total income</b>	<b>267,357</b>	<b>229,695</b>	<b>-</b>	<b>-</b>

*Privileges granted to business operator in Free Zone*

In 2004, a subsidiary was granted approval from the Customs Department to operate in a “Free Zone”, whereby the subsidiary obtains privileges related to the payment of import and export taxes, valued added tax and excise tax. Various other privileges are also granted.

**36 Earnings per share**

*Basic earnings per share*

The calculations of basic earnings per share for the year ended 30 September 2019 and 2018 were based on the profit for the year attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the year as follows:

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	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018 (Restated)	2019	2018
	<i>(in million Baht / million shares)</i>			
Profit attributable to ordinary shareholders of the Company (basic)	<u>23,272</u>	<u>17,943</u>	<u>12,281</u>	<u>17,261</u>
Number of ordinary shares outstanding issued and paid-up	25,111	25,110	25,111	25,110
Effect of share issued	<u>3</u>	<u>1</u>	<u>3</u>	<u>1</u>
<b>Weighted average number of ordinary shares outstanding (basic)</b>	<b><u>25,114</u></b>	<b><u>25,111</u></b>	<b><u>25,114</u></b>	<b><u>25,111</u></b>
<b>Earnings per share (basic) (in Baht)</b>	<b><u>0.93</u></b>	<b><u>0.71</u></b>	<b><u>0.49</u></b>	<b><u>0.69</u></b>

***Diluted earnings per share***

The calculations of diluted earnings per share for the year ended 30 September 2019 and 2018 were based on the profit for the year attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the year after adjusting for the effects of all dilutive potential ordinary shares as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018 (Restated)	2019	2018
	<i>(in million Baht / million shares)</i>			
Profit attributable to ordinary shareholders of the Company (diluted)	<u>23,272</u>	<u>17,943</u>	<u>12,281</u>	<u>17,261</u>
Number of ordinary shares outstanding (basic)	25,114	25,111	25,114	25,111
Effect of long-term incentive plan	<u>3</u>	<u>5</u>	<u>3</u>	<u>5</u>
<b>Number of ordinary shares outstanding (diluted)</b>	<b><u>25,117</u></b>	<b><u>25,116</u></b>	<b><u>25,117</u></b>	<b><u>25,116</u></b>
<b>Earnings per share (diluted) (in Baht)</b>	<b><u>0.93</u></b>	<b><u>0.71</u></b>	<b><u>0.49</u></b>	<b><u>0.69</u></b>

**37 Dividends**

At the Board of Directors' meeting held on 10 May 2019, the Board of Directors unanimously approved the interim dividend payment from the profit for the six-month period ended 31 March 2019 of Baht 0.15 per share, totalling Baht 3,767 million. The dividend was paid to the shareholders during June 2019.

At the annual general meeting of the shareholders of the Company held on 31 January 2019, the shareholders had the resolution to approve the appropriation of remaining dividend payment from the year ended 30 September 2018 of Baht 0.24 per share, totalling Baht 6,027 million. The dividend was paid to the shareholders in February 2019.

At the annual general meeting of the shareholders of the Company held on 31 January 2018, the shareholders had the resolution to approve the appropriation of remaining dividend payment from the year ended 30 September 2017 of Baht 0.47 per share, totalling Baht 11,802 million. The dividend was paid to the shareholders in February 2018.

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**38 Financial instruments**

*Financial risk management policies*

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

*Capital management*

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

*Interest rate risk*

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because loan interest rates are mainly fixed. The Group is primarily exposed to interest rate risk from its borrowings (see Note 20). The Group mitigates this risk by ensuring that the majority of its borrowings are at fixed interest rates.

The effective interest rates of loans receivable as at 30 September 2019 and 2018 and the periods in which the loans receivable mature or re-price were as follows:

	Effective interest rate (% per annum)	Separate financial statements			Total
		Within 1 year	After 1 year but within 5 years (in million Baht)	After 5 years	
<b>2019</b>					
<b>Current</b>					
Short-term loans receivable - related parties	5.00	6,358	-	-	6,358
<b>Non-current</b>					
Long-term loans receivable - related parties	5.00	-	6,637	-	6,637
<b>Total</b>		<b>6,358</b>	<b>6,637</b>	<b>-</b>	<b>12,995</b>

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	Effective interest rate (% per annum)	Separate financial statements			Total
		Within 1 year	After 1 year but within 5 years (in million Baht)	After 5 years	
<b>2018</b>					
<b>Current</b>					
Short-term loans receivable - related parties	5.00	5,043	-	-	5,043
<b>Non-current</b>					
Long-term loans receivable - related parties	5.00	-	10,622	-	10,622
<b>Total</b>		<b>5,043</b>	<b>10,622</b>	<b>-</b>	<b>15,665</b>

The effective interest rates of interest-bearing financial liabilities as at 30 September 2019 and 2018 and the periods in which those liabilities mature or re-price were as follows:

	interest rate (% per annum)	Consolidated financial statements			Total
		Within 1 year	After 1 year but within 5 years (in million Baht)	After 5 years	
<b>2019</b>					
<b>Current</b>					
Bank overdraft	4.10	182	-	-	182
Short-term loans payable - financial institutions	1.45 - 6.50	11,730	-	-	11,730
Current portion of debenture	1.79 - 2.60	9,689	-	-	9,689
Current portion of long-term loans - financial institutions	3.75	7	-	-	7
<b>Non-current</b>					
Debentures	2.10 - 4.16	-	114,744	55,429	170,173
Long-term loans payable - financial institutions	0.73 - 3.75	-	27,802	-	27,802
<b>Total</b>		<b>21,608</b>	<b>142,546</b>	<b>55,429</b>	<b>219,583</b>

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	interest rate (% per annum)	Consolidated financial statements			Total
		Within 1 year	After 1 year but within 5 years (in million Baht)	After 5 years	
<b>2018</b>					
<b>Current</b>					
Bank overdraft	2.40 - 4.27	484	-	-	484
Short-term loans payable - financial institutions	1.47 - 5.50	4,282	-	-	4,282
Current portion of debenture	2.20 - 2.51	1,701	-	-	1,701
Current portion of long-term loans - financial institutions	2.40 - 8.00	8,016	-	-	8,016
<b>Non-current</b>					
Debentures	1.79 - 4.16	-	81,569	45,341	126,910
Long-term loans payable - financial institutions	2.50 - 7.20	-	89,894	-	89,894
<b>Total</b>		<b>14,483</b>	<b>171,463</b>	<b>45,341</b>	<b>231,287</b>

	interest rate (% per annum)	Separate financial statements			Total
		Within 1 year	After 1 year but within 5 years (in million Baht)	After 5 years	
<b>2019</b>					
<b>Current</b>					
Short-term loans payable - financial institutions	1.64 - 1.95	9,450	-	-	9,450
Current portion of debenture	1.79 - 2.60	9,689	-	-	9,689
Short-term loans payable - related parties	2.50	4,091	-	-	4,091
<b>Non-current</b>					
Long-term loans payable - financial institutions	0.73-2.97	-	27,790	-	27,790
Long-term loans payable - related parties	2.50	-	38,359	-	38,359
Debentures	2.10 - 4.16	-	114,744	55,429	170,173
<b>Total</b>		<b>23,230</b>	<b>180,893</b>	<b>55,429</b>	<b>259,552</b>

# Thai Beverage Public Company Limited and its Subsidiaries

## Notes to the financial statements

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	interest rate (% per annum)	Within 1 year	Separate financial statements		Total
			After 1 year but within 5 years (in million Baht)	After 5 years	
<b>2018</b>					
<b>Current</b>					
Short-term loans payable - financial institutions	1.55 - 1.65	2,000	-	-	2,000
Current portion of long-term loans - financial institutions	2.40	8,000	-	-	8,000
Short-term loans payable - related parties	2.50	8,195	-	-	8,195
<b>Non-current</b>					
Long-term loans payable - financial institutions	2.50 - 3.00	-	89,862	-	89,862
Long-term loans payable - related parties	2.50	-	27,795	-	27,795
Debentures	1.79 - 4.16	-	81,569	45,341	126,910
<b>Total</b>		<b>18,195</b>	<b>199,226</b>	<b>45,341</b>	<b>262,762</b>

### Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases and sales of goods which are denominated in foreign currencies. The Group primarily utilises forward exchange contracts to hedge such financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated purchases and sales, denominated in foreign currencies, for the subsequent period.

At 30 September 2019 and 2018, the Group and the Company were exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<i>(in million Baht)</i>				
<b>Singapore Dollars</b>				
Cash and cash equivalents	5	3	-	-
Loans to and other receivable from related parties	-	-	-	1
Loans from and other payables to related parties	(1)	(15)	(4)	(7)
Other payables	(9)	(1)	-	-
<b>Gross statement of financial position exposure</b>	<b>(5)</b>	<b>(13)</b>	<b>(4)</b>	<b>(6)</b>
Currency forwards	2	13	-	-
<b>Net exposure</b>	<b>(3)</b>	<b>-</b>	<b>(4)</b>	<b>(6)</b>

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	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
<b>United States Dollars</b>				
Cash and cash equivalents	1,736	657	-	-
Trade accounts receivable	249	288	-	-
Other receivables	-	1	-	-
Other receivables from related parties	2	-	-	-
Trade accounts payable	(222)	(180)	-	-
Loans from and other payables to related parties	(1)	(1)	(3)	(1)
Interest-bearing liabilities	-	(13)	-	-
Other payables	(126)	(55)	-	-
<b>Gross statement of financial position exposure</b>	<b>1,638</b>	<b>697</b>	<b>(3)</b>	<b>(1)</b>
Estimated forecast purchase of goods	(564)	(130)	-	-
Estimated forecast purchase of assets	(22)	(36)	-	-
Estimated forecast other liabilities	-	(14)	-	-
<b>Gross exposure</b>	<b>1,052</b>	<b>517</b>	<b>(3)</b>	<b>(1)</b>
Currency forwards	164	2	-	-
<b>Net exposure</b>	<b>1,216</b>	<b>519</b>	<b>(3)</b>	<b>(1)</b>
<b>Euro</b>				
Cash and cash equivalents	1	-	-	-
Trade accounts receivable	1	-	-	-
Trade accounts payable	(303)	(299)	-	-
Other payables	(46)	(16)	-	-
<b>Gross statement of financial position exposure</b>	<b>(347)</b>	<b>(315)</b>	-	-
Estimated forecast purchase of goods	(1,498)	(1,128)	-	-
Estimated forecast purchase of assets	(72)	(12)	-	-
Estimated forecast other liabilities	(91)	(4)	-	-
<b>Gross exposure</b>	<b>(2,008)</b>	<b>(1,459)</b>	-	-
Currency forwards	186	93	-	-
<b>Net exposure</b>	<b>(1,822)</b>	<b>(1,366)</b>	-	-
<b>Pound Sterling</b>				
Cash and cash equivalents	12	9	-	-
Trade accounts receivable	4	-	-	-
Trade accounts payable	(18)	(5)	-	-
Other payables to related parties	-	-	(2)	(1)
Other payables	(2)	(7)	-	-
<b>Gross statement of financial position exposure</b>	<b>(4)</b>	<b>(3)</b>	<b>(2)</b>	<b>(1)</b>
Estimated forecast purchase of goods	(2)	(2)	-	-
Estimated forecast payment for advertising	(196)	(345)	-	-
<b>Gross exposure</b>	<b>(202)</b>	<b>(350)</b>	<b>(2)</b>	<b>(1)</b>
Currency forwards	5	11	-	-
<b>Net exposure</b>	<b>(197)</b>	<b>(339)</b>	<b>(2)</b>	<b>(1)</b>



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	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
<b>Australian Dollars</b>				
Trade accounts payable	-	(91)	-	-
<b>Gross statement of financial position exposure</b>	<b>-</b>	<b>(91)</b>	<b>-</b>	<b>-</b>
Estimated forecast purchase of goods	(1)	(196)	-	-
<b>Gross exposure</b>	<b>(1)</b>	<b>(287)</b>	<b>-</b>	<b>-</b>
Currency forwards	-	60	-	-
<b>Net exposure</b>	<b>(1)</b>	<b>(227)</b>	<b>-</b>	<b>-</b>
<b>Hong Kong Dollars</b>				
Cash and cash equivalents	27	29	-	-
Other receivable	1	-	-	-
Other payables	(1)	(1)	-	-
<b>Gross statement of financial position exposure</b>	<b>27</b>	<b>28</b>	<b>-</b>	<b>-</b>
<b>Japanese Yen</b>				
Other payables to related parties	-	(1)	-	-
Interest-bearing liabilities	(18,961)	-	(18,961)	-
<b>Gross statement of financial position exposure</b>	<b>(18,961)</b>	<b>(1)</b>	<b>(18,961)</b>	<b>-</b>
Cross currency swap contract	18,961	-	18,961	-
<b>Net exposure</b>	<b>-</b>	<b>(1)</b>	<b>-</b>	<b>-</b>
<b>Other Foreign Currencies</b>				
Trade accounts receivable	8	9	-	-
Other receivables to related parties	-	5	-	-
Trade accounts payable	(1)	-	-	-
Other payables to related parties	-	(68)	-	-
Other payables	(49)	(2)	-	-
<b>Gross statement of financial position exposure</b>	<b>(42)</b>	<b>(56)</b>	<b>-</b>	<b>-</b>

**Credit risk**

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. However, due to the large number of parties comprising the Group's customer base, management does not anticipate material losses from its debt collection.

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***Liquidity risk***

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

***Carrying amounts and fair values***

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including river levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying amount	Consolidated financial statements			
		Fair value			Total
		Level 1	Level 2	Level 3	
<i>(in million Baht)</i>					
<b>30 September 2019</b>					
<b><i>Financial liabilities measured at fair value</i></b>					
Derivative liabilities	(884)	-	(884)	-	(884)
<b><i>Financial liabilities not measured at fair value</i></b>					
Long-term bill of exchanges and loans from financial institutions	(27,809)	-	-	(26,939)	(26,939)
Debentures	(179,862)	-	(186,187)	-	(186,187)
<b>30 September 2018</b>					
<b><i>Financial liabilities not measured at fair value</i></b>					
Long-term bill of exchanges and loans from financial institutions	(97,910)	-	-	(98,085)	(98,085)
Debentures	(128,611)	-	(128,556)	-	(128,556)
	Carrying amount	Separate financial statements			
		Fair value			Total
		Level 1	Level 2	Level 3	
<i>(in million Baht)</i>					
<b>30 September 2019</b>					
<b><i>Financial liabilities measured at fair value</i></b>					
Derivative liabilities	(880)	-	(880)	-	(880)
<b><i>Financial assets and liabilities not measured at fair value</i></b>					
Long term loan to related parties	6,637	-	-	7,040	7,040
Long term loan from related parties	(38,359)	-	-	(38,807)	(38,807)
Long term bill of exchanges and loans from financial institutions	(27,290)	-	-	(26,921)	(26,921)
Debentures	(179,862)	-	(186,187)	-	(186,187)

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	Carrying amount	Separate financial statements			
		Fair value			Total
		Level 1	Level 2	Level 3	
<i>(in million Baht)</i>					
<b>30 September 2018</b>					
<b><i>Financial assets and liabilities not measured at fair value</i></b>					
Long-term loan to related parties	10,622	-	-	11,178	11,178
Long-term loan from related parties	(27,795)	-	-	(27,892)	(27,892)
Long-term bill of exchanges and loans from financial institutions	(97,862)	-	-	(98,034)	(98,034)
Debentures	(126,910)	-	(126,853)	-	(126,853)

A fair value of financial assets and financial liabilities is taken to approximate the carrying value to the relatively short-term maturity.

***Currency and interest rate swap contracts***

The Group and the Company entered into cross currency and interest rate swap contracts with financial institutions to manage exposure of fluctuations in interest rates and foreign currency risk on borrowings. The notional amounts of the outstanding and cross currency swap contracts as at 30 September 2019 comprise Japan Yen currency totalling Japan Yen 66,000 million. All counterparties agreed to pay the interest and the principal amount in accordance with the terms and conditions specified in the contracts.

**Measurement of fair values**

***Valuation techniques and significant unobservable inputs***

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values at 30 September 2019 for financial instruments measured at fair value in the statement of financial position, as well as the significant unobservable inputs used. Related valuation processes are described in note 2 (d).

**Financial instruments measured at fair value**

Type	Valuation technique
Cross currency and interest rate swap contracts	<i>Discounted cash flows</i> The fair value is calculated as the present value of the estimated future cash flows. Estimated cash flows are discounted using a yield curve constructed from similar sources and which reflects the relevant benchmark interbank rate used by market participants for this purpose when pricing interest rate swaps.
Foreign currency forward contracts	<i>Forward pricing:</i> The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.

**Financial instruments not measured at fair value**

Type	Valuation technique
Debentures	Market price from Thai Bond Market Association as of the report date
Loans	Discounted cash flows

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**39 Commitments with non-related parties**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
<b>Capital commitments</b>				
<i>Contracted but not provided for:</i>				
Buildings and other constructions	281	709	-	-
Machinery and equipment	255	528	-	-
Computer software and Others	154	133	-	-
Land	4	1	-	-
<b>Total</b>	<b>694</b>	<b>1,371</b>	<b>-</b>	<b>-</b>
<b>Future minimum lease payments under non-cancellable operating lease</b>				
Within one year	1,126	1,062	16	17
After one year but within five years	1,860	1,934	12	14
After five years	1,261	1,708	-	-
<b>Total</b>	<b>4,247</b>	<b>4,704</b>	<b>28</b>	<b>31</b>
<b>Other commitments</b>				
Purchases of goods and raw materials agreements	4,760	6,799	-	-
Advertising servicer and sponsorship agreements	1,128	1,735	18	23
Service agreements	1,071	1,511	33	40
Other guarantee	1,027	-	-	-
Specialist and consultancy agreements	778	905	251	293
Bank guarantees	202	217	-	-
Unused letters of credit for goods and supplies	135	55	-	-
Purchases of molasses agreements	19	-	-	-
Other agreements	370	379	300	300
<b>Total</b>	<b>9,490</b>	<b>11,601</b>	<b>602</b>	<b>656</b>

**Other significant commitments**

*Specialist agreements*

In 2004, the Company and four subsidiaries entered into production and blending control agreements with a specialist for a period of forty 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 0.25 million until the expiration of the agreements. Service fee, under the agreements, totalled 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 September 2019, the remaining commitments to be paid, relating to these agreements, amounted to Baht 634.9 million (30 September 2018: Baht 737.9 million).

# Thai Beverage Public Company Limited and its Subsidiaries

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### *Consultancy agreement*

On 6 November 2014, the Company entered into a consulting agreement with a company to provide advices and consultancy related to distillery process in Thailand and other works specified in the agreement for a period of 10 years from 1 November 2014 to 31 October 2024. Under the agreement, the Company is obliged to pay monthly service fees approximately Baht 1.67 million which is to be increased by 5% every 12 months for the period of 10 years. Therefore, the total fees under the agreement amounted to Baht 251.56 million.

As at 30 September 2019, the remaining commitment to be paid relating to this agreement amounted to Baht 143.07 million (30 September 2018: Baht 167.28 million).

### *Sponsorship agreement*

In 2017, a subsidiary has entered into a sponsorship agreement with Football Association of Thailand Under the royal patronage, for a period of 10 years from 1 January 2017 to 31 December 2026 in order to promote the products by specified privileges in the agreement. Under the conditions as stipulated in the agreements, the subsidiary will subsidize with cash and others at total amount of Baht 100 million per annum.

In 2017, a subsidiary has entered into an agreement with a company in the United Kingdom for a period of three years from 1 June 2017 to 31 May 2020 to receive rights as specified in the agreement. The subsidiary is obliged to pay a minimum amount of GBP 0.15 million per year at the condition specified in the agreement.

In 2018, a subsidiary has entered into a sponsorship agreement with a company in the United Kingdom for a period of three years from 1 August 2018 to 31 July 2021 to receive rights as specified in the agreement. The subsidiary is obliged to pay a minimum amount of GBP 2.75 million per year at the condition specified in the agreement.

### *Transportation agreement*

The Company's subsidiary and indirect subsidiary, entered into a transportation agreement with a local company to transport their products from factory to the defined destination. Transportation cost is calculated for each trip at the rate as specified in the agreement. The agreement shall be in effect for a period of two years from 1 July 2010 to 30 June 2012. Unless there is notification from either party to terminate the agreement at the expiration date, this agreement continues to be in effect for a successive one year term.

### *Purchase natural gas agreement*

On 9 November 2016, the Company's indirect subsidiary, entered into a purchase natural gas agreement with a local company. The indirect subsidiary agreed to pay the fee and complied with the conditions as stipulated in the agreement. The agreement shall be in effect for a period of two years, effective from 1 December 2016 to 30 November 2018 with renewal if not less than 90 days prior written notice is given by any one party to the other. Subsequently on 2 October 2018, the parties have made the first addendum to renew the agreement for two years from 1 December 2018 to 30 November 2020. The said indirect subsidiary agreed to pay the service fee and comply with conditions as stipulated in the agreement.

# Thai Beverage Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 30 September 2019

### *Franchise agreement*

In 2017, the Company's indirect subsidiary ("subsidiary") entered into a franchise agreement with a local company, whereby the franchise agreement allows the subsidiary to operate quick service restaurants under the trademark "KFC". The franchise agreement is for the period of ten years with the renewable option. The subsidiary is obliged to pay the fee and comply with terms and conditions stipulated in the agreement.

### *Contract manufacturing agreement*

On 1 May 2015, Oishi Trading Co., Ltd., the Company's subsidiary, entered into a contract manufacturing agreement with a local company at the price conditions as specified in the agreement. The agreement is for five years period from 1 May 2015 to 30 April 2020.

### *Donation agreement*

On 1 December 2017, the Company entered into a donation agreement with a local university, which was established by collaboration of a local university and an oversea university. Under the agreement, the Company will donate Baht 300 million within 3 years at the conditions specified in the agreement.

### *Service agreement*

The Company's indirect subsidiary ("subsidiary") agreed to pay the service charge at the rate as stipulated in the said addendum. The new agreement is currently being reviewed and signed by the subsidiary and the party.

## **40 Events after the reporting period**

### *The Company and its Subsidiaries*

At the Board of Directors' meeting of the Company held on 22 November 2019, the Board of Directors agreed to propose a dividend payment of Baht 0.48 per share, totalling Baht 12,054 million. On 7 June 2019, the interim dividend was paid Baht 0.15 per share, totalling Baht 3,767 million. The remaining dividend payment is Baht 0.33 per share, totalling Baht 8,287 million. The Board of Directors will propose this matter to the shareholders' meeting for further approval.

### *Associates of the Group*

At the Board of Directors' meeting of Fraser and Neave, Limited ("F&N") and Frasers Property Limited ("FPL"), held on 14 and 15 November 2019, respectively, the Board of Directors of F&N and FPL agreed to propose a dividend payment of SGD 0.055 and SGD 0.060 per share, respectively. The interim dividend was paid SGD 0.015 and SGD 0.024 per share, respectively in June 2019. The remaining dividend payment of SGD 0.040 and SGD 0.036 per share, respectively will be paid during 2020, subject to the Shareholders approval.

**Thai Beverage Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 30 September 2019**

**41 Thai Financial Reporting Standards (TFRSs) not yet adopted**

A number of new and revised TFRSs which relevant to the Group's operations are expected to have significant impact on the consolidated and separate financial statements on the date of initial application. Those TFRSs become effective for annual financial reporting periods beginning on or after 1 January of the following years.

<b>TFRSs</b>	<b>Topic</b>	<b>Effective</b>
TFRS 7*	Financial Instruments: Disclosures	2020
TFRS 9*	Financial Instruments	2020
TFRS 15	Revenue from Contracts with Customers	2019
TFRS 16	Leases	2020
TAS 32*	Financial Instruments: Presentation	2020
TFRIC 16*	Hedges of a Net Investment in a Foreign Operation	2020
TFRIC 19*	Extinguishing Financial Liabilities with Equity Instruments	2020

\* TFRS - Financial instruments standards

**(a) TFRS 15 Revenue from Contracts with Customers**

TFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. Revenue should be recognised when (or as) an entity transfers control over goods or services to a customer, measured at the amount to which the entity expects to be entitled.

Revenue is currently recognised when the significant risks and rewards of ownership have been transferred to the buyer. Under TFRS 15, revenue will be recognised when a customer obtains control of the goods. For some made-to-order product contracts, the customer controls all of the work in progress as the products are being manufactured. The revenue from these contracts will be recognised as the products are being manufactured. Consequently, revenue and some associated costs for these contracts are recognised over time, before the goods are delivered to the customers' premises.

*Payment to a customer*

The Company makes payments to its retailers for product placement ("slotting fees"), promotion events or advertising. Under TAS 18, the Company recognised such amounts as distribution costs. Under TFRS 15, it is required that the Company will consider whether the Company receives distinct goods or services from the customer. If so, then the Company recognises such payments as an expense when the distinct goods or services are consumed. In contrast, if not, such payments are recognised as a reduction of revenue. If the payment exceeds the fair value of the goods or services received, then the excess is recognised as a reduction of revenue. As a result, this results in decreases in revenue and distribution costs.

*Transition*

The Group plans to adopt TFRS 15 using the cumulative effect method, with the effect of initially applying this standard recognised at the date of initial application 1 October 2019. As a result, the Group will not apply the requirements of TFRS 15 to the comparative period presented.

**Thai Beverage Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 30 September 2019**

The actual impacts upon the initial adoption of TFRS 15 may differ as the assessment completed to date is based on the information available to the Group up to the reporting date of these financial statements. The Group may also change its accounting policy elections, including the transition options, until the standards are initially applied in these financial statements.

Management considered that the potential impact of adopting and initially applying TFRS 15 on the financial statements has resulted in changes in certain of the Group's accounting policies. These changes have no material effect on the consolidated and separate financial statements.

**(b) TFRS - Financial instruments standards**

These TFRS establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting.

**(c) TFRS 16 Leases**

TFRS 16 introduces a single lessee accounting model for lessees. A lessee recognises a right-of-use asset and a lease liability. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard, i.e. lessors continue to classify leases as finance or operating leases.

Management is presently considering the potential impact of adopting and initially applying TFRS - Financial instruments standards and TFSR 16 on the consolidated and separate financial statements.

**42 Reclassification of accounts**

Certain accounts in the financial statements for the year ended 30 September 2018 have been reclassified to conform to the presentation in the financial statements for the year ended 30 September 2019. These reclassifications have principally been made, in the opinion of management, the new classification is more appropriate to the Group's business. The significant reclassifications were as follows:

	2018			After reclassification
	Before reclassification	Consolidated financial statements		
		Reclassification	Restatement (Note 5)	
	<i>(in million Baht)</i>			
<b>Statement of financial position</b>				
Short-term loans to and other receivables from related parties	753	868	-	1,621
Other current assets	3,685	(868)	(8)	2,809