

Haad Thip Public Company Limited and its subsidiary
Notes to the interim financial statements
For the three-month period ended 31 March 2016 (Unaudited)

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These notes form an integral part of the interim financial statements.

The interim financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language financial statements, and were approved and authorised for issue by the Board of Directors on 11 May 2016.

1 General information

Haad Thip Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at 87/1, Kanchanavanich Road, Thambol Banphru, Amphur Hadyai, Songkhla, Thailand.

The Company was listed on the Stock Exchange of Thailand in December 1988.

The Company’s major shareholders during the financial period were Rattakul family (35.31% shareholding), and Gutsche Family Investments (Proprietary) Limited (24.12% shareholding) which was incorporated in South Africa.

The principal businesses of the Company are manufacturing and distribution of soft drinks. Detail of the Company’s subsidiary as at 31 March 2016 and 31 December 2015 is given in note 6.

2 Basis of preparation of the interim financial statements

(a) Statement of compliance

The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard (TAS) No. 34 (revised 2015) *Interim Financial Reporting*; guidelines promulgated by the Federation of Accounting Professions (FAP); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The interim financial statements are prepared to provide an update on the financial statements for the year ended 31 December 2015. They do not include all of the financial information required for full annual financial statements but focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Company and its subsidiary for the year ended 31 December 2015.

The accounting policies and methods of computation applied in these interim financial statements are consistent with those applied in the financial statements for the year ended 31 December 2015 except that the Group has adopted all the new and revised TFRS that are effective for annual periods beginning on or after 1 January 2016. The adoption of these new and revised TFRS did not have any material effect on the accounting policies, methods of computation, financial performance or position of the Group.

(b) Functional and presentation currency

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

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(c) Use of judgements and estimates

The preparation of interim financial statements in conformity with TFRS 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.

In preparing these interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2015.

Measurement of fair values

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 CFO.

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 such valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Group Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- 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 recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

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

- Note 7 Investment properties;
- Note 8 Property, plant and equipment; and
- Note 15 Financial instruments

3 Seasonal operations

The Group is subject to seasonal sales revenue from soft drink products. The majority of sales revenue and expenditure are normally derived during the summer season.

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4 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 subsidiary, key management personnel and other related parties were as follows:

Name of entities	Country of Incorporation/ nationality	Nature of relationships
<i>Subsidiary</i>		
Southern Rocks Co., Ltd.	Thailand	Subsidiary, 99.99% shareholding
<i>Other related parties</i>		
Gutsche Family Investments (Proprietary) Limited	South Africa	Major shareholder, 24.12% shareholding
Haadyai Nakarin Co., Ltd.	Thailand	Common director
<i>Key management personnel</i>		
Key management personnel	Thai	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

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

Transactions	Pricing policies
Purchases of containers	Cost plus margin
Blowing plastic bottles service	Contractually agreed price
Service fee for area utilisation	Contractually agreed price
Rental income from land	Contractually agreed price
Key management personnel compensation	As defined by the Group's policy

Significant transactions for the three-month periods ended 31 March 2016 and 2015 with related parties were as follows:

Three-month period ended 31 March	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Subsidiary				
Purchases of containers	-	-	101,123	81,761
Blowing plastic bottles service	-	-	10,490	4,455
Service fee for area utilisation	-	-	660	660
Rental income from land	-	-	53	53

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<i>Three-month period ended 31 March</i>	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Key management personnel				
Key management personnel compensation				
Short-term benefits	11,782	10,756	11,782	10,756
Post-employment benefits	798	807	798	807
Total key management personnel compensation	12,580	11,563	12,580	11,563

Balances as at 31 March 2016 and 31 December 2015 with related parties were as follows:

<i>Other receivable - related party</i>	Consolidated financial statements		Separate financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
	<i>(in thousand Baht)</i>			

Subsidiary				
Southern Rocks Co., Ltd.	-	-	2,309	2,460

<i>Trade account payable - related party</i>	Consolidated financial statements		Separate financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
	<i>(in thousand Baht)</i>			

Subsidiary				
Southern Rocks Co., Ltd.	-	-	90,419	43,845

Significant agreements with related parties

Service agreements for area utilisation

The Company has entered into service agreements for area utilisation with a subsidiary for Hadyai factory and Phoonpin factory of which the agreements have terms of 7 years and 8 years, respectively. The subsidiary has agreed to pay service fees at the amounts as stipulated in the agreements.

Lease agreement for land

On 1 November 2014, the Company entered into a lease agreement for land with a subsidiary for the purpose of building construction. The lease term was for a period of 20 years commencing from 1 November 2014 to 31 October 2034. The subsidiary has the first priority to renew the lease agreement, which can be extendable for successive periods of ten years each. The subsidiary can renew the lease by informing the Company at least 30 days before the expiry date. The subsidiary agreed to pay the rental fee in the amount as stipulated in the agreement and rental rates will be adjusted every 5 years. Under the term of the agreement, the building including other constructions thereon will be transferred to the Company when the agreement is terminated.

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Service agreement for blowing plastic bottles

In February 2015, the Company has entered into service agreement for blowing plastic bottles with a subsidiary. The Company has agreed to pay service fee at the amount as stipulated in the agreement. The subsidiary is able to change the price as appropriate without prior notice to the Company. The Company may terminate the agreement at any time.

5 Trade accounts receivable

	Consolidated financial statements		Separate financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
	<i>(in thousand Baht)</i>			
Other parties	644,711	608,074	644,711	608,074
Less allowance for doubtful accounts	<u>(9,033)</u>	<u>(599)</u>	<u>(9,033)</u>	<u>(599)</u>
Net	<u>635,678</u>	<u>607,475</u>	<u>635,678</u>	<u>607,475</u>
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Bad and doubtful debts expenses (reversal) for the three-month period ended 31 March	<u>8,434</u>	<u>(206)</u>	<u>8,434</u>	<u>(206)</u>

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
	<i>(in thousand Baht)</i>			
Other parties				
Within credit terms	625,667	592,569	625,667	592,569
Overdue:				
Less than 3 months	13,423	12,734	13,423	12,734
3 - 6 months	3,122	253	3,122	253
6 - 12 months	1,907	1,919	1,907	1,919
Over 12 months	<u>592</u>	<u>599</u>	<u>592</u>	<u>599</u>
	<u>644,711</u>	<u>608,074</u>	<u>644,711</u>	<u>608,074</u>
Less allowance for doubtful accounts	<u>(9,033)</u>	<u>(599)</u>	<u>(9,033)</u>	<u>(599)</u>
Net	<u>635,678</u>	<u>607,475</u>	<u>635,678</u>	<u>607,475</u>

The normal credit term granted by the Group ranges from 7 days to 90 days.

6 Investment in subsidiary

In June 2013, Southern Rocks Co., Ltd., registered with the Ministry of Commerce, an increase in registered share capital of Baht 50 million from Baht 47 million to Baht 97 million by increasing the number of shares from 470,000 shares to 970,000 shares with par value of Baht 100 per share, 25% shares subscription was called up in June 2013.

As at 31 March 2016, the Company had commitments for the share subscription of investments to such subsidiary, which have not yet been called up, amounting to Baht 37.5 million (*31 December 2015: Baht 37.5 million*).

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Investment in subsidiary as at 31 March 2016 and 31 December 2015, and dividend income from the investment for the three-month periods ended 31 March 2016 and 2015, were as follows:

		Separate financial statements										Dividend income for the three-month periods ended	
Type of business	Ownership interest		Paid-up capital		Cost		Impairment		At cost- net		31	31	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015	31 March 2016	31 December 2015	31 March 2016	31 December 2015	31 March 2016	31 December 2015	31 March 2016	31 March 2015	
Subsidiary													
Southern Rocks Co., Ltd.	Manufacture and distribute plastic bottles and semi-finished plastic bottles and blowing plastic bottles service	99.99	99.99	59,500	59,500	59,497	59,497	-	-	59,497	59,497	-	-
Total					<u>59,497</u>	<u>59,497</u>	<u>-</u>	<u>-</u>	<u>59,497</u>	<u>59,497</u>	<u>-</u>	<u>-</u>	

The subsidiary was incorporated in Thailand.

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7 Investment properties

<i>Three-month period ended 31 March</i>	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
		<i>(in thousand Baht)</i>		
At 1 January	206,388	36,317	207,347	37,276
Transfers in	-	176,921	-	176,921
Transfers out	-	(6,850)	-	(6,850)
At 31 March	206,388	206,388	207,347	207,347

Investment properties comprise land held for future project and land that is leased to a subsidiary company.

On 24 February 2015, the Company entered into land purchase and sale agreement with a third party which has cost of Baht 6.8 million for sale price of approximately Baht 37.5 million. On the agreement date, the Company received deposit of Baht 2.0 million. The remaining amount of Baht 35.5 million was received during the second quarter of year 2015.

During the first quarter of year 2015, land held for which no specific intention to use in the future has been transferred from property, plant and equipment to investment properties at its book value of Baht 176.92 million. In addition land, at its book value of Baht 0.05 million, has been transferred from investment properties to property, plant and equipment, since such land is now to be used in the ordinary course of the Company's business.

Investment properties as at 31 March 2016, had an appraised value of Baht 577.7 million (*31 December 2015: Baht 577.7 million*) as shown in the appraiser's reports dated 9 January 2015 to 18 March 2015 by CPM Capital Co., Ltd., a firm of independent professional valuers, based on open market value and existing use.

Measurement of fair value

Fair value hierarchy

The fair value of investment properties was determined by external, independent property valuer, having appropriate recognised professional qualifications and recent experience of the property being valued.

The fair value measurement for investment properties of the Group of Baht 577.7 million has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

Valuation technique and significant unobservable inputs

The external independent valuer applied the Market Comparison Approach to measure fair value of investment properties.

The significant unobservable inputs used in measuring the fair value of investment properties are the quoted price and the purchasing and selling price of comparable investment properties adjusted with other different factors.

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8 Property, plant and equipment

Acquisitions, disposals and transfers of property, plant and equipment during the three-month periods ended 31 March 2016 and 2015 were as follows:

<i>Three-month period ended</i> <i>31 March</i>	Consolidated financial statements			
	2016		2015	
	Acquisitions and transfers in - at cost	Disposals and transfers out - net book value <i>(in thousand Baht)</i>	Acquisitions and transfers in - at cost	Disposals and transfers out - net book value
Land				
Gain on land revaluation	-	-	974,107	-
Transfers from investment properties	-	-	50	-
Transfers to investment properties	-	-	-	176,921
Land improvements	8,377	-	-	-
Buildings and structures and leasehold improvements	2,909	-	3,163	459
Machinery and equipment	-	-	6,881	-
Furniture and office equipment	9,984	8	1,899	5
Vehicles	1,230	-	872	-
Containers	5,218	709	2,876	60
Promotional equipment	1,402	-	4,545	-
Assets under construction and installation	211,032	17,323	33,043	10,985
Total	240,152	18,040	1,027,436	188,430

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<i>Three-month period ended</i> <i>31 March</i>	Separate financial statements			
	2016		2015	
	Acquisitions and transfers in - at cost	Disposals and transfers out - net book value <i>(in thousand Baht)</i>	Acquisitions and transfers in - at cost	Disposals and transfers out - net book value
Land				
Gain on land revaluation	-	-	974,000	-
Transfers from investment properties	-	-	50	-
Transfers to investment properties	-	-	-	176,921
Land improvements	8,377	-	-	-
Buildings and structures and leasehold improvements	982	-	3,163	459
Machinery and equipment	-	-	6,881	-
Furniture and office equipment	9,648	8	1,704	1
Vehicles	-	-	872	-
Containers	5,218	709	2,876	60
Promotional equipment	1,402	-	4,545	-
Assets under construction and installation	210,519	16,593	9,828	10,985
Total	236,146	17,310	1,003,919	188,426

During the first quarter of year 2015, the value of the Company's land was reappraised by CPM Capital Co., Ltd., an independent professional valuer, by applying market value as shown in the appraiser's reports dated 9 January 2015 to 18 March 2015. The value of the Group's and the Company's land increased by Baht 973.5 million and Baht 973.4 million, respectively. The Group and the Company recorded income tax from land revaluation in the account "Deferred tax liabilities" amounting to Baht 194.7 million and recorded its land at the reappraised value, with a revaluation surplus of land net of income tax amounting to Baht 778.8 million and Baht 778.7 million, respectively, in the account "Revaluation surplus", under other component of equity under "Equity" in the statement of financial position.

As at 31 March 2016, the revaluation surplus net of income tax for the Group and the Company amounted to Baht 1,223.0 million and Baht 1,222.9 million, respectively (*31 December 2015: for the Group and the Company amounted to Baht 1,223.0 million and Baht 1,222.9 million, respectively*).

Measurement of fair value

Fair value hierarchy

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

The fair value measurement for land of the Group of Baht 1,520.8 million has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

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Valuation technique and significant unobservable inputs

The external independent valuer applied the Market Comparison Approach to measure fair value of land.

The significant unobservable inputs used in measuring the fair value of land are the quoted price and the purchasing and selling price of comparable land adjusted with other different factors.

9 Interest-bearing liabilities

As at 31 March 2016, the Group and the Company had unutilised credit facilities totaling Baht 963.4 million and Baht 840.7 million, respectively (*31 December 2015: Baht 1,108.6 million and Baht 970.4 million, respectively*).

During the three-month period ended 31 March 2016, the Group and the Company additionally drewdown long-term loans from a local financial institution from existing credit lines as follows:

	Credit facility lines <i>(in million Baht)</i>	Drewdown amount
The Company	450.0	142.0
Subsidiary	240.0	15.5
		<u><u>157.5</u></u>

Under the terms of the long-term loan agreements, the Group has to comply with certain conditions, such as maintaining the debt to equity ratio, the debt covenant ratio, etc. The Group also assigned the benefits of an insurance policy covering the assets as collateral for the interest-bearing liabilities.

As at 31 March 2016, a portion of the Group's and the Company's land, buildings, machinery and equipment with carrying value totaling approximately Baht 1,408.3 million and Baht 1,199.2 million, respectively (*31 December 2015: Baht 1,425.7 million and Baht 1,210.0 million, respectively*) were mortgaged and pledged as collateral for the credit facilities obtained from a local bank. The Group also assigned the benefits of an insurance policy covering a portion of the Group's property and equipment to a local bank as collateral for credit facilities obtained from the same bank.

10 Trade accounts payable

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		31 March 2016	31 December 2015	31 March 2016	31 December 2015
		<i>(in thousand Baht)</i>			
Related party	4	-	-	90,419	43,845
Other parties		361,429	347,156	350,278	338,442
Total		<u><u>361,429</u></u>	<u><u>347,156</u></u>	<u><u>440,697</u></u>	<u><u>382,287</u></u>

11 Segment information

The Group operates in a single line of business as manufacturing and distribution of soft drinks, therefore, management considers that the Group has only one major business segment. In addition, the Group solely distributes in 14 provinces in Southern Thailand, therefore, management considers that the Group has only one major geographic segment.

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12 Income tax expense

According to the Royal Decree No. 492 B.E. 2553 dated 16 January 2010, No. 566 B.E. 2556 dated 10 July 2013 and No. 584 B.E. 2558 dated 1 May 2015, the Group has been granted reduction in the corporate income tax rate to 3% of taxable profit, to juristic companies or partnerships whose place of business is located in the exclusive development zone and whose revenue derived from manufacturing, selling of goods or rendering services occur within the exclusive development zone, starting from the accounting period of 2010 which begins on or after 1 January 2010 until the accounting period of 2017 ending on or after 31 December 2017.

13 Promotional privileges

By virtue of the provisions of the Industrial Investment Promotion Act of B.E. 2520, the subsidiary has been granted privileges by the Board of Investment relating to semi-plastic bottle (Preform) and plastic bottles (PET) businesses. The privileges granted include:

- (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.

As a promoted company, the subsidiary must comply with certain terms and conditions prescribed in the promotional certificates.

14 Basic earnings (loss) per share

The calculations of basic earnings (loss) per share for the three-month periods ended 31 March 2016 and 2015 were based on the profit (loss) for the periods attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the periods as follows:

<i>Three-month period ended 31 March</i>	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht / thousand shares)</i>			
Profit (loss) attributable to ordinary shareholders of the Company (basic)	78,818	21,430	27,255	(7,925)
Number of ordinary shares outstanding	199,218	199,218	199,218	199,218
Earnings (loss) per share (basic) (in Baht)	0.40	0.11	0.14	(0.04)

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15 Financial instruments

Fair value of debenture as at 31 March 2016 and 31 December 2015 was Baht 151.43 million and Baht 150.44 million, respectively, which have been determined based on quoted selling prices from the Thai Bond Market Association at the close of the business on the reporting date.

Fair values of current financial assets and liabilities are taken to approximate the carrying values because the relatively short-term maturity of these financial instruments.

Fair value of long-term loans which bear interest at floating market rate is taken to approximate the carrying value.

16 Agreements

Exclusive distribution license agreement

On 1 January 2014, the Company and two suppliers (altogether “Licensees”) and a customer (“Licensor”) entered into the memorandum of agreement, whereby the licensor permits the licensees to sell exclusively fountain products in the stores of the licensor. The memorandum of agreement affects all parties from 1 January 2014 until the Exclusive Distribution License Agreement has been signed by all parties. In consideration thereof, the Company, as a licensee, has an obligation to pay the marketing support fee at rates based on the purchase quantity of the licensor, as stipulated in the memorandum of agreement.

Service agreement

On 19 December 2013, The Company entered into an agreement with a local company, whereby such company will provide services and support as necessary to assist the Company’s production, distribution, marketing, promotion, and sales activities pertaining to the beverages, including maintaining the image of the Company’s trademark. In consideration thereof, the Company agreed to pay the service fee in the amount as indicated in the agreement. The agreement period is five years commencing from 1 January 2014 and ending on 31 December 2018. Unless there is notification to terminate the agreement within three months before the expiry date, the agreement will be automatically renewed for successive periods of one year.

17 Commitments with non - related parties

	Consolidated financial statements		Separate financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
	<i>(in thousand Baht)</i>			
<i>Future minimum lease payments under non- cancellable operating leases</i>				
Within one year	6,401	8,128	6,401	8,128
After one year but within five years	3,455	4,851	3,455	4,851
Total	9,856	12,979	9,856	12,979

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	31 March 2016	31 December 2015	31 March 2016	31 December 2015
	<i>(in thousand Baht)</i>			
Commitment for machinery purchased	5,120	214,992	5,120	214,992
Commitment for land improvements	3,759	-	3,759	-
Commitment for building system installment	17,040	14,848	17,040	14,848
Commitment for building improvement	3,120	15,829	3,120	15,829
Commitment for fence installment	-	547	-	-
Forward contracts	132,835	228,931	132,835	213,343
Other commitments	2,000	2,000	2,000	2,000

Operating lease commitments

- Lease agreements for advertising billboards, expiring in various periods up to February 2019.
- Lease agreements for restaurant business for a period of one year expiring in March 2016.
- Lease agreement for land and office building for a period of three years expiring in September 2017.
- Lease agreement for service of internet leased line for a period of two years expiring in June 2016.
- Lease agreements covering vehicles for periods from three to five years expiring in various periods up to August 2020.
- Lease agreements covering office equipment for a period of three years expiring in various periods up to June 2017.

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Forward contracts

As at 31 March 2016, the Group had outstanding balance of forward contracts for a period not exceeding one year as follows:

	Consolidated financial statements		Separate financial statements	
	Foreign amount	Equivalent to Baht	Foreign amount	Equivalent to Baht
		<i>(in thousand)</i>		
Euro (EUR)	3,204	<u>132,835</u>	3,204	<u>132,835</u>
Total		<u><u>132,835</u></u>		<u><u>132,835</u></u>

Other commitment

Beverage supportive agreement

In June 2014, the Company entered into a beverage supportive agreement with a company, whereby such company agrees to sell all types of the Company's beverage in the theaters which are affiliates of such company in 14 southern provinces and will not sell any other beverages which are the same or similar to the Company's beverage for a period of 4 years commencing from 1 August 2013 to 31 July 2017. The Company will pay the marketing support fee in the total amount of Baht 4.8 million in three installments which are in September 2014 amounting to Baht 2.8 million and Baht 1 million each in August 2015 and August 2016. As at 31 March 2016, the aforesaid company had unbilled the second installment due to the aforesaid company had restructured company. Therefore, the Company had outstanding commitment amounting to Baht 2.0 million.

18 Contingent liability

As at 31 March 2016, the Group was contingently liable for letters of guarantee issued by a local bank in favor of certain government agencies, state enterprises and companies totaling approximately Baht 152.3 million (*31 December 2015: Baht 164.7 million*), mainly in respect of excise tax and the use of electricity. These letters of guarantee are collateralised by the mortgage and pledge of a portion of the Group's land, buildings, machinery and equipment as discussed in note 9.

19 Event after the reporting period

At the annual general meeting of the shareholders of the Company held on 25 April 2016, the shareholders approved the appropriation of dividend of Baht 0.25 per share, amounting to Baht 49.80 million. The dividend will be paid to the shareholders in May 2016.