

**Thai Carbon Black Public Company Limited
and its Subsidiaries**

Interim financial statements
for the three-month and nine-month periods
ended 31 December 2014

and

Independent auditor's report on
review of interim financial information

Independent Auditor's Report on Review of Interim Financial Information

To the Board of Directors of Thai Carbon Black Public Company Limited

I have reviewed the accompanying consolidated and separate statements of financial position of Thai Carbon Black Public Company Limited and its subsidiaries, and of Thai Carbon Black Public Company Limited, respectively, as at 31 December 2014; the consolidated and separate statements of income and comprehensive income for the three-month and nine-month periods ended 31 December 2014; the consolidated and separate statements of changes in equity and cash flows for the nine-month period ended 31 December 2014; and condensed notes ("interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Reporting".

Other Matter

The consolidated and separate statements of financial position of Thai Carbon Black Public Company Limited and its subsidiaries, and of Thai Carbon Black Public Company Limited as at 31 March 2014, which are included as comparative information, were audited by another auditor who expressed an unqualified opinion thereon in his report dated 22 May 2014. Furthermore, the consolidated and separate statements of income and comprehensive income for the three-month and nine-month periods ended 31 December 2013, the consolidated and separate statements of changes in equity and cash flows for the nine-month period ended 31 December 2013 of Thai Carbon Black Public Company Limited and its subsidiaries, and of Thai Carbon Black Public Company Limited, which are included as comparative information, were reviewed by another auditor who expressed an unmodified conclusion thereon in his report dated 12 February 2014.

(Orawan Chuhakitpaisan)
Certified Public Accountant
Registration No. 6105

KPMG Phoomchai Audit Ltd.
Bangkok
10 February 2015

Thai Carbon Black Public Company Limited and its Subsidiaries

Statement of financial position

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
Assets		31 December 2014 (Unaudited)	31 March 2014	31 December 2014 (Unaudited)	31 March 2014
<i>(in thousand Baht)</i>					
<i>Current assets</i>					
Cash and cash equivalents		741,833	573,414	741,476	573,243
Trade accounts receivable	3, 4	886,286	1,106,562	886,286	1,106,562
Other receivables	3	170,690	16,001	170,690	16,001
Inventories		698,600	1,097,358	698,600	1,097,358
Other current assets		149,443	117,093	149,364	116,163
Total current assets		2,646,852	2,910,428	2,646,416	2,909,327
<i>Non-current assets</i>					
Investments in equity-accounted investees	5	2,789,120	3,044,774	770,364	786,981
Investment in a subsidiary	6	-	-	12,854	12,854
Other long-term investments	7	1,580,604	1,639,963	1,580,604	1,639,963
Long-term loan to related party	3	5,647,477	5,608,477	5,762,524	5,608,477
Long-term interest receivables	3	838,380	625,912	838,380	625,912
Property, plant and equipment	8	1,596,416	1,738,863	1,596,416	1,738,863
Intangible assets		2,138	1,270	2,138	1,270
Deferred tax assets	9	99,420	43,495	99,420	43,495
Other non-current assets		2,761	10,410	2,761	7,491
Total non-current assets		12,556,316	12,713,164	10,665,461	10,465,306
Total assets		15,203,168	15,623,592	13,311,877	13,374,633

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

Thai Carbon Black Public Company Limited and its Subsidiaries

Statement of financial position

		Consolidated		Separate	
		financial statements		financial statements	
		31 December	31 March	31 December	31 March
Liabilities and equity	<i>Note</i>	2014	2014	2014	2014
		(Unaudited)		(Unaudited)	
		<i>(in thousand Baht)</i>			
<i>Current liabilities</i>					
Trade accounts payable		497,189	395,970	497,189	395,970
Other payables	3	312,810	155,312	312,810	155,312
Current portion of long-term loan from financial institutions	10	1,043,066	993,781	1,043,066	993,781
Income tax payable		53,478	-	53,478	-
Other current liabilities		155,456	172,012	155,456	171,915
Total current liabilities		<u>2,061,999</u>	<u>1,717,075</u>	<u>2,061,999</u>	<u>1,716,978</u>
<i>Non-current liabilities</i>					
Long-term loan from financial institutions	10	1,463,780	2,411,792	1,463,780	2,411,792
Employee benefits obligations	11	107,567	101,226	107,567	101,226
Total non-current liabilities		<u>1,571,347</u>	<u>2,513,018</u>	<u>1,571,347</u>	<u>2,513,018</u>
Total liabilities		<u>3,633,346</u>	<u>4,230,093</u>	<u>3,633,346</u>	<u>4,229,996</u>

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

Thai Carbon Black Public Company Limited and its Subsidiaries

Statement of financial position

	Consolidated		Separate	
	financial statements		financial statements	
	31 December	31 March	31 December	31 March
	2014	2014	2014	2014
	(Unaudited)		(Unaudited)	
	<i>(in thousand Baht)</i>			
Liabilities and equity				
<i>Equity</i>				
Share capital:				
Authorised share capital	300,000	300,000	300,000	300,000
Issued and paid-up share capital	300,000	300,000	300,000	300,000
Additional paid in capital:				
Premium on ordinary shares	930,000	930,000	930,000	930,000
Retained earnings				
Appropriated				
Legal reserve	30,000	30,000	30,000	30,000
Unappropriated	11,432,244	10,670,842	8,418,531	7,884,637
Other components of equity	(1,122,422)	(537,343)	-	-
Total equity	11,569,822	11,393,499	9,678,531	9,144,637
Total liabilities and equity	15,203,168	15,623,592	13,311,877	13,374,633

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

Thai Carbon Black Public Company Limited and its Subsidiaries

Statement of income (Unaudited)

	Note	Consolidated financial statements		Separate financial statements	
		Three-month period ended		Three-month period ended	
		31 December		31 December	
		2014	2013	2014	2013
<i>(in thousand Baht)</i>					
Continuing operations					
Income					
Revenue from sale of goods		1,503,006	2,020,725	1,503,006	2,020,725
Interest income	3	63,545	62,579	63,545	62,579
Net foreign exchange gain		90,305	-	90,305	-
Gain on sale of investment in subsidiary		-	132,176	-	-
Gain on sale of investment in Associate		-	-	159	-
Other income		1,571	2,434	1,524	2,434
Total income		1,658,427	2,217,914	1,658,539	2,085,738
Expenses					
Cost of sales of goods	3	1,178,662	1,681,529	1,178,662	1,681,529
Selling expenses		47,011	45,274	47,011	45,274
Administrative expenses	3	128,080	84,335	124,829	84,305
Net foreign exchange loss		-	18,341	-	16,906
Finance costs		31,934	44,747	31,934	44,747
Total expenses		1,385,687	1,874,226	1,382,436	1,872,761
Share of profit of equity-accounted investees					
Associates	5	48,562	55,101	-	-
Total		48,562	55,101	-	-
Profit before income tax expense					
from continuing operations		321,302	398,789	276,103	212,977
Income tax expense (income)	13	43,403	(135,457)	43,403	37,217
Profit from continuing operations		277,899	534,246	232,700	175,760
Discontinued operation					
Loss from discontinued operation, net of income tax		-	2,344	-	-
Profit for the period		277,899	531,902	232,700	175,760

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

Thai Carbon Black Public Company Limited and its Subsidiaries

Statement of income (Unaudited)

	Note	Consolidated financial statements		Separate financial statements	
		Three-month period ended		Three-month period ended	
		31 December		31 December	
		2014	2013	2014	2013
<i>(in thousand Baht)</i>					
Continuing operations					
Profit attributable to:					
Owners of the Company		277,899	534,246	232,700	175,760
Loss from discontinued operation, net of income tax		-	(2,344)	-	-
Profit for the period		<u>277,899</u>	<u>531,902</u>	<u>232,700</u>	<u>175,760</u>
Earnings per share - continuing operations					
Basic earnings per share <i>(in Baht)</i>	14	<u>0.93</u>	<u>1.78</u>	<u>0.78</u>	<u>0.59</u>
Loss per share - discontinued operation					
Basic loss per share <i>(in Baht)</i>	14	<u>-</u>	<u>(0.01)</u>	<u>-</u>	<u>-</u>
Earnings per share					
Basic earnings per share <i>(in Baht)</i>	14	<u>0.93</u>	<u>1.77</u>	<u>0.78</u>	<u>0.59</u>

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

Thai Carbon Black Public Company Limited and its Subsidiaries

Statement of comprehensive income (Unaudited)

	Consolidated		Separate	
	financial statements		financial statements	
	Three-month period ended		Three-month period ended	
	31 December		31 December	
Note	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Profit for the period	277,899	531,902	232,700	175,760
Other comprehensive income				
Foreign currency translation differences for foreign operations	(401,222)	44,744	-	-
Other comprehensive income for the period, net of income tax	(401,222)	44,744	-	-
Total comprehensive income for the period	(123,323)	576,646	232,700	175,760
Total comprehensive income attributable to:				
Owners of the Company	(123,323)	576,646	232,700	175,760
Non-controlling interests	-	-	-	-
Total comprehensive income for the period	(123,323)	576,646	232,700	175,760

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

Thai Carbon Black Public Company Limited and its Subsidiaries

Statement of income (Unaudited)

	Note	Consolidated financial statements		Separate financial statements	
		Nine-month period ended		Nine-month period ended	
		31 December		31 December	
		2014	2013	2014	2013
<i>(in thousand Baht)</i>					
Continuing operations					
Income					
Revenue from sale of goods		5,136,561	6,099,511	5,136,561	6,099,511
Dividend income	3,5,7	11,387	8,545	39,398	49,575
Interest income	3	185,582	178,980	185,582	178,980
Net foreign exchange gain		163,181	-	163,181	-
Gain on sale of investment in subsidiary		-	132,176	-	-
Gain on sale of investment in associate		-	-	159	-
Other income		5,001	7,208	4,954	7,208
Total income		5,501,712	6,426,420	5,529,835	6,335,274
Expenses					
Cost of sales of goods	3	4,235,469	5,070,121	4,235,469	5,070,121
Selling expenses		125,322	131,271	125,322	131,271
Administrative expenses	3	260,954	198,677	257,623	198,846
Impairment loss on investments in associate	5	-	-	8,305	-
Loss on provision for liability from sales of subsidiary		-	-	-	99,157
Impairment loss on other long-term investments	7	59,358	-	59,358	-
Net foreign exchange loss		-	73,816	-	74,130
Finance costs		100,706	156,852	100,706	156,852
Total expenses		4,781,809	5,630,737	4,786,783	5,730,377
Share of profit of equity-accounted investees					
Associates	5	250,657	215,877	-	-
Total		250,657	215,877	-	-
Profit before income tax expense					
from continuing operations		970,560	1,011,560	743,052	604,897
Income tax expense (income)	13	77,158	(82,594)	77,158	70,249
Profit from continuing operations		893,402	1,094,154	665,894	534,648
Discontinued operation					
Loss from discontinued operation, net of income tax		-	96,818	-	-
Profit for the period		893,402	997,336	665,894	534,648

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

Thai Carbon Black Public Company Limited and its Subsidiaries

Statement of income (Unaudited)

	Note	Consolidated financial statements		Separate financial statements	
		Nine-month period ended		Nine-month period ended	
		31 December		31 December	
		2014	2013	2014	2013
<i>(in thousand Baht)</i>					
Continuing operations					
Profit attributable to:					
Owners of the Company		893,402	1,094,154	665,894	534,648
Loss from discontinued operation, net of income tax		-	(96,818)	-	-
Profit for the period		<u>893,402</u>	<u>997,336</u>	<u>665,894</u>	<u>534,648</u>
Earnings per share - continuing operations					
Basic earnings per share <i>(in Baht)</i>	14	<u>2.98</u>	<u>3.65</u>	<u>2.22</u>	<u>1.78</u>
Loss per share - discontinued operation					
Basic loss per share <i>(in Baht)</i>	14	<u>-</u>	<u>(0.32)</u>	<u>-</u>	<u>-</u>
Earnings per share					
Basic earnings per share <i>(in Baht)</i>	14	<u>2.98</u>	<u>3.32</u>	<u>2.22</u>	<u>1.78</u>

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

Thai Carbon Black Public Company Limited and its Subsidiaries

Statement of comprehensive income (Unaudited)

	Consolidated		Separate	
	financial statements		financial statements	
	Nine-month period ended		Nine-month period ended	
	31 December		31 December	
Note	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Profit for the period	893,402	997,336	665,894	534,648
Other comprehensive income				
Foreign currency translation differences for foreign operations	(587,366)	66,712	-	-
Other comprehensive income for the period, net of income tax	(587,366)	66,712	-	-
Total comprehensive income for the period	306,036	1,064,048	665,894	534,648
Total comprehensive income attributable to:				
Owners of the Company	306,036	1,064,048	665,894	534,648
Non-controlling interests	-	-	-	-
Total comprehensive income for the period	306,036	1,064,048	665,894	534,648

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

Thai Carbon Black Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

	Consolidated financial statements								
	Issued and paid-up share capital	Share premium	Legal reserve	Retained earnings		Other component of equity		Total Equity attributable to owners of the Company	
				Unappropriated	Currency translation differences	Excess of cost of investment in subsidiary over the carrying amount of the interest acquired	Total other components of equity		
	<i>Note</i>								
Nine-month period ended 31 December 2013									
Balance at 1 April 2013		300,000	930,000	30,000	9,711,510	(611,049)	(37,265)	(648,314)	10,323,196
Transactions with owners, recorded directly in equity									
Sales of investments in subsidiary		-	-	-	-	-	37,265	37,265	37,265
Dividends to owners of the Company	15	-	-	-	(165,000)	-	-	-	(165,000)
Total transactions with owners, recorded directly in equity		-	-	-	(165,000)	-	37,265	37,265	(127,735)
Comprehensive income for the period									
Profit		-	-	-	997,336	-	-	-	997,336
Other comprehensive income		-	-	-	-	66,712	-	66,712	66,712
Total comprehensive income for the period		-	-	-	997,336	66,712	-	66,712	1,064,048
Balance at 31 December 2013		300,000	930,000	30,000	10,543,846	(544,337)	-	(544,337)	11,259,509

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

Thai Carbon Black Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

	Note	Separate financial statements			Total equity	
		Issued and paid-up share capital	Share premium	Retained earnings Legal reserve Unappropriated		
<i>(in thousand Baht)</i>						
Nine-month period ended 31 December 2013						
Balance at 1 April 2013		300,000	930,000	30,000	7,525,300	8,785,300
Transactions with owners, recorded directly in equity						
Dividends to owners of the Company	15	-	-	-	(165,000)	(165,000)
Total transactions with owners, recorded directly in equity		-	-	-	(165,000)	(165,000)
Comprehensive income for the period						
Profit		-	-	-	534,648	534,648
Total comprehensive income for the period		-	-	-	534,648	534,648
Balance at 31 December 2013		300,000	930,000	30,000	7,894,948	9,154,948
Nine-month period ended 31 December 2014						
Balance at 1 April 2014		300,000	930,000	30,000	7,884,637	9,144,637
Transactions with owners, recorded directly in equity						
Dividends to owners of the Company	15	-	-	-	(132,000)	(132,000)
Total transactions with owners, recorded directly in equity		-	-	-	(132,000)	(132,000)
Comprehensive income for the period						
Profit		-	-	-	665,894	665,894
Total comprehensive income for the period		-	-	-	665,894	665,894
Balance at 31 December 2014		300,000	930,000	30,000	8,418,531	9,678,531

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

Thai Carbon Black Public Company Limited and its Subsidiaries

Statement of cash flows (Unaudited)

	Consolidated		Separate		
	financial statements		financial statements		
	For the nine-month period 31 December		For the nine-month period 31 December		
Note	2014	2013	2014	2013	
<i>(in thousand Baht)</i>					
<i>Cash flows from operating activities</i>					
Profit for the period		893,402	997,336	665,894	534,648
<i>Adjustments for</i>					
Depreciation		222,910	282,946	222,910	239,729
Amortisation of intangible assets		983	525	983	525
Reversal of allowance for decline in value of inventories		-	(17,180)	-	-
Dividend income		(11,387)	(8,545)	(39,398)	(49,575)
Interest income		(185,582)	(178,980)	(185,582)	(178,980)
Finance costs		100,706	156,852	100,706	156,852
Reversal of allowance for doubtful accounts		-	(567)	-	-
Amortisation of deferred transaction cost		19,455	24,823	19,455	24,823
Unrealised loss (gain) on exchange rate		(260,908)	(137,782)	(260,152)	(261,459)
Unrealised loss on derivatives		110,571	375,148	110,571	375,148
Gain on disposal of property, plant and equipment		(180)	(523)	(180)	(523)
Gain on sale of investment in associate		-	-	(159)	-
Loss (gain) on sale of investment in subsidiary		-	(132,176)	-	99,157
Allowance for impairment loss on other					
long-term investments		59,359	-	59,359	-
Allowance for impairment loss on investment					
in an associate		-	-	8,305	-
Share of profit of equity-accounted investees,					
net of income tax	5	(250,657)	(215,877)	-	-
Employee benefit obligations		7,391	7,751	7,391	7,751
Income tax expense (income)		77,158	(82,594)	77,158	70,249
		<u>783,221</u>	<u>1,071,157</u>	<u>787,261</u>	<u>1,018,345</u>
<i>Changes in operating assets and liabilities</i>					
Trade accounts receivable		229,570	(118,914)	229,570	(79,054)
Other receivables		(154,689)	(97,902)	(154,689)	(240,547)
Inventories		398,758	588,686	398,758	566,234
Other current assets		(32,351)	(57,075)	(33,201)	72,136
Other non-current assets		7,649	(2,994)	4,730	327
Trade accounts payable		93,354	669,239	93,354	737,739
Other payables		157,498	32,700	157,498	(57,404)
Other current liabilities		(16,687)	(13,633)	(16,687)	(6,770)
Employee benefit obligations paid		(1,049)	(1,456)	(1,049)	(1,456)
Cash generated from operating activities		<u>1,465,274</u>	<u>2,069,808</u>	<u>1,465,545</u>	<u>2,009,550</u>

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

Thai Carbon Black Public Company Limited and its Subsidiaries

Statement of cash flows (Unaudited)

	Consolidated		Separate	
	financial statements		financial statements	
	For the nine-month period 31 December		For the nine-month period 31 December	
Note	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Income tax paid	(79,605)	(207,895)	(79,605)	(184,226)
Net cash from operating activities	1,385,669	1,861,913	1,385,940	1,825,324
<i>Cash flows from investing activities</i>				
Interest received	6,718	11,000	6,718	10,826
Dividend received	39,398	49,575	39,398	49,575
Payment of payables on purchase of property, plant and equipment	(39,165)	(27,370)	(39,165)	(27,370)
Sale of property, plant and equipment	712	523	712	523
Net cash paid from sales of investment in subsidiary	-	(124,468)	-	(99,472)
Proceed from sale of investment in associate	8,471	-	8,471	-
Net cash from (used in) investing activities	16,134	(90,740)	16,134	(65,918)
<i>Cash flows from financing activities</i>				
Interest paid	(101,631)	(157,210)	(102,088)	(96,249)
Dividends paid	(132,000)	(165,000)	(132,000)	(165,000)
Decrease in short-term loans from financial institutions	-	(49,350)	-	-
Increase in short-term loans from related party	-	262,789	-	-
Repayment of borrowings	(999,753)	(1,108,477)	(999,753)	(938,166)
Net cash used in financing activities	(1,233,384)	(1,217,248)	(1,233,841)	(1,199,415)
Net increase in cash and cash equivalents	168,419	553,925	168,233	559,991
Cash and cash equivalents at 1 April	573,414	260,363	573,243	254,125
Cash and cash equivalents at 31 December	741,833	814,288	741,476	814,116

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

Thai Carbon Black Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 31 December 2014 (Unaudited)

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Thai Carbon Black Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 31 December 2014 (Unaudited)

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 statutory financial statements, and were approved and authorised for issue by the Company's authorized Directors on 10 February 2015.

1 General information

Thai Carbon Black Public Company Limited, "the Company", is incorporated in Thailand and has its registered office and factory as follows:

Head office: No. 888/122, 128, Mahatun Plaza Building, 16th Floor, Ploenchit Road, Lumpini, Patumwan, Bangkok.

Factory: 44 Moo1, Ayuthaya-Angthong Highway, Posa, Muang, Angthong.

The Company was listed on the Stock Exchange of Thailand in 1990.

The major shareholders of the Company during the financial period were Thai Rayon Public Company Limited (24.98%), CIMB Securities (Singapore) Pte. Ltd. (18.35%) and Everlon International Holdings Limited (12.56%).

The principal activities of the Group are the manufacture and sale of carbon black. Details of the Company's subsidiaries and associates as at 31 December 2014 and 31 March 2014 are given in notes 5 and 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 2012) *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 March 2014. 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 subsidiaries for the year ended 31 March 2014.

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 March 2014 except that the Group has adopted all the new and revised TFRS that are effective for annual periods beginning on or after 1 January 2014. 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 or the Company.

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(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.

(c) Use of estimates and judgements

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 March 2014.

3 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 subsidiaries and associates are described in note 5 and 6. Relationships with key management and other related parties were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Thai Rayon Public Company Limited	Thailand	Major shareholder of the Company, 10% or more shareholding.
Thai Acrylic Fiber Co., Ltd.	Thailand	The Company has 10% or more shareholding, common directors.
Hi-Tech Carbon	India	Same ultimate parent company
Columbian Chemicals Company	U.S.A	Same ultimate parent company
Alexandria Carbon Black Company S.A.E	U.S.A	Same ultimate parent company
Aditya Birla Sciences Co., Ltd.	India	Same ultimate parent company
Key management personnel		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 transactions with related parties are explained further below:

Transactions	Pricing policies
Purchase of goods	With reference to market price
Interest income	LIBOR+3.5% per annum
Share of production cost – steam and electric power	With reference to market price
Other expenses	By mutual agreement

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Significant transactions for the three-month and nine-month periods ended 31 December 2014 and 2013 with related parties were as follows:

<i>Three-month periods ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Associates				
Interest income	60,962	38,844	60,962	38,844
Key management personnel				
Key management personnel compensation				
Short-term employee benefit	8,627	10,254	8,627	10,254
Post-employment benefits	227	769	227	769
Total key management personnel compensation	8,854	11,023	8,854	11,023
Directors' remuneration	823	848	823	848
Other related parties				
Share of production cost – steam and electric power	72,935	6,790	72,935	6,790
Rent expenses	810	810	810	810
Gain on sale of investment in subsidiary	-	132,176	-	-
<i>Nine-month periods ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Associates				
Interest income	178,866	167,494	178,866	167,494
Dividend income	-	-	28,011	41,030
Key management personnel				
Key management personnel compensation				
Short-term employee benefit	26,845	27,211	26,845	25,036
Post-employment benefits	1,049	2,757	1,049	2,757
Total key management personnel compensation	27,894	29,968	27,894	27,793
Directors' remuneration	2,564	2,794	2,564	2,794
Other related parties				
Dividend income	11,387	8,545	11,387	8,545
Share of production cost – steam and electric power	215,768	167,959	215,768	167,959
Rent expenses	2,430	2,430	2,430	2,430
Gain (loss) on sale of investment in subsidiary	-	132,176	-	(99,157)

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Balances as at 31 December 2014 and 31 March 2014 with related parties were as follows:

<i>Trade accounts receivable - related parties</i>	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	31	31	31	31
	December	March	December	March
	2014	2014	2014	2014
	<i>(in thousand Baht)</i>			
Other related parties	-	43,872	-	43,872
Total	-	43,872	-	43,872

<i>Other receivables - related parties</i>	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	31	31	31	31
	December	March	December	March
	2014	2014	2014	2014
	<i>(in thousand Baht)</i>			
Other related parties	48,041	2,592	48,041	2,592
Total	48,041	2,592	48,041	2,592

<i>Long-term interest receivables - related parties</i>	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	31	31	31	31
	December	March	December	March
	2014	2014	2014	2014
	<i>(in thousand Baht)</i>			
Associate	838,380	625,912	838,380	625,912
Total	838,380	625,912	838,380	625,912

<i>Long-term loan to related party</i>	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	31	31	31	31
	December	March	December	March
	2014	2014	2014	2014
	<i>(in thousand Baht)</i>			
Associate	5,647,477	5,608,477	5,762,524	5,608,477
Long-term loan to related party	5,647,477	5,608,477	5,762,524	5,608,477

Movements during the nine-month periods ended 31 December 2014 and 2013 of loan to related party were as follows:

<i>Long-term loan to related party</i>	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
<i>Associate</i>				
At 1 April	5,608,477	5,065,442	5,608,477	5,065,442
Unrealised gain on exchange	154,047	617,399	154,047	617,399
Share of loss in other comprehensive income of an associate	(115,047)	-	-	-
At 31 December	5,647,477	5,682,841	5,762,524	5,682,841

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<i>Other payables - related parties</i>	Consolidated		Separate	
	financial statements		financial statements	
	31	31	31	31
	December	March	December	March
	2014	2014	2014	2014
	<i>(in thousand Baht)</i>			
Other related parties	76,453	48,836	76,453	48,836
Total	76,453	48,836	76,453	48,836

Loan agreement

In 2011, the Company entered into a loan agreement with an associate in which the Company has lent a loan for an amount of USD 172.9 million, with an interest rate at LIBOR+3.5% per annum. This loan is scheduled to be repaid in 2016.

4 Trade accounts receivable

	<i>Note</i>	Consolidated and separate	
		financial statements	
		31	31
		December	March
		2014	2014
		<i>(in thousand Baht)</i>	
Related parties	3	-	43,872
Other parties		886,286	1,062,690
Total		886,286	1,106,562
<i>Less</i> allowance for doubtful accounts		-	-
Net		886,286	1,106,562
		2014	2013
		<i>(in thousand Baht)</i>	
Bad and doubtful debts expense for the nine-month period ended 31 December		-	-

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Aging analyses for trade accounts receivable were as follows:

	Consolidated and separate financial statements	
	31 December 2014	31 March 2014
	<i>(in thousand Baht)</i>	
Related parties		
Within credit terms	-	43,872
	<u>-</u>	<u>43,872</u>
Other parties		
Within credit terms	767,743	968,512
Overdue:		
Less than 3 months	118,088	93,327
3 - 6 months	-	827
6 - 12 months	-	22
Over 12 months	455	2
	<u>886,286</u>	<u>1,062,690</u>
Less allowance for doubtful accounts	-	-
	<u>886,286</u>	<u>1,062,690</u>
Net	<u><u>886,286</u></u>	<u><u>1,106,562</u></u>

The normal credit term granted by the Group ranges from 15 days to 120 days.

5 Investments in equity-accounted investees

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Associates				
At 1 April	3,044,774	2,756,002	786,981	786,981
Share of profits of equity- accounted investees, net	250,657	215,877	-	-
Dividend income	(28,011)	(41,030)	-	-
Disposal	(6,185)	-	(16,617)	-
Currency translation differences	(472,115)	71,769	-	-
At 31 December	<u><u>2,789,120</u></u>	<u><u>3,002,618</u></u>	<u><u>770,364</u></u>	<u><u>786,981</u></u>

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	Ownership interest		Paid-up capital		Cost		Dividend income	
	31	31	31	31	31	31	31	31
	December	March	December	March	December	March	December	December
	2014	2014	2014	2014	2014	2014	2014	2013
	(%)				<i>(in thousand Baht)</i>			
Associates								
P.T. Indo Liberty Textiles	40.00	40.00	515,664	515,664	196,948	196,948	2,520	15,539
Aditya Birla Chemicals (Thailand) Limited	29.99	29.99	1,700,000	1,700,000	509,820	509,820	25,491	25,491
Ameri Blend Inc.	-	49.00	33,912	33,912	-	16,617	-	-
Indigold Carbon (Mauritius) Limited	20.59	20.59	308,870	308,870	63,596	63,596	-	-
Total					770,364	786,981	28,011	41,030

The Board of Directors, in meeting held on 14 August 2014, approved disposal of an investment in Ameri Blend Inc. (49 shares of common stock being 49% of total common stock) to Swiss Singapore Overseas Enterprises Pte. Ltd. for a consideration of USD 257,250 (*Baht 8.2 million*).

The Company recorded an impairment loss for investment in Ameri Blend Inc. for the amount of Baht 8.3 million in the statement of income for the nine-month period ended 31 December 2014.

As at 31 December 2014, the disposal is completed and the company recorded gain from disposal of investment for the amount of Baht 159,000.

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6 Investments in subsidiaries

	Separate financial statements	
	2014	2013
	<i>(in thousand Baht)</i>	
At 1 April	12,854	712,588
Addition	-	64,477
Allowance for impairment	-	(764,211)
At 31 December	<u>12,854</u>	<u>12,854</u>

Investments in subsidiaries as at 31 December 2014 and 31 March 2014 and dividend income from those investments for the nine-month periods ended 31 December 2014 and 2013 were as follows:

Name of subsidiary	Type of business	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net		Dividend income	
		31 December 2014	31 March 2014	31 December 2014	31 March 2014	31 December 2014	31 March 2014	31 December 2014	31 March 2014	31 December 2014	31 March 2014	31 December 2014	31 December 2013
		(%)						<i>(in thousand Baht)</i>					
Direct subsidiary													
Birla Carbon Mexico, S.A. DE C.V.	Carbon Manufacturing	98	98	12,854	12,854	<u>12,854</u>	<u>12,854</u>	-	-	<u>12,854</u>	<u>12,854</u>	-	-
Total						<u>12,854</u>	<u>12,854</u>	<u>-</u>	<u>-</u>	<u>12,854</u>	<u>12,854</u>	<u>-</u>	<u>-</u>

In July 2013, the Company's Board of Directors meeting passed a resolution to approve the disposal of the Company's investment in Liaoning Birla Carbon Co., Ltd., a subsidiary, which had a paid up value of approximately CNY 169.6 million. This represented 100% of the registered share capital of the subsidiary. The Company paid an amount of USD 3.2 million (approximately Baht 99 million) to the buyer who is a subsidiary of an associate of the Company. The amount paid was to complete the disposal, since the subsidiary has negative net worth and its total liabilities exceed its total assets. The disposal of the Company's investment in Liaoning Birla Carbon Co., Ltd. was completed in October 2013. The Company recorded gain on sale of investment in a subsidiary for the amount of Baht 132.2 million in the consolidated statement of income for the nine-month period ended 31 December 2013 and loss on provision for liability from sales of subsidiary for the amount of Baht 99.2 million in the separate statement of income for the nine-month period ended 31 December 2013 (note 3).

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7 Other long-term investments

	Consolidate financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
At 1 April	1,639,963	1,744,358	1,639,963	1,846,560
Impairment loss	(59,359)	-	(59,359)	-
At 31 December	<u>1,580,604</u>	<u>1,744,358</u>	<u>1,580,604</u>	<u>1,846,560</u>

The Company recorded an impairment loss of Baht 59,359 thousand in the consolidated and separate financial statements for the nine-month period ended 31 December 2014.

During the nine-month period ended 31 December 2014, the Company received dividend income from its investments in Thai Acrylic Fiber Co., Ltd. totaling Baht 11,387 thousand (2013: Baht 8,545 thousand).

8 Property, plant and equipment

Acquisitions, disposals and transfers of property, plant and equipment during the nine-month periods ended 31 December 2014 and 2013 were as follows:

	Consolidated financial statements			
	2014		2013	
	Acquisitions and transfers in - at cost	Disposals and transfers out - net book value	Acquisitions and transfers in - at cost	Disposals and transfers out - net book value
	<i>(in thousand Baht)</i>			
Building and road	-	-	1,149	109,345
Machinery and equipment	-	-	21,808	304,870
Vehicles	-	-	1,579	2,202
Furniture and fixtures	798	1,801	26	759
Assets under construction	68,814	6	91,733	27,553
Total	<u>69,612</u>	<u>1,807</u>	<u>116,295</u>	<u>444,729</u>

	Separate financial statements			
	2014		2013	
	Acquisitions and transfers in - at cost	Disposals and transfers out - net book value	Acquisitions and transfers in - at cost	Disposals and transfers out - net book value
	<i>(in thousand Baht)</i>			
Building and road	-	-	1,149	-
Machinery and equipment	-	-	21,808	6,369
Vehicles	-	-	1,579	2,026
Furniture and fixtures	798	1,801	-	9
Assets under construction	68,814	6	91,559	24,937
Total	<u>69,612</u>	<u>1,807</u>	<u>116,095</u>	<u>33,341</u>

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9 Deferred tax

Deferred tax assets and liabilities as at 31 December 2014 and 31 March 2014 were as follows:

	Consolidated and separate financial statements			
	Assets		Liabilities	
	31	31	31	31
	December	March	December	March
	2014	2014	2014	2014
	<i>(in thousand Baht)</i>			
Total	104,382	52,348	(4,962)	(8,853)
Set off of tax	(4,962)	(8,853)	4,962	8,853
Net deferred tax assets (liabilities)	99,420	43,495	-	-

Movements in total deferred tax assets and liabilities during the nine-month periods ended 31 December 2014 and 2013 were as follows:

	Consolidated financial statements		
	At 1 April 2014	(Charged) / Credited to: profit or loss	At 31 December 2014
	<i>(in thousand Baht)</i>		
Deferred tax assets			
Provision for impairment of investment in an associate	-	1,661	1,661
Provision for impairment of other investments	-	53,191	53,191
Provision for employee benefits	20,245	1,268	21,513
Unrealized loss from derivatives	27,234	(5,120)	22,114
Others	4,869	1,034	5,903
Total	52,348	52,034	104,382
Deferred tax liabilities			
Deferred transaction cost	8,853	(3,891)	4,962
Total	8,853	(3,891)	4,962
Net	43,495	55,925	99,420
Consolidated financial statements			
	At 1 April 2013	(Charged) / Credited to: profit or loss	At 31 December 2013
	<i>(in thousand Baht)</i>		
Deferred tax assets			
Provision for employee benefits	20,100	1,259	21,359
Unrealized loss from derivatives	-	49,763	49,763
Others	3,972	1,341	5,313
Total	24,072	52,363	76,435
Deferred tax liabilities			
Deferred transaction cost	15,241	(4,965)	10,276
Unrealized gain from derivatives	25,266	(25,266)	-
Total	40,507	(30,231)	10,276
Net	(16,435)	82,594	66,159

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	Separate financial statements		
	At 1 April 2014	(Charged) / Credited to: profit or loss <i>(in thousand Baht)</i>	At 31 December 2014
<i>Deferred tax assets</i>			
Provision for impairment of investment in an associate	-	1,661	1,661
Provision for impairment of other investments	-	53,191	53,191
Provision for employee benefits	20,245	1,268	21,513
Unrealized loss from derivatives	27,234	(5,120)	22,114
Others	4,869	1,034	5,903
Total	52,348	52,034	104,382
<i>Deferred tax liabilities</i>			
Deferred transaction cost	8,853	(3,891)	4,962
Total	8,853	(3,891)	4,962
Net	43,495	55,925	99,420

	Separate financial statements		
	At 1 April 2013	(Charged) / Credited to: profit or loss <i>(in thousand Baht)</i>	At 31 December 2013
<i>Deferred tax assets</i>			
Provision for long-term loan to subsidiary	12,896	(12,172)	724
Provision for impairment of investment in subsidiary	139,936	(139,936)	-
Provision for employee benefits	20,100	1,259	21,359
Unrealized loss from derivatives	-	49,763	49,763
Others	3,972	606	4,578
Total	176,904	(100,480)	76,424
<i>Deferred tax liabilities</i>			
Deferred transaction cost	15,241	(4,965)	10,276
Unrealized gain from derivatives	25,266	(25,266)	-
Total	40,507	(30,231)	10,276
Net	136,397	(70,249)	66,148

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10 Long-term loan from financial institutions

	Consolidated and separate financial statements	
	31 December 2014	31 March 2014
	<i>(in thousand Baht)</i>	
<i>Current</i>		
Current portion of long-term loan from financial institution	1,043,066	993,781
<i>Non-current</i>		
Long-term loan from financial institution	<u>1,463,780</u>	<u>2,411,792</u>
	<u>2,506,846</u>	<u>3,405,573</u>

Movements during the nine-month periods ended 31 December 2014 and 2013 of long-term loan from financial institutions were as follows:

	Consolidated and separate financial statements	
	2014	2013
	<i>(in thousand Baht)</i>	
At 1 April	3,405,573	3,910,429
Repayment during period	(999,753)	(938,166)
Amortised deferred transaction cost	19,455	24,822
Exchange rate adjustments	<u>81,571</u>	<u>447,090</u>
At 31 December	<u>2,506,846</u>	<u>3,444,175</u>

The long-term loan from financial institutions bears interest at LIBOR+2.30% per annum. Principal and interest are repayable every 6 months. The last installment is payable in 20 June 2016.

The loan is secured by pledge of its bank accounts, trade accounts receivable, property plant and equipment, intellectual property, monetary claims under specific contracts such as loan to related parties, insurance policies and asset outside Thailand.

The loan agreement contains certain covenants, pertaining to matters such as the maintenance of financial ratios, restrictions on the use of capital and restrictions on creating commitments.

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11 Employee benefits obligations

Movements during the nine-month periods ended 31 December 2014 and 2013 of employee benefits obligations were as follows:

	Consolidated and separate financial statements	
	2014	2013
	<i>(in thousand Baht)</i>	
At 1 April	101,226	100,499
Current service cost	4,622	4,829
Interest on obligation	2,769	2,922
Benefits paid during the period	(1,050)	(1,456)
At 31 December	<u>107,567</u>	<u>106,794</u>

Current service cost and interest on obligation is recognised in the administrative expenses in the statement of income.

12 Segment information

Management considers that the Group operates in a single line of business, namely carbon black, and has, therefore, only one reportable segment.

13 Income tax expense

Income tax recognised in profit or loss

<i>Nine-month periods ended</i>	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
		<i>(in thousand Baht)</i>			
Current tax expense		133,083	-	133,083	-
Deferred income tax	9	(55,925)	(82,594)	(55,925)	70,249
Total income tax expense		<u>77,158</u>	<u>(82,594)</u>	<u>77,158</u>	<u>70,249</u>

The current tax expense in the consolidated and separate statements of income are different from the amount determined by applying the Thai corporation tax rate to the accounting profit for the period principally because:

- (a) a portion of the Group's profit was derived from promoted activities which are not subject to tax.
- (b) of the different treatment for accounting and taxation purposes of certain items of income / expense, in particular, dividend income and impairment loss of investments.

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14 Earnings per share

Basic earnings (loss) per share

The calculations of basic earnings (loss) per share for the three-month and nine-month periods ended 31 December 2014 and 2013 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 follow :

<i>Three-month periods ended 31 December</i>	Consolidated financial statements						Separate financial statements					
	2014			2013			2014			2013		
	Continuing operation	Discontinued operation	Total	Continuing operations	Discontinued operation	Total	Continuing operations	Discontinued operation	Total	Continuing operation	Discontinued operation	Total
Profit (loss) attributable to ordinary shareholders of the Company (basic)	<u>277,899</u>	<u>-</u>	<u>277,899</u>	<u>534,246</u>	<u>(2,344)</u>	<u>531,902</u>	<u>232,700</u>	<u>-</u>	<u>232,700</u>	<u>175,760</u>	<u>-</u>	<u>175,760</u>
Weighted average number of ordinary shares outstanding (basic)	<u>300,000</u>	<u>-</u>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>-</u>	<u>300,000</u>	<u>300,000</u>	<u>-</u>	<u>300,000</u>
Earnings (loss) per share (basic) (in Baht)	<u>0.93</u>	<u>-</u>	<u>0.93</u>	<u>1.78</u>	<u>(0.01)</u>	<u>1.77</u>	<u>0.78</u>	<u>-</u>	<u>0.78</u>	<u>0.59</u>	<u>-</u>	<u>0.59</u>

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<i>Nine-month periods ended 31 December</i>	Consolidated financial statements						Separate financial statements					
	2014			2013			2014			2013		
	Continuing operation	Discontinued operation	Total	Continuing operations	Discontinued operation	Total	Continuing operations	Discontinued operation	Total	Continuing operation	Discontinued operation	Total
	<i>(in thousand Baht / thousand shares)</i>											
Profit (loss) attributable to ordinary shareholders of the Company (basic)	<u>893,402</u>	<u>-</u>	<u>893,402</u>	<u>1,094,154</u>	<u>(96,818)</u>	<u>997,336</u>	<u>665,894</u>	<u>-</u>	<u>665,894</u>	<u>534,648</u>	<u>-</u>	<u>534,648</u>
Weighted average number of ordinary shares outstanding (basic)	<u>300,000</u>	<u>-</u>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>-</u>	<u>300,000</u>	<u>300,000</u>	<u>-</u>	<u>300,000</u>
Earnings (loss) per share (basic) (<i>in Baht</i>)	<u>2.98</u>	<u>-</u>	<u>2.98</u>	<u>3.65</u>	<u>(0.32)</u>	<u>3.32</u>	<u>2.22</u>	<u>-</u>	<u>2.22</u>	<u>1.78</u>	<u>-</u>	<u>1.78</u>

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15 Dividends

At the annual general meeting of the shareholders of the Company held on 16 July 2014, the shareholders approved the appropriation of dividend of Baht 0.44 per share, amounting to Baht 132 million. The dividend was paid to shareholders in August 2014.

At the annual general meeting of the shareholders of the Company held on 19 April 2013, the shareholders approved the appropriation of dividend of Baht 0.44 per share, amounting to Baht 132 million. The dividend was paid to shareholders in May 2013.

At the annual general meeting of the shareholders of the Company held on 12 July 2013, the shareholders approved the appropriation of dividend of Baht 0.11 per share, amounting to Baht 33 million. The dividend was paid to shareholders in August 2013.

16 Commitments and contingent liabilities with non-related parties

	Consolidated and separate financial statements	
	31	31
	December	March
	2014	2014
	<i>(in thousand Baht)</i>	
<i>Capital commitments</i>		
Machinery and equipment	12,124	53,963
Total	<u>12,124</u>	<u>53,963</u>
<i>Non-cancellable operating lease commitments</i>		
Within one year	5,670	4,561
After one year but within five years	7,290	11,543
Total	<u>12,960</u>	<u>16,104</u>
<i>Other commitments</i>		
Bank guarantees <i>(for own performance)</i>	12,548	12,548
Total	<u>12,548</u>	<u>12,548</u>

Operating lease agreements

The Group has various operating lease agreements for office and warehouse rental. The period of agreements is variable from 1-5 years.

Technical assistant and consultancy agreement

1) In 1987, the Company has entered into license agreement with an overseas licensor, who agreed to provide the Company with technical know-how for the production and manufacture of carbon black. The Company agreed to pay the license fee based on percentage of sales.

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2) In 2014, the Company has entered into a consultancy agreement with an overseas company in which it will receive information related to the availability of raw materials, raw material price trends, etc. The Company agreed to pay a fee for the amount of USD 2 million per annum. The term of the agreement is 2 years.

Bank guarantee and letter of credit

As at 31 December 2014, the Company had outstanding bank guarantees issued by the bank for electricity use amounting to Baht 12 million (*31 March 2014: Baht 12 million*) and outstanding letter of credit issued by the banks to guarantee payments to creditors amounting to USD 12 million (*31 March 2014: USD 12 million*).

17 Reclassification of accounts

Certain accounts in the consolidated and separate statements of financial positions as at 31 March 2014 and the consolidated and separate statements of cash flows for the nine-month period ended 31 December 2013 which are included in the 2014 interim financial statements for comparative purposes, have been reclassified to conform to the presentation in the 2014 interim financial statements.