

**Haad Thip Public Company Limited and its subsidiary**  
**Notes to the interim financial statements**  
**For the three-month and nine-month periods ended 30 September 2017 (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 9 November 2017.

**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 (35.57% 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 30 September 2017 and 31 December 2016 is given in note 7.

**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 2016) *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 2016. 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 2016.

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 2016 except that the Group has adopted all the new and revised TFRS that are effective for annual periods beginning on or after 1 January 2017. 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 2016.

*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 chief financial 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 TFRS, 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.

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 8                      Property, plant and equipment; and
- Note 16                     Financial instruments

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**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.

**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:

<b>Name of entities</b>	<b>Country of incorporation/ nationality</b>	<b>Nature of relationships</b>
<i>Subsidiary</i>		
Southern Rocks Co., Ltd.	Thailand	Subsidiary, 99.99% shareholding
<i>Other related party</i>		
Gutsche Family Investments (Proprietary) Limited	South Africa	Major shareholder, 24.12% shareholding
<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:

<b>Transactions</b>	<b>Pricing policies</b>
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
Dividend income	Declared amount
Key management personnel compensation	As defined by the Group's policy

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Significant transactions for the three-month and nine-month periods ended 30 September 2017 and 2016 with related parties were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016
<i>Three-month period ended 30 September</i>				
	<i>(in thousand Baht)</i>			
<b>Subsidiary</b>				
Purchases of containers	-	-	120,179	108,678
Blowing plastic bottles service	-	-	2,218	5,092
Service fee for area utilisation	-	-	660	660
Rental income from land	-	-	53	53
Dividend income	-	-	-	30,938
<b>Key management personnel</b>				
Key management personnel compensation				
Short-term benefits	16,470	13,640	16,470	13,640
Post-employment benefits	979	798	979	798
<b>Total key management personnel compensation</b>	<b>17,449</b>	<b>14,438</b>	<b>17,449</b>	<b>14,438</b>
	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016
<i>Nine-month period ended 30 September</i>				
	<i>(in thousand Baht)</i>			
<b>Subsidiary</b>				
Purchases of containers	-	-	345,332	349,563
Blowing plastic bottles service	-	-	10,299	25,918
Service fee for area utilisation	-	-	1,980	1,980
Rental income from land	-	-	158	158
Dividend income	-	-	40,458	68,421
<b>Key management personnel</b>				
Key management personnel compensation				
Short-term benefits	50,563	40,174	50,563	40,174
Post-employment benefits	2,937	2,394	2,937	2,394
<b>Total key management personnel compensation</b>	<b>53,500</b>	<b>42,568</b>	<b>53,500</b>	<b>42,568</b>

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Balances as at 30 September 2017 and 31 December 2016 with related parties were as follows:

<i>Other receivable - related party</i>	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	30 September	31 December	30 September	31 December
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
<b>Subsidiary</b>				
Southern Rocks Co., Ltd.	-	-	<b>1,902</b>	<b>2,202</b>
<i>Trade account payable - related party</i>	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	30 September	31 December	30 September	31 December
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
<b>Subsidiary</b>				
Southern Rocks Co., Ltd.	-	-	<b>87,348</b>	<b>85,359</b>

**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 expired in December 2019 and 8 years expired in February 2021, 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 10 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.

*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.

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**5 Current investments**

	<i>Note</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		30 September 2017	31 December 2016	30 September 2017	31 December 2016
Investment units	16	84,107	19,063	61,639	6,788
<b>Total</b>		<b>84,107</b>	<b>19,063</b>	<b>61,639</b>	<b>6,788</b>

*(in thousand Baht)*

Movements during the nine-month periods ended 30 September 2017 and 2016 of investment units were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016
<i>Nine-month period ended 30 September</i>				
<i>Current investments in investment units</i>				
At 1 January	19,063	-	6,788	-
Purchases during the period	1,065,000	103,000	935,000	-
Sales during the period	(1,001,000)	(83,000)	(881,000)	-
Gain on sales during the period	810	144	756	-
Valuation adjustment	234	10	95	-
<b>At 30 September</b>	<b>84,107</b>	<b>20,154</b>	<b>61,639</b>	<b>-</b>

*(in thousand Baht)*

**6 Trade accounts receivable**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	30 September 2017	31 December 2016	30 September 2017	31 December 2016
Other parties	600,948	555,156	600,948	555,156
<i>Less</i> allowance for doubtful accounts	(8,552)	(9,201)	(8,552)	(9,201)
<b>Net</b>	<b>592,396</b>	<b>545,955</b>	<b>592,396</b>	<b>545,955</b>
Bad and doubtful debts expenses (reversal) for the three-month period ended 30 September	(35)	(119)	(35)	(119)
the nine-month period ended 30 September	(649)	8,499	(649)	8,499

*(in thousand Baht)*

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Aging analyses for trade accounts receivable were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	30 September 2017	31 December 2016	30 September 2017	31 December 2016
	<i>(in thousand Baht)</i>			
<b>Other parties</b>				
Within credit terms	586,978	536,644	586,978	536,644
Overdue:				
Less than 3 months	5,299	8,445	5,299	8,445
3 - 6 months	144	368	144	368
6 - 12 months	86	5,136	86	5,136
Over 12 months	8,441	4,563	8,441	4,563
	<b>600,948</b>	<b>555,156</b>	<b>600,948</b>	<b>555,156</b>
<i>Less</i> allowance for doubtful accounts	(8,552)	(9,201)	(8,552)	(9,201)
<b>Net</b>	<b>592,396</b>	<b>545,955</b>	<b>592,396</b>	<b>545,955</b>

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

## **7 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 30 September 2017, 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 2016: Baht 37.5 million*).

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Investment in subsidiary as at 30 September 2017 and 31 December 2016, and dividend income from the investment for the nine-month periods ended 30 September 2017 and 2016, were as follows:

		Separate financial statements										Dividend income for the nine-month periods ended	
Type of business	Ownership interest	Paid-up capital		Cost		Impairment		At cost- net		Dividend income for the nine-month periods ended			
		30 September 2017	31 December 2016	30 September 2017	31 December 2016	30 September 2017	31 December 2016	30 September 2017	31 December 2016	30 September 2017	30 September 2016		
		(%)						(in thousand Baht)					
<b>Subsidiary</b>													
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	40,458	68,421
<b>Total</b>						<b>59,497</b>	<b>59,497</b>	<b>-</b>	<b>-</b>	<b>59,497</b>	<b>59,497</b>	<b>40,458</b>	<b>68,421</b>

The subsidiary was incorporated in Thailand.

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**8 Property, plant and equipment**

Acquisitions, disposals and transfers of property, plant and equipment during the nine-month periods ended 30 September 2017 and 2016 were as follows:

	<b>Consolidated financial statements</b>			
	2017		2016	
	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	3,532	-	-	-
Land improvements	2,395	-	9,792	-
Buildings and structures and leasehold improvements	23,244	-	49,632	-
Machinery and equipment	1,258	-	324,272	-
Furniture and office equipment	31,067	134	39,710	40
Vehicles	52,580	169	41,456	-
Containers	1,354	796	5,272	3,416
Promotional equipment	8,948	13	6,799	-
Assets under construction and installation	105,034	67,368	475,909	416,201
<b>Total</b>	<b>229,412</b>	<b>68,480</b>	<b>952,842</b>	<b>419,657</b>

	<b>Separate financial statements</b>			
	2017		2016	
	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	3,532	-	-	-
Land improvements	2,395	-	9,792	-
Buildings and structures and leasehold improvements	22,949	-	47,392	-
Machinery and equipment	1,258	-	316,387	-
Furniture and office equipment	29,883	133	38,122	40
Vehicles	52,580	169	40,226	-
Containers	1,354	796	5,272	3,416
Promotional equipment	8,948	13	6,799	-
Assets under construction and installation	105,034	67,368	467,397	407,460
<b>Total</b>	<b>227,933</b>	<b>68,479</b>	<b>931,387</b>	<b>410,916</b>

As at 30 September 2017, the revaluation surplus net of income tax for the Group and the Company which was presented under other component of equity under "Equity" in the statement of financial position amounted to Baht 1,223.0 million and Baht 1,222.9 million, respectively (31 December 2016: for the Group and the Company amounted to Baht 1,223.0 million and Baht 1,222.9 million, respectively).

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**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.

*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 30 September 2017, the Group and the Company had unutilised credit facilities totaling Baht 1,006.0 million and Baht 883.3 million, respectively (*31 December 2016: Baht 539.7 million and Baht 417.0 million, respectively*).

During the nine-month period ended 30 September 2017, 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	26.5
	80.0	13.1
	158.0	25.9
	92.0	23.3
		<u>88.8</u>

On 23 February 2017, the Company entered into loan agreements with a financial institution for loan facilities of Baht 158 million and Baht 92 million. These loans bear interest based on MLR interest rate prescribed in the loan agreements. As at 30 September 2017, the Company had unutilised credit facilities totaling Baht 132.1 million and Baht 68.7 million, respectively.

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 secured interest-bearing liabilities.

As at 30 September 2017, a portion of the Group's and the Company's land, buildings, machinery and equipment with carrying value totaling approximately Baht 1,592.9 million and Baht 1,415.7 million, respectively (*31 December 2016: Baht 1,610.4 million and Baht 1,417.4 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.



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**14 Basic earnings per share**

The calculations of basic earnings per share for the three-month and nine-month periods ended 30 September 2017 and 2016 were based on the profit for the periods attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the periods as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
<i>Three-month period ended 30 September</i>	2017	2016	2017	2016
	<i>(in thousand Baht / thousand shares)</i>			
<b>Profit attributable to ordinary shareholders of the Company (basic)</b>	<b><u>73,380</u></b>	<b><u>43,193</u></b>	<b><u>30,671</u></b>	<b><u>27,631</u></b>
<b>Number of ordinary shares outstanding</b>	<b><u>199,218</u></b>	<b><u>199,218</u></b>	<b><u>199,218</u></b>	<b><u>199,218</u></b>
<b>Earnings per share (basic) (in Baht)</b>	<b><u>0.37</u></b>	<b><u>0.22</u></b>	<b><u>0.15</u></b>	<b><u>0.14</u></b>
	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
<i>Nine-month period ended 30 September</i>	2017	2016	2017	2016
	<i>(in thousand Baht / thousand shares)</i>			
<b>Profit attributable to ordinary shareholders of the Company (basic)</b>	<b><u>227,025</u></b>	<b><u>214,354</u></b>	<b><u>149,715</u></b>	<b><u>116,963</u></b>
<b>Number of ordinary shares outstanding</b>	<b><u>199,218</u></b>	<b><u>199,218</u></b>	<b><u>199,218</u></b>	<b><u>199,218</u></b>
<b>Earnings per share (basic) (in Baht)</b>	<b><u>1.14</u></b>	<b><u>1.08</u></b>	<b><u>0.75</u></b>	<b><u>0.59</u></b>

**15 Dividends**

At the meeting of the Board of Directors of the Company held on 16 August 2017, the Board of Directors approved the payment of interim dividend of Baht 0.38 per share, amounting to Baht 75.7 million. The dividend was paid to the shareholders in September 2017.

At the annual general meeting of the shareholders of the Company held on 26 April 2017, the shareholders approved the appropriation of dividend of Baht 0.35 per share, amounting to Baht 69.7 million. The dividend was paid to the shareholders in May 2017.

At the meeting of the Board of Directors of the Company held on 18 August 2016, the Board of Directors approved the payment of interim dividend of Baht 0.30 per share, amounting to Baht 59.8 million. The dividend was paid to the shareholders in September 2016.

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 49.8 million. The dividend was paid to the shareholders in May 2016.

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**16 Financial instruments**

*Carrying amount and fair values*

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their 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 thousand Baht)</i>					
<b>30 September 2017</b>					
<i>Financial assets/Financial liabilities measured at fair value</i>					
Investment units	84,107	-	84,107	-	84,107
Debenture	(150,000)	-	(150,565)	-	(150,565)
<b>31 December 2016</b>					
<i>Financial assets/Financial liabilities measured at fair value</i>					
Investment units	19,063	-	19,063	-	19,063
Debenture	(150,000)	-	(150,487)	-	(150,487)
	Carrying amount	Separate financial statements			
		Fair value			Total
		Level 1	Level 2	Level 3	
<i>(in thousand Baht)</i>					
<b>30 September 2017</b>					
<i>Financial assets/Financial liabilities measured at fair value</i>					
Investment units	61,639	-	61,639	-	61,639
Debenture	(150,000)	-	(150,565)	-	(150,565)
<b>31 December 2016</b>					
<i>Financial assets/Financial liabilities measured at fair value</i>					
Investment units	6,788	-	6,788	-	6,788
Debenture	(150,000)	-	(150,487)	-	(150,487)

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The Group determines Level 2 fair value for investment units by reference to the value from Asset Management Company at the reporting date.

The Group determines Level 2 fair value of debenture as at 30 September 2017 and 31 December 2016 was Baht 150.57 million and Baht 150.49 million, respectively, which have been determined based on quoted selling prices from the Thai Bond Market Association at the close of the business at the reporting date.

Fair values of current financial assets and liabilities are taken to approximate the carrying amounts 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 amounts.

## 17 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. 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.

## 18 Commitments with non - related parties

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	30 September	31 December	30 September	31 December
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
<b><i>Future minimum lease payments under non-cancellable operating leases</i></b>				
Within one year	17,805	13,517	17,805	13,517
After one year but within five years	22,326	14,473	22,326	14,473
<b>Total</b>	<b>40,131</b>	<b>27,990</b>	<b>40,131</b>	<b>27,990</b>

**Haad Thip Public Company Limited and its subsidiary**  
**Notes to the interim financial statements**  
**For the three-month and nine-month periods ended 30 September 2017 (Unaudited)**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	30 September 2017	31 December 2016 <i>(in thousand Baht)</i>	30 September 2017	31 December 2016
<b>Commitment for machinery purchased</b>	<b>752</b>	<b>807</b>	-	-
<b>Commitment under land improvement agreements</b>	<b>3,460</b>	<b>3,500</b>	<b>3,460</b>	<b>3,500</b>
<b>Commitment for building system installment</b>	<b>270</b>	<b>11,895</b>	<b>270</b>	<b>11,895</b>
<b>Commitment for accounting system improvement</b>	<b>33,016</b>	-	<b>33,016</b>	-
<b>Commitment for building improvement</b>	<b>4,048</b>	-	<b>4,048</b>	-
<b>Forward contracts</b>	<b>788</b>	<b>841</b>	-	-
<b>Other commitments</b>	-	<b>933</b>	-	<b>933</b>

*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 two years expiring in June 2018.
- Lease agreement for land and office building for a period of three years expiring in September 2020.
- Lease agreement for service of internet for periods from one to three years expiring in various periods up to May 2020.
- Lease agreements covering vehicles for periods from three to five years expiring in various periods up to December 2020.
- Lease agreement for warehouse for a period of six months expiring in November 2017.

*Forward contracts*

As at 30 September 2017, the Group had outstanding balance of forward contracts for a period not exceeding one year as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	Foreign amount	Equivalent to Baht <i>(in thousand)</i>	Foreign amount	Equivalent to Baht
United States Dollars (USD)	23	<u>788</u>	-	<u>-</u>
<b>Total</b>		<b><u>788</u></b>		<b><u>-</u></b>

**Haad Thip Public Company Limited and its subsidiary**  
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*Other commitments*

*Syrup supply agreement*

On 22 December 2015, the Company entered into a syrup supply agreement with a company. Under the term of the agreement, the Company agrees to purchase for syrup supply during 2016 - 2020 at the quantities required by the Company and at the prices specified in the agreement. The agreement may be terminated by mutual agreement or by either party by giving to the other advance written notice not less than 30 days.

*Sugar supply agreements*

The Company has sugar supply agreements with many companies. Under the terms of the agreements, the Company agrees to purchase sugar at the quantities required by the Company and at the prices specified in the agreements. These agreements are effective for a period of 1 year from the commencement date and is renewable when expire as agreed by both parties.

**19 Contingent liability**

As at 30 September 2017, 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 24.4 million (*31 December 2016: Baht 139.5 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.

**20 Thai Financial Reporting Standards (TFRS) not yet adopted**

A number of revised TFRS have been issued but are not yet effective and have not been applied in preparing these interim financial statements. Those revised TFRS that may be relevant to the Group's operations, which become effective for annual financial periods beginning on or after 1 January 2018, are set out below. The Group does not plan to adopt these TFRS early.

<b>TFRS</b>	<b>Topic</b>
TAS 1 (revised 2017)	Presentation of Financial Statements
TAS 2 (revised 2017)	Inventories
TAS 7 (revised 2017)	Statement of Cash Flows
TAS 8 (revised 2017)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2017)	Events After the Reporting Period
TAS 12 (revised 2017)	Income Taxes
TAS 16 (revised 2017)	Property, Plant and Equipment
TAS 17 (revised 2017)	Leases
TAS 18 (revised 2017)	Revenue
TAS 19 (revised 2017)	Employee Benefits
TAS 21 (revised 2017)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2017)	Borrowing Costs
TAS 24 (revised 2017)	Related Party Disclosures
TAS 27 (revised 2017)	Separate Financial Statements
TAS 33 (revised 2017)	Earnings Per Share
TAS 34 (revised 2017)	Interim Financial Reporting
TAS 36 (revised 2017)	Impairment of Assets
TAS 37 (revised 2017)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2017)	Intangible Assets

**Haad Thip Public Company Limited and its subsidiary**  
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**For the three-month and nine-month periods ended 30 September 2017 (Unaudited)**

TFRS	Topic
TAS 40 (revised 2017)	Investment Property
TFRS 8 (revised 2017)	Operating Segments
TFRS 10 (revised 2017)	Consolidated Financial Statements
TFRS 13 (revised 2017)	Fair Value Measurement
TSIC 15 (revised 2017)	Operating Leases - Incentives
TSIC 27 (revised 2017)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 32 (revised 2017)	Intangible Assets - Web Site Costs
TFRIC 1 (revised 2017)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2017)	Determining Whether an Arrangement Contains a Lease
TFRIC 10 (revised 2017)	Interim Financial Reporting and Impairment
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 21 (revised 2017)	Levies

The Group has made a preliminary assessment of the potential initial impact on the consolidated and separate financial statements of these revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

## 21 Reclassification of accounts

Certain accounts in the statement of financial position as at 31 December 2016, which are included in the 2017 interim financial statements for comparative purposes, have been reclassified to conform to the presentation in the 2017 interim financial statements.

	2016					
	Consolidated financial statements			Separate financial statements		
	Before reclass.	Reclass.	After reclass.	Before reclass.	Reclass.	After reclass.
			<i>(in thousand Baht)</i>			
<b><i>Statement of financial position as at 31 December 2016</i></b>						
Other receivables	60,897	(60,897)	-	62,673	(62,673)	-
Other current receivables	-	58,235	58,235	-	60,011	60,011
Current tax assets	-	<u>2,662</u>	2,662	-	<u>2,662</u>	2,662
		<u>-</u>			<u>-</u>	

The reclassifications have been made because, in the opinion of management, the new classification is more appropriate to the Group's business.